

# Sri Lanka Thriposha Ltd.

## Ministry of Health



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The background of the slide is a close-up, slightly blurred image of many yellow lentils, creating a textured, warm-toned backdrop. The lentils are oval-shaped and have a bright yellow color with some brownish-orange shading.

# **Our vision**

**To create a non-  
malnourished,  
prosperous, proud  
and healthy nation  
out of Sri Lankan  
general public.**

## Our Mission

To empower the supplier forces that strengthen the local farmer with the concurrence of the General Treasury and with the assistance and supervision of the Ministry of Health for the future of a prosperous, grand and quality Sri Lankan nation in our motherland, to produce the Thriposha supplementary food rich with high, proper and standard nutrients and pack and finish and to continuously supply and provide and grant it for the wellbeing of the beneficiaries seeking good health and to be a grand family of Thriposha achieving victories in the nation and in the world through its massive operation, dedicated with the nobility in the pride of service and to be the first and only local company with an excellent dedication for maintenance of a healthy nation of Sri Lanka which meets the universal health index targets.



# **Sri Lanka Thriposha Ltd.**

## **Board of Directors - 2012**

- ❖ **Chairman, Mr. A.N.R.Amaratunga**
- ❖ **Director, Dr. Upul Ajith Mendis**  
**(Director General of Health Services)**
- ❖ **Director, Dr. (Mrs.) Shanthi Gunawardena**  
**(Director - Nutrition Coordination Section)**  
**Ministry of Health**
- ❖ **Director, Mrs. A.R.Ahamed**  
**(Legal Officer, Ministry of Health)**
- ❖ **Director, Dr. (Mrs.) Janaki Gunaratne**  
**(Head of the Institute of Industrial Technology)**
- ❖ **Director, Prof. (Mrs.) Deepthi Samarage**  
**(Paediatric Specialist)**
- ❖ **Director, Mrs. Geetha Wimalaweera**  
**(Director - Department of National Budget)**
- ❖ **Observer, Mr. M.H.B.Karunaratne**  
**(Chief Accountant - Ministry of Health)**

## Message of the Chairman of Sri Lanka Thriposha Ltd.

Having been started as a government owned Company, Sri Lanka Thriposha Ltd. approaches year 2012 with pleasure by successfully completing its maiden first year. After its initiation on 17.09.2010 as a fully government owned Company, it starts its administration with effect from 01<sup>st</sup> January under a new Board of Management. 2012 is its second year. Strength of our entity is a combination of a number of powerful resources. The resources called Human Resource, Physical Resource, supplies and service groups, groups of



beneficiaries and state assistance are combined to subscribe to this effort. Our value and efficiency is added to this collection of resources too. The efficient dedication of the Board of Directors and the staff for the improvement of the institution is praiseworthy.

We can say that we are rich with physical resources as sufficiently as the human resource. An environment conducive towards acquisition of a higher productivity by efficient use of them has been created. In addition to the manufactory and its buildings and machinery etc., the physical environment is enriched also with an attractive background. State assistance is essential for all our work in working as a government owned Company. It must be remembered with pleasure that we receive adequate state assistance prominently including that of the Ministry of Health and the General Treasury.

It is the beneficiaries who are at the receiving end of the final outcome of all these collective matters. It is the key duty of Sri Lanka Thriposha Ltd. to distribute the Thriposha supplementary food produced with a high nutritious quality and in a good standard and hygiene among the groups of beneficiaries scattered throughout the island in cities, villages and the suburbs. It is essential that the Thriposha supplementary food required for these beneficiaries be distributed continuously in proper manner and time.

The Thriposha Program performs a noble national mission for the purpose of saving children suffering from malnutrition and socializing the infant entering the future generation by making him a healthy citizen free of malnutrition. The Thriposha supplementary food is very high in nutritious power. Nutritious energy of the child growing gradually will reach an optimum level by providing it to the pregnant and breast feeding mothers.

Sri Lanka Thriposha Ltd. exerts a strenuous effort for the purpose of manufacturing the Thriposha supplementary food fully enriched with nutritious value. The staff of the Thriposha manufactory situated at Kapuwatta, Ja-ela is fully engaged in the enterprise of providing nutritious value required for the land. A twofold national mission is performed through Thriposha manufacturing process. They are the grand national mission of supplying Thriposha to the beneficiaries who require it and the national mission of promoting the agricultural economy by encouraging the local farmer in the form of purchasing maize and soya which are the main raw materials required for production of Thriposha under a certified price. This includes wholesale purchase of these farmer products richly cultivated in the areas such as Anuradhapura, Polonnaruwa, Ampara, Moneragala and Badulla under a certified price.

Production and distribution of Thriposha is also a sound process. It is a whole year process to continuously distribute Thriposha without any shortage for approximately a million beneficiaries scattered throughout the island from remote rural areas to the estates surrounded by mountainous and hard passages. The process of Thriposha distribution continuous so throughout the island from the factory in Ja-ela.

Finally, by offering curtsy to the local farmers who manufacture raw materials required for Thriposha production, I would like to extend my grateful thanks to suppliers who supply them to us, to our entire staff who contribute in their labour and strength for production of high quality Thriposha by working all day and night in the Thriposha Manufactory also by offering their contribution in various forms by joining with other sections of the entity, to members of the Board of Directors who are dedicated for the wellbeing of the entity, to the Hon. Minister of Health, Hon. Deputy Minister of Health, Health Secretary, and the staff of the Ministry of Health, to the entire official staff including the Divisional Directors of Health Service, Medical Officers of Health, Midwives, to the Department of Sri Lanka Railways which properly performs their distribution and to Dr. P.B.Jayasundera, the Secretary to the Ministry of Finance and General Treasury who provides us sufficient financial provisions and required assistance.

A.N.R.Amaratunga  
Chairman  
Sri Lanka Thriposha Ltd.

## Let's briefly identify the Thriposha Ltd.

- **Name of the institution** - Sri Lanka Thriposha Ltd.
- **Address** - P.O.Box 17.  
Negombo Road, Kapuwatta, Ja-ela.
- **Telephones** - 0112 - 236588  
0112 - 237418  
0112 - 233451
- **Fax no.** - 0112 - 237363
- **E-mail address** - thriposha@gmail.com
- **Ministry** - Ministry of Health
- **Nature of the institution** - a fully government owned company  
functioning under the Ministry of Health
- **Company Registration no.** - PB /3873
- **Main product** - The Thriposha additional food full of  
nutritious value and hygiene
- **Distribution centers** - \* all island Medical Health Centers  
\* Estates  
\* Centers of probation and child care
- **Nature of distribution** - by rail wagons and lorries
- **beneficiaries** - \* all pregnant mothers  
\* breast feeding mothers  
\* children with nutrition  
requirements  
\* certain patients
- **total number of beneficiaries** - approximately a million

**Sri Lanka Thriposha Ltd.**  
**Procurement Committees - 2012**

**Main Procurement Committee (upto Rs. 50 million)**

1. Chairman  
Sri Lanka Thriposha Ltd.
2. Director General of Health Services  
Ministry of Health
3. Additional Secretary  
Ministry of Public Administration and Home Affairs

**Minor Procurement Committee (upto Rs. 02 million)**

1. Chairman  
Sri Lanka Thriposha Ltd.
2. Senior Manager (Operations)  
Sri Lanka Thriposha Ltd.
3. Senior Manager (Human Resources and Legal)  
Sri Lanka Thriposha Ltd.

## **Audit and Management Committee- 2012 of Sri Lanka Thriposha Ltd.**

- **Mrs. K.G.K.Wimalaweera**  
(Chairperson) - Audit and Management Committee  
(Director) - Sri Lanka Thriposha Ltd.  
(Director) - Department of National Budget
- **Prof. (Mrs.) Deepthi Kumuduni Samarage**  
member - Audit and Management Committee  
Director - Sri Lanka Thriposha Ltd.
- **Mr. M.H.B.Karunaratne**  
Observer - Audit and Management Committee  
Chief Accountant - Ministry of Health
- **Mrs. Rani Fernando**  
Observer - Audit and Management Committee  
Internal Auditor - Ministry of Health
- **Mrs. Thanuja P. Alwis, Attorney-at-Law**  
Secretary of the Board of Directors  
Sri Lanka Thriposha Ltd.
- **Mr. Nishanth Hewagama**  
Finance Manager  
Sri Lanka Thriposha Ltd.
- **Mr. R.M.N.K.B.Rathnasinghe**  
Kapila Rathnasinghe and Company  
External Auditor
- **Mr. L.J.S.Premachandra**  
Convener - Audit and Management Committee  
Internal Auditor - Sri Lanka Thriposha Ltd.



# Let's identify Thripasha

Thripasha is an additional food very rich with nutritious quality. It is distributed free of charge to the rate of 02 packets of 750g for each beneficiary per month.

Two main objectives are anticipated to be met through production of Thripasha. They are,

- minimizing/prevention of maternal and child malnutrition and,
- promotion of economy of the local farmer.

The Ministry of Health spends annually a sum of around Rs. 1500 million for Thripasha Production.

## Raw Materials used for production of Thripasha

- Maize
- Soya beans
- Full cream milk powder
- Vitamin
- Minerals



maize



soya beans

These are the raw materials used for production of Thripasha. These raw materials are used at following rates for production.

- |                          |   |     |
|--------------------------|---|-----|
| • maize                  | - | 66% |
| • soya beans             | - | 30% |
| • full cream milk powder | - | 3%  |
| • vitamins               | - | .9% |
| • minerals               | - | .1% |



vitamin



Thripasha Packets



minerals



Milk powder

# Nutritional constituents of Thriposha

## Nutritional constituents

The additional food Thriposha is full of the highest nutritious quality. Nutritious constitution of 100g of Thriposha is as follows.

- |   |                     |
|---|---------------------|
| • Carbohydrates                               | 61.9g               |
| • Protein                                     | 20.0g               |
| • Fat   | 7.8g                |
| • Vitamins (International Standard)           | 1700.0              |
| • Iron  | 18.0mg              |
| • Almost all micro nutrients including Iodine | 44.0 micrograms     |
| • Energy                                      | 401.8 Kilo Calories |

## Main nutritious constituents

According to the above chart, this includes 61.9g of Carbohydrates, 20.0g of Protein and 7.8g of Fat. In addition, it also contains minerals, Vitamin, fiber etc.

## Provision of Thriposha

- Thriposha is highly helpful to cater to the nutritional deficiencies that can not be fulfilled by the main diet.
- A pregnant mother, or a breast feeding mother or an infant with nutritional deficiencies will receive two 750g packets of Thriposha each per month free of charge.
- It is proper to provide only the child suffering from nutrition deficiencies with an amount of 50g of Thriposha per a day.
- It is appropriate that a pregnant mother or a breast feeding mother gets 3 table spoonfuls of Thriposh daily in addition to the three main meals.

## Beneficiaries qualified for the Thriposha additional food



- All pregnant mothers
- All breast feeding mothers (up to 06 months in age for the infant)
- Infants over 06 months in age and pre-school children under 05 years in age suffering from malnutrition
- Children at -2D line on weight in the Child Card.
- Children exhibiting a rapid drop of weight during a period of 03 months according to the Child Growth Chart (Thriposha feeding may be terminated once the child regains normal weight.)
- Hospitalized patients and patients in wards belonging to the above said groups



## **Agricultural Crops emerging out of our soil to bring nutrition to the country**

Maize and soya beans are the raw materials used in largest quantities for production of Thriposha, which amounts to 66% and 30% in order. Sri Lankans living in a country with a climate favourable for farming, made their living on agriculture for hundreds of centuries. Our country was self-sufficient in the past. Paddy farming was the main livelihood. Paddy cultivation had spread abundantly throughout the areas of dry zone such as Anuradhapura, Polonnaruwa, Moneragala and Hambantota. Further, also a number of additional crops were cultivated richly from the past. Maize was also cultivated from the ancient history among the additional foods of Kurakkan, sesame, mustard, millet, cowpea, mung bean etc. It is customary from the ancient times up to now that the tender pods of maize are boiled and taken for food. Additionally, taking dried seeds of maize for food by boiling them, having the powdered seeds for food by preparing them as a paste or pittu and preparing other kinds of sweets from them were practiced by the Sinhalese. This type of grain full of nutritious value has turned out to be the main raw material used at present for Thriposha, the additional food in the country with the highest nutritious quality. Also soya, the grain with equal nutritious quality, is used to produce this additional food of Thriposha with high quality and full of nutrition. These additional crops, on the most part, are cultivated in the areas of dry zone and semi dry zone in the island.

### **Maize cultivation**

Maize was cultivated in our country from an untraceable time and originally, it was cultivated not as an economical crop, but, more often, for consumption of the villagers. Maize was also cultivated in certain areas as the staple food. The harvest of maize planted in the month of October with the beginning of Maha Season, is reaped somewhere around the month of January. Cultivation was not done so often during both seasons at that period. With the expansion of maize as an economic crop, now these cultivations of maize may be seen in different areas of the country. Seeds taken by drying the pods of maize are planted and the harvest can be reached in a period of about 136 days of such planting. This crop is cultivated in both seasons of Yala and Maha. Harvest of the seeds planted during the Yala season may be reaped somewhere around the month of August and the harvest of Maha season is reaped at the beginning of the year. Maize is very successfully cultivated in the districts of Anuradhapura and Moneragala. In addition, maize is cultivated also in the districts such as Badulla, Ampara and Kurunegala. Compared with the cultivation of soya beans, the extent of maize cultivated land is some 1/4 of that of soya beans, i.e., an area of land of some 3000 hectares.

## **Soya bean cultivation**

Soya beans are a kind of grain full of highest nutrients. Plants of soya beans are taken by planting them as seeds. Harvest can be reaped in about 50 - 60 days of planting seeds. Soya bean cultivation, in particular, requires a dry weather. This is cultivated from April to September in the Yala season as well as from October to March in Maha season.

Soya beans are abundantly cultivated in the districts and areas of Anuradhapura, Moneragala, Mahaweli H zone and a considerable amount is also cultivated in the areas of Huruluwewa and Matale. Reaping of the soya harvest during the Yala season starts at August and it starts in February during the Maha season. Soya beans have been cultivated in approximately 12,000 hectares in the island during 2012.

## **Purchasing the harvest**

The farmers who cultivate soya beans and maize sell their harvest to the Farmers' Associations in the area. The farmers in Mahaweli zones sell them out to the stores in the Mahaweli Authority of Sri Lanka. The Thriposha Ltd. continues to purchase these farmed items from Farmers' Associations and state entities.

## **Raw material requirements**

Thriposha additional food is continuously supplied island wide under the National Program for promotion of nutrition levels in Sri Lanka. The number of Thriposha beneficiaries living island wide including pregnant mothers, breast feeding mothers and infants amounts to approximately a million and accordingly, the monthly requirement of Thriposha finished food is approximately 1,5000 metric tons. It equals to an annual requirement of 18,000 metric tons. The approximate annual requirement of soya beans and maize to meet this demand is as follows.

maize	-	15,000 MT
soya beans	-	7000 MT

These requirements should be purchased under a specified time frame from the above farmer organizations etc. Maize and soya beans can be purchased in large amounts during their harvesting periods when their price is also low.

These farmer crops that are cultivated for an immeasurable period of time will remain among the crops richly cultivated on our land and a heavenly medicine like Thriposha additional food produced out of the crops reaped from them will highly contribute to generate a self sufficient land made by creation of a healthy labour force born out of the nutrition power coming out of this food produced by the Thriposha company.

# **Particulars of suppliers of raw materials required for production in the year 2012**

## **Soya beans and maize**

- 1. Farmers Center - Ampara**  
**No. 367**  
**03<sup>rd</sup> Floor, Dam Street**  
**Colombo 12**
- 2. Combined People's Farmer Company - Anuradhapura**  
**No. 17/10**  
**Oliyamulla**  
**Wattala**
- 3. Combined Farmers' Organization - Ampara**  
**No. 169**  
**Dutugemunu Mawatha**  
**Peliyagoda.**
- 4. K.S.T.Evergreen (Private Limited)**  
**No. 583, St. Jude Mawatha**  
**Rilaulla**  
**Kandana**
- 5. C.I.C.Seeds (Private Limited)**  
**No. 205 1/1**  
**D.R.Wijewardena Mawatha**  
**Colombo 10**

### **Milk Powder**

**Milco Ltd.**  
**No. 45**  
**Nawala Road**  
**Narahenpita**  
**Colombo 05**

### **Vitamin**

**J.K.Tradelink (Private Limited)**  
**No. 44**  
**Thalawatugoda Road**  
**Pitakotte**

### **Minerals**

**Wickremaratne Private Ltd.**  
**No. 231**  
**Dam Street**  
**Colombo 12**

### **Kraft Paper**

**Ceylon Paper Sacks**  
**No. 257**  
**Grandpass Road**  
**Colombo 14**

### **Polythene**

**Toughline Ltd.**  
**No. 188 Highlevel Road**  
**Meegoda**



## **History of Production of Thriposha, Passage up to the Present and Approach to Year 2012**

Production of Thriposha was initiated with the assistance of CARE institution in Canada in 1973 with the objective of providing a nutritious additional food to people in our country with nutritious requirements. This additional food, which at the beginning, was imported from the U.S.A. was packed in our country. Ministry of Health gave its contribution to this project from year 1976. The Management of Thriposha Project was transferred to the Ministry of Health by CARE institution in 1976. Consequently, on the tenders called for selection of a Company suitable for its Management, the Ceylon Tobacco Company was selected for the purpose. Subsequently, a tri-partite agreement was signed among that Company, the Ministry of Health and CARE institution. From then on, the Ceylon Tobacco Company was responsible for its management up to 17.09.2010.

This entity was registered as a fully government owned Company belonging to the Ministry of Health by the name of Sri Lanka Thriposha Ltd., on 07.09.2010 under registration no. P.B.3873 under the Companies Act no. 07 of 2007. Hon. Maithripala Sirisena, the Minister of Health, played a massive role to take this Company under the Ministry of Health. It was able to be established as a government owned Company under the Ministry of Health after submission of the Cabinet Paper no. 1./1236/415/039 dated 23/06.2010 to the Cabinet of Ministers and getting the same approved.

The project of Thriposha production with a history of some 40 years presently exhibits a successful headway by performing a more responsible and efficient role as a fully government owned Company. After taking over by the government under the ambit of the Ministry of Health, the entity was subjected to many positive changes and various actions were taken to increase production by encouraging the staff. The entity claimed a progress as a result of action taken such as installation of new machinery and worker welfare activities.

Almost all communities living in our country are well aware of the taste of Thriposha. The additional food of Thriposha claims a prominent place as a nutritional food very close to the hearts of Sri Lankans. They have identified its flavor and nutritional value for 40 years.

Our country needs a healthy workforce to perform a massive process of development in order to rise as a modern country. Quarantine programs as well as nutrition programs of providing the nutrition required from mother's womb will be of significance for this purpose. The Government has realized that provision of the required nutrition should be started at the mother's womb in order for our country to be turned into a nation rich with nutrition. As such, the actions required have been taken to supply Thriposha additional food without any shortage in order to equip the future generation fully with nutrition. This is the importance of the Thriposha Program. The next target is to issue the excess to the open market after free distribution of the required amount of Thriposha additional food to its beneficiaries by making work of the Thirposha Company more efficient and doubling its production.

It is with a view to achieving these objectives that our entity steps up to year 2012.

# Services rendered by each Section

1. Administration Section
2. Accounts Section
3. Quality Control Section
4. Packing Section
5. Production Section
6. Distribution Section
7. Engineering Section
8. Stores Section
9. Internal Audit Section
10. Medical Section

## **Administration Section**

Administration Section runs under the administration of Senior Manager (Human Resources and Legal). The approved cadre of the entity is 190 and all administrative functions required for this cadre is performed by the Administrative Section. This Section is responsible for a host of duties such as recruitment of workers, confirmation in service, promotion, retirement, disciplinary control and worker training programs etc.

Awareness conferences were held and training opportunities granted during this year in order to enhance worker performance. Opportunities were granted to Circle Leaders appointed for the Training Workshops on Productivity conducted by Productivity Secretariat. This brought about positive changes in the working environment through enhancement of efficiency in the entity, improvement of amity among workers and creation of an orderly fashion in duties performed. In addition, other worker training programs were also operated during year 2012.

Bonus payments were made for employees in the entity for some 30 years since even before the time it was taken over by the government, and this payment was continued without taking the factors of production data or attendance for service into consideration. In its place, an arrangement has been made at present to make annual bonus payments taking worker efficiency into consideration. It is a matter of pleasure that we have been able to build up confidence on Management through constant action required for close relations between employees and employers.

Recruitments during the year 2012 for the posts fallen vacant in the approved cadre are as follows.

<u>Category of service</u>	<u>no. recruited</u>
Manager MM 1-1	01
Junior Manager JM 1- 1	01
Management Assistant (Technical) MA-2-1	01
Management Assistant (Non -Technical) MA-1-1	01
Primary (Non-skilled) PL-1	08

### **Promotions**

An officer of the Junior Manager Level was promoted to Manager Level under the promotions granted in the cadre.

### **Retirement**

A Supervisor, 04 General Labourers and 02 Packing Employees have retired from service during the year.

### **Human resource of the Thriposha Ltd.**

Before the emergence of the Revolution for Freedom of Thought, labourers who worked in the factories throughout the world had to suffer a very low standard of life by shredding their sweat and working as slaves. There were no facilities at all for the workforce during that period of economy with exploitation of human labour.

Gradually, the world woke up to the need of freedom and free thought and with the recognition of human labor, the workers claimed comparatively a higher bargaining power.

The "cadre" then has turned out to be "human resource" today. Personnel Management has turned out to be Human Resource Management. We identify also the human resource in the Thriposha Ltd., as a very valuable asset. We are pleased to have a human resource which is fully dedicated for rendering a valuable service to the beneficiaries by up grading renown of the Company and protecting it.

Our institution may be identified as an entity which renders its service based on a production process. Our team of workers is diligently engaged in a day and night continuation of a process of production for the purpose of timely distribution of Thriposha supplementary food for some million beneficiaries living in villages and colonies. Thriposha Management is frequently on the look out for providing necessary facilities to our human resource made of such a team.

The total cadre approved by the Department of Management Services for our institution is approximately 190 personnel. It is this limited team which actively provides its contribution for the entire process of production and distribution of some 17,000 Metric Tons of Thriposha per year for the beneficiaries scattered throughout the island. Our staff performs a noble national role in the mission of enhancing the nutrition power of the Nation through this nutritious food produced very cleanly for the child in the mother's womb, the pregnant mother and to the breast feeding mother for her infant suffering from nutrition requirements and for small children suffering from such nutrition requirements.

### **Accounts Section**

Accounts Section is responsible for Finance Administration of the institution. Administered under the Manager (Finance), this Section has a Finance Officer and an Accounts Officers to assist him. The functions of this Section are the activities pertaining to a Finance Section including preparation of annual budget estimates and control of expenditure under such estimates.

### **Receipt of Provisions**

The amount reimbursed during the year 2012 as provisions received from the Ministry of Health for financial purposes in Sri Lanka Thriposha Ltd., is Rs. 1,283,090,315.91/-. Further, the income received during the year through the sale of sweeping suitable for animal consumption and other materials is Rs. 21,433,055.24/-. Accordingly, the annual income of the Thriposha Company is Rs. 1,304,523,371.15/-.

### **Salaries and Welfare activities**

An amount of Rs. 4,900,000/= has been granted to employees in the institution as housing loans under Salary Credit Advance and an amount of Rs. 5,775,000/- as welfare loans. Further, Distress Loans have also been granted to a value of Rs. 1,425,000/-. The amount spent for worker salaries during the year is Rs. 52,586,092.22 and Rs. 13,185,822.78 for cost of living etc. An amount of Rs. 15,165,808.88 has been paid during the year for Overtime. The contribution for the Employees' Provident Fund during the year amounted to Rs. 4,963,715.75 and the amount credited to the Employees' Trust Fund is Rs. 1,240,928.90.

## **Quality Control Section**

Quality Control Section functions under the Manager (Quality Preservation). Thriposha additional food which is used as an additional food for pregnant mothers, breast feeding mothers, infants and patients etc., should be prepared cleanly and with a proper standard under strict quality inspections. Therefore, the Quality Control Section should perform a massive role for this purpose under constant inspections.

First of all, raw materials including maize, soya beans etc., required for Thriposha production are thoroughly checked for proper standard in taking over to the manufactory from suppliers. The checking also includes microbe testing, physical testing and other testing in the Laboratory.

There are many instances when the containers of substandard raw materials brought to be produced to the Thriposha Company happen to be returned for the reason that such raw materials are proved to be not up to the standard expected. The process of production of Thriposha additional food is started by using raw materials in proper standard. Frequent sample testing is done at the Laboratory and Thriposha, in very good condition, is ultimately transferred to the Packing Section. Quality testing process runs up to the final stage of issuing Thriposha additional food to be distributed to beneficiaries. It is as a result of this process that Thriposha has become a fresh, tasty, nutritious and splendid additional food in high standard.

## **Packing Section**

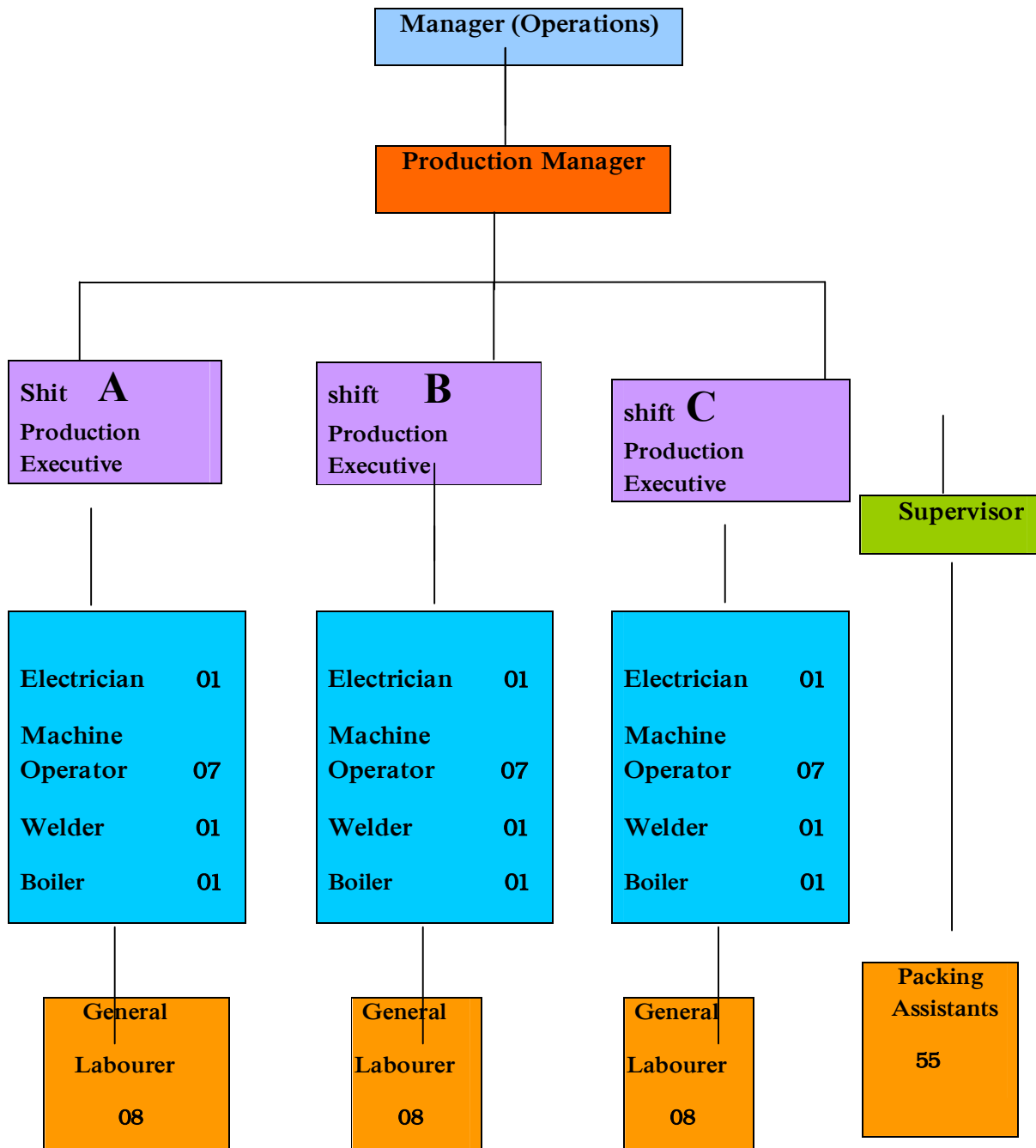
Packing of Thriposha powder, processed to be suitable for consumption at the end of all stages to be passed at the Production Section, for distribution to beneficiaries is done at the Packing Section. Packing is done manually as well as mechanically. Workers at the Packing Section are engaged in measuring of Thriposha routed to the Packing tanks after preparation to the level suitable for consumption and packing them into 750g packets. Hygiene of the workers in this Section is a priority

consideration. Health of these workers is thoroughly checked by the Medical Unit established in Thripasha Company. Full attention is paid to their cleanliness of nails, body and ailments they are undergoing.

Workers at the Packing Section should wear masks covering mouth, head covers and aprons to cover the body. Packing of Thripasha is done in these special kits in an air conditioned premise. It is in order to fully ensure the hygiene of Thripasha additional food that respiratory ailments etc. are checked up well.

### Production Section

#### Organisational chart of the Production Section





## Action taken during the year to accelerate Thriposha Production

New machines and several parts required for acceleration of Thriposha production could be installed during the year. Accordingly, installation and modification of machines were done as follows. This brought about successful results and action required for achievement of future goals was started.

### Installation of new machines

- Installing the machine for mixing soya beans and maize (Proposanate Mill)
  - 02 Proposanate Mills were installed to enable separation of Soya Beans and Maize into proper proportions which facilitated mixing of maize and soya beans to the rate of 66% and 30% respectively.
- Installing a new Mix Mill
  - A 1000 kg capacity Thriposha mix mill was installed which properly mixes Thriposha by making work more safe and easy.
- Installing a tank for storing raw materials.
  - Sufficient raw materials storage capacity was received by fixing a new model tank with 100MT capacity for storing raw materials.
- Installing a new packing machine.
  - So far packing work was performed only during a single shift utilizing human labour and the installation of the new packing machine has enabled packing of Thriposha throughout all 24 hours of the day.
- Purchasing an Anderson Machine.
  - Action is being expedited for purchasing a new Anderson Machine in order to increase production of Thriposha. Through purchase of this new machine it is expected to double the Thriposha production from 55 MT upto 110 MT per day.

### Excess in production and future goals

The number of Thriposha beneficiaries scattered throughout the island is approximately a million and 55 MT of Thriposha should be manufactured per day to cater to their requirements. Therefore, the need has arisen for increasing production of Thriposha in order to meet these requirements. With fixing of the new Anderson Machine, it is expected to double the production thus enabling 100% fulfillment of requirement of the beneficiaries. It will also open opportunities to contribute to the national mission of eliminating malnutrition from the country. Additionally, it will also enable the production in surplus be issued to local and international market.

## Thriposha Production Plan - 2012

description	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Blends per hour	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Amount of a blend kg.	900	900	900	900	900	900	900	900	900	900	900	900
No. of production dates	22	22	24	21	22	22	23	22	21	22	24	22
No. of days for maintenance	4	4	4	4	4	4	4	5	3	4	4	4

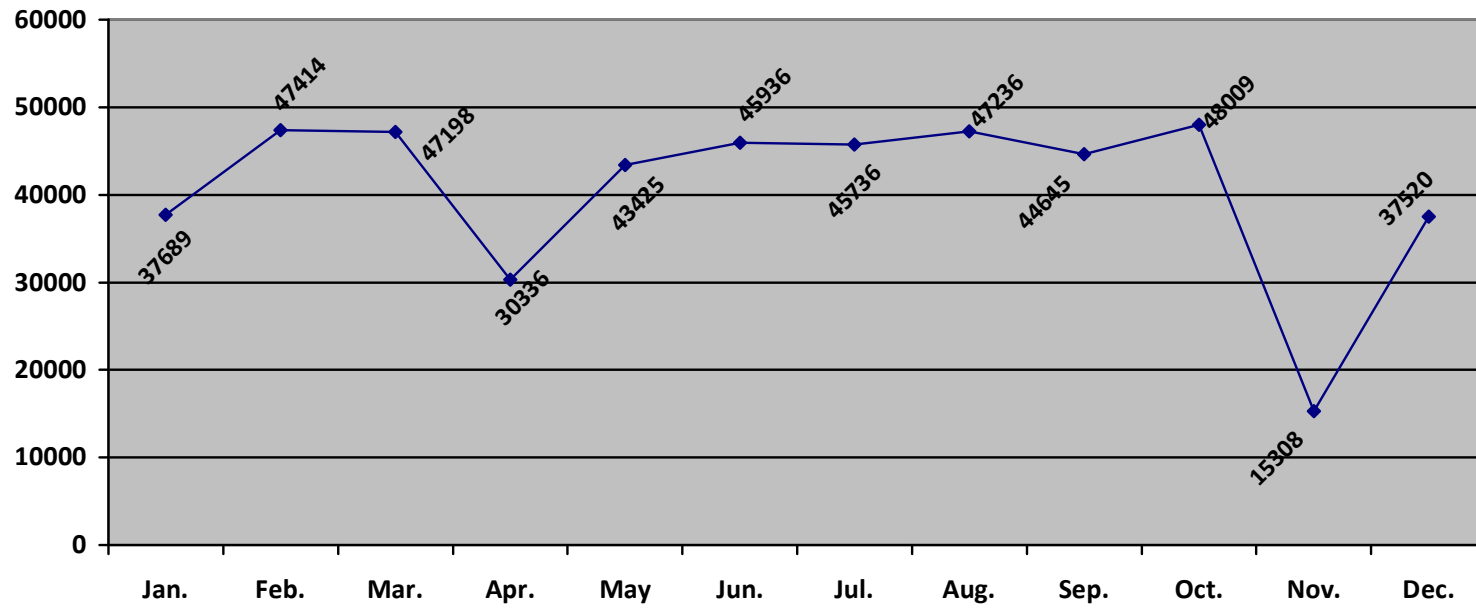
### Production in Thriposha Master Bags

description	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Master bags (Per month)	56,676	56,676	61,716	53,988	57,012	57,348	62,052	57,348	53,988	57,012	62,052	55,668
Master bags (Per day)	2,576	2,576	2571	2,571	2,591	2,607	2,698	2,607	2,571	2,591	2,585	2,530

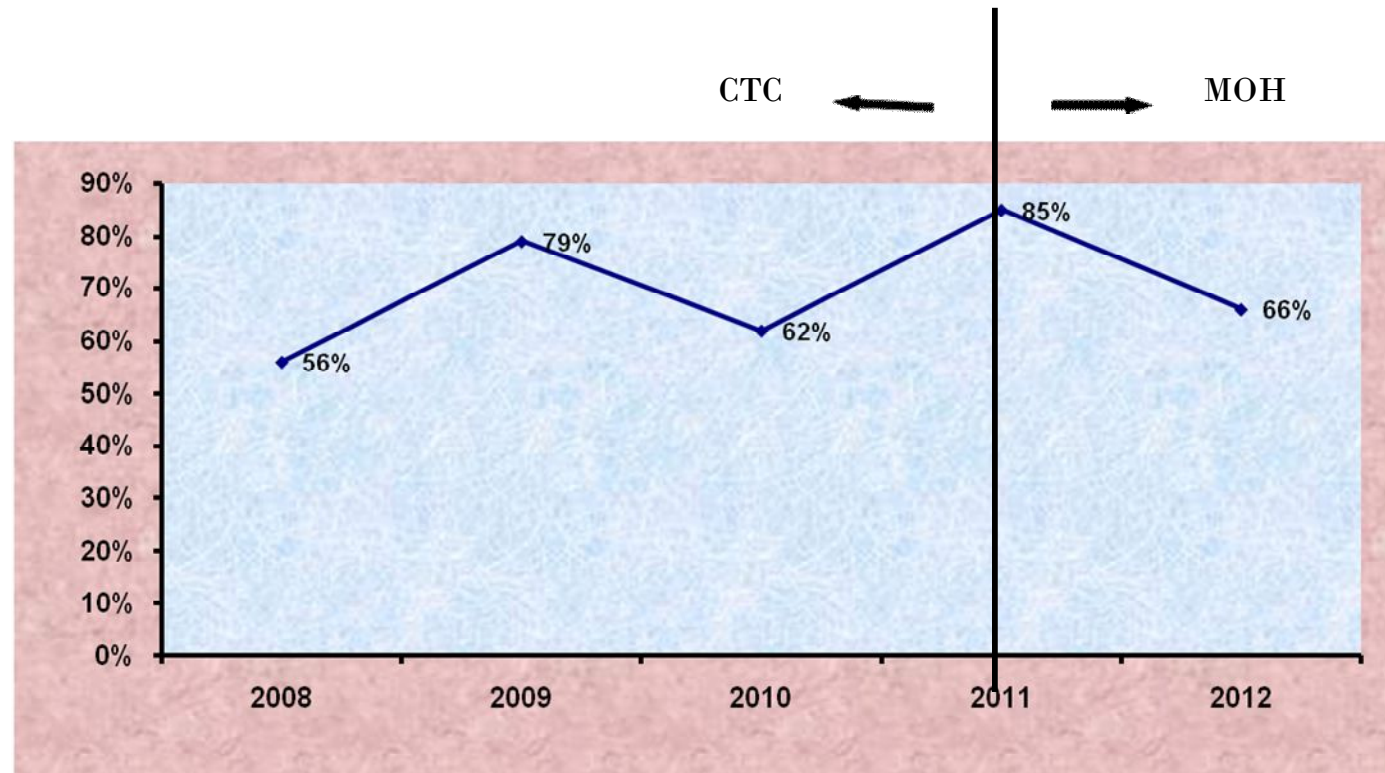
### Supply of raw materials

2012		Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
maize	77.00%	989.60	989.60	1076.92	943.03	995.43	1001.25	1082.74	1001.25	43.03	995.43	1082.74	972.14
Soya beans	36.00%	462.67	462.67	503.50	440.90	465.39	468.12	506.22	468.12	440.90	465.39	506.22	454.51
Milk powder	3%	38.56	38.56	41.96	36.74	38.78	39.01	42.18	39.01	36.74	38.78	42.18	37.88
vitamins	0.10%	1.29	1.29	1.40	1.22	1.29	1.30	1.41	1.30	1.22	1.29	1.41	1.26
Minerals	0.90%	11.57	11.57	12.59	11.02	11.63	11.70	12.66	11.70	11.02	11.63	12.66	11.36
Polythene bags	1333.3	1700267	1700267	1851467	1619627	1710347	1720427	1861547	1720427	1619627	1710347	1861547	1670027
Kraft paper	44.4	56676	56676	61716	53988	57012	57348	62052	57348	53988	57012	62052	55668
Twine cones	1.3	75	75	82	72	76	76	83	76	72	76	83	74

## Monthly Production (Master Bags)- 2012



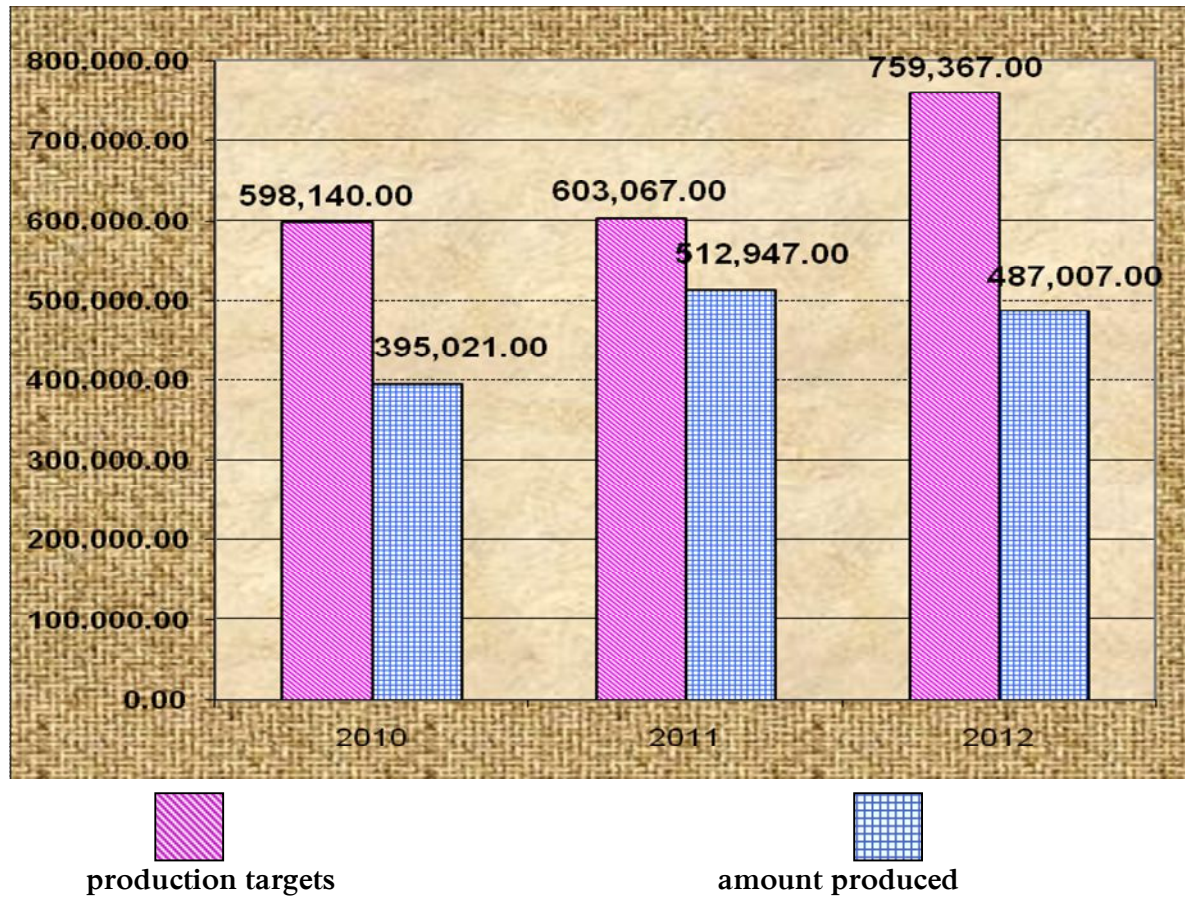
## Percentage of Production based on requirements of beneficiaries



### Reasons underlying drop of production in 2012

- Time spent for installation of new machinery
- Lack of packing materials
- Lack of raw materials

## Annual targets and amounts achieved



- Reasons for the drop of production in 2012
1. time spent for installation of new machinery
  2. lack of packing materials
  3. lack of raw materials

## Distribution Section

### Process of Distribution of Thriposha

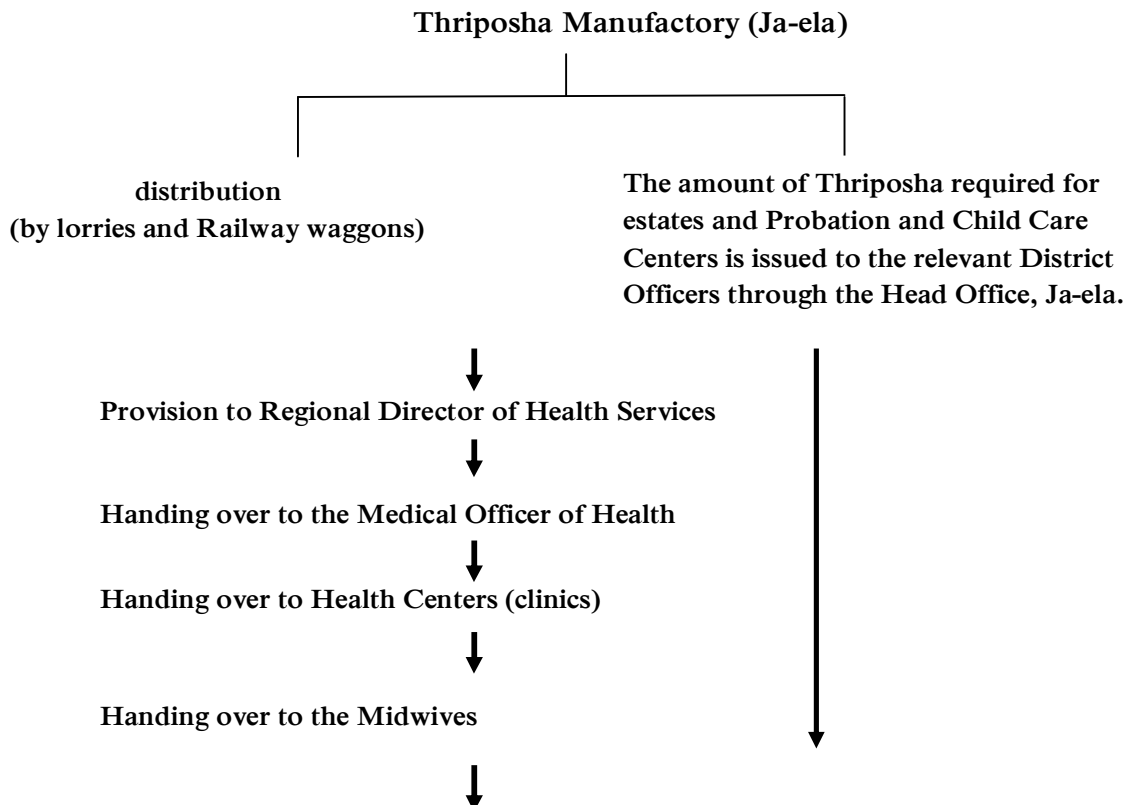
Thriposha powder, routed from Packing Tanks in the Thriposha Manufactory through Packing Machines, is packed into 750g packets at the final stage and such Thriposha packets are later packed into Master Bags. Each Master Bag contains 30 packets. Thereupon, they are speedily prepared for distribution purpose. Distribution of Thriposha Master Bags throughout the island including the North and the East is done by Railway Wagons and Lorries.

This is how Thriposha is distributed to the mother and child with its entitlement.

### Distribution under divisions of Medical Officer of Health

To begin with, a Thriposha annual questionnaire is sent to all centers of Medical Officer of Health in order to collect data and information required for distribution of Thriposha to the beneficiaries living under the Divisions of Medical Officer of Health. The number of beneficiaries entitled for receiving Thriposha Powder is calculated based on data received through the said questionnaire. This calculation is made under supervision of the Directors of the Nutrition Division of the Ministry of Health. Once this calculation is over, action will be taken by the officers of the Distribution Division of the Thriposha Company to send Thriposha designed to be dispatched to each center on the recommendation of the Director of the Nutrition Division. The number of approved beneficiaries for the year 2012 amounts to a million (1,000,000).

Distribution process operates as follows.





# Beneficiaries of Thriposha



## Distribution of Thriposha in estates

Distribution of Thriposha is made properly even to the beneficiaries in the Districts such as Nuwaraeliya, Hatton, Matale, Kegalle, Kandy, Matara, Galle, Badulla and Kalutara also including estate areas covering the Central and Down Southern mountain ranges and estates adjoining slopes. They are directly transported to each of the estates from the Manufactory in Ja-ela.

After making calculations based on the information received from Medical Practitioners serving in the estates, the amounts of Thriposha are directly sent to the estates for distribution among beneficiaries.

## Distribution of Thriposha for the Department of Probation and Child Care

Thriposha is also issued to the Children's Homes in the island belonging to the Department of Probation and Child Care. The required amounts of Thriposha are provided to the Divisional Officers of the Department of Probation and Child Care to be distributed under their recommendations.

## Expenses of Thriposha distribution

An amount of Rs. 1,370,586.32 had to be spent in year 2012 for private transport purposes and Rs. 5,595,259.60 for transportation in Railway Waggon.



At Thriposha distribution Clinics .....

# How Thriposha is distributed in Sri Lanka

## Divisions of Regional Directors of Health Service and other Sections

### Divisions of Regional Directors of Health Service

#### Western Province

- Colombo
- Gampaha
- Kalutara

#### Southern Province

- Galle
- Matara
- Hambantota

#### Central Province

- Kandy
- Matale
- Nuwaraeliya

#### Sabaragamuwa Province

- Ratnapura
- Kegalle

#### Uva Province

- Moneragala
- Badulla

#### North Western Province

- Puttalam
- Kurunegala

#### North Central Province

- Anuradhapura
- Polonnaruwa

#### Eastern Province

- Ampara
- Batticaloa
- Kalmunai
- Trincomalee

#### Northern Province

- Jaffna
- Kilinochchi
- Mannar
- Vavuniya
- Mullaitivu

#### Estate areas

- Nuwaraeliya
- Matara
- Hatton
- Matale
- Ratnapura
- Galle
- Badulla
- Kegalle
- Kandy
- Kalutara

#### Children's Homes belonging to The Department of Probation and Child Care

- Anuradhapura
- Battaramulla
- Badulla
- Galle
- Jaffna
- Kurunegala
- Ratnapura
- Kegalle
- Trincomalee

## **Engineering Section**

Engineering Service Section is responsible for maintenance of machinery in the Thriposha Manufactory in a condition suitable for production. Functions of a host of Sections including the main work shop and Engineering Store are related to the Engineering Service Section functioning under the Manager (Engineering and Production Services). This Section is responsible for proper operation of the factors required for continuation of production activities under 03 work shifts day and night. Functions such as uninterrupted supply of fuel, water and electricity required for production purposes in the manufactory, repairing, maintenance, and tasks such as proper installation of new machinery etc. are significant hereunder. Engineering Section is also responsible for performance of following functions.

- Immediate repairing of stoppages, standstills and other defects in machinery.
- Performing functions such as lathe work, fitter work, welding work etc. in the Main Workshop in the Engineering Section.
- Performing all Civil Engineering work in the entity. This includes constructions, additions and improvements in the buildings and their parts.
- All functions in the Transport Division
- Maintenance of refrigerators, generators, photocopiers and other office equipment in the office and their servicing and maintenance.
- Proper maintenance of fire extinguishers and preparatory trainings etc.

## **Warehouse Section**

Warehouse Section runs under the Manager (Productions). There is a Warehouse Officer and other staff to support him. This Section is responsible for proper storing of raw materials required for production, co-ordination of distribution of final finished products, proper application of lorries, railway wagons etc. required for distribution and assisting distribution work, storing other materials (sweeping etc.) that are not used for distribution, control and taking action for sale, making arrangements for orderly issue of stocks so that they will be issued in order of the date of manufacture so that old stock will be issued early and constant maintenance of stock levels etc.

## **Internal Audit Section**

Functions of the Internal Audit Section are performed by an Internal Audit Officer directly responsible to the Board of Directors. Attending the internal administrative system on financial affairs and conducting surveys and independent evaluations required for uncovering errors and shortcomings in such affairs is a principal responsibility entrusted to the Internal Audit Section. This Section is also responsible for submission of recommendations and propositions required for preventive measures for such errors and shortcomings. Internal Audit Section is also engaged in the functions of carrying out investigations on delays in work, uncovering waste and unnecessary expenses and inquiring into suitable internal systems of administration to prevent them and ensuring that the accounting procedure in the entity is in order and that the accounts and other records are in order. This also includes examining the procedure adopted in safeguarding assets in the entity and ensuring that activities in it are done in accordance with relevant procedures, circulars and other regulations. Functions of the Internal Audit Section are carried out independently by the Internal Audit Officer. He is directly responsible to the Chairman and Board of Directors.

## **Medical Section**

Constant checking of the health of the employees in every Section of the Thripasha Company including the Sections of Production, Packing and Distribution is a main duty of the Medical Section. In particular, sound maintenance of hygiene of the workers in the Packing Section is entrusted to the Medical Section. This includes giving first aid for ailments of the workers in the entity and provision of treatments and medicine. There is a Public Medical Practitioner and an experienced Nurse in service at the Medical Section.

Medical Section is also responsible for provision of health education to the employees in the institution, checking their blood pressure and giving injections to those who require them, and checking height, weight etc., when and as required as well as making due arrangements to carry workers to the Hospital when required.

There is a host of duties such as issue of medicine required for first aid boxes, inspecting the Canteen, garden, women's rest room and toilets, looking into their sanitation and raising awareness on the hygienic methods to be practiced etc., performed by the Nurse employed at the Medical Section.

# National Level Victories we achieved during year 2012

## Generation of a productive service through efficiency

Sri Lanka Thripasha Ltd., joined the program of implementing the five fold concept of fulfilling the goals of the government to turn the Public Service in Sri Lanka into an efficient public service which abides by the anticipations of the people, with the positive objective of enhancing efficiency. Even though this institution made initial preparations during year 2011 for the process of five fold concept of productivity, it was implemented during year 2012. Having presented itself for the National Productivity Award Tournament annually organized by the National Productivity Secretariat functioning under the Ministry of Productivity Promotion, it adjusted our physical environment and developed the human resources as required for the purpose.

## Claiming Productivity awards

Human resources were motivated to change the environment positively based on the five fold concept and create an interesting and appealing service environment and promote efficiency in that environment. The relevant worker teams were enabled participation in courses and workshops conducted by the National Productivity Secretariat and they were equipped with required knowledge. As a result, physical environment was modified facilitating an orderly fashion in every section in the institution. A team of workers could be witnessed who were more dedicated and diligent than previously. It is a grand victory we achieved at last by being able for the first time to win the all island D1 Grade under Middle Standard of the Production and Service Section at the evaluation made at national level at its presentation for the National Productivity Awards. We hope that under the momentum gathered by this initial triumph achieved by being present for this competition for the first time, we will be able to achieve higher and greater victories in future.



## Trophies and Certificates we have received

## Operation of S 5 Concept

So many changes in the institution were effected through the five fold productivity concept bringing about a host of attitudinal changes in the physical environment and the human resource. The proper arrangement of the physical environment also cooled the mind.

Before activation of S 5 concept



after effecting S 5 concept



## Raising production

Sri Lanka Thriposha Ltd., remains at a high standard in efficiency and productivity. Efficiency promoted after the entity been taken over by the government among employees in it brought about a considerable growth of the production capacity of the Thriposha Ltd., compared with the capacity existed previously. The capacity to produce only 71% of the total Thriposha requirement in the country before been taken over by the government could be improved up to 94% of the total requirement of the country within a very short period after been turned into a government owned Company as a remarkable result of this efficiency.

## Attending Quality Circle Tournament

"Shakthi" Circle in the Production Section of our Company appeared for the all island Quality Circle Tournament conducted by the National Productivity Secretariat. The project of minimizing the amount of fuel consumed in the boiler at the Manufactory was the solution presented for a problem selected at that event. This project was a very successful project accomplished by our Company. The maize and soya bean mixture required for production of Thriposha is boiled and desiccated by the use of the steam produced by the boiler in the Manufactory. At this process fuel (Diesel) was required to heat water in the boiler purported to produce steam. The ways to minimize the amount of fuel consumed in the boiler were studied by the Quality Circles. The said successful solution discovered by the Quality Circle is as follows.

The water heated at the boiler is turned into steam and runs through pipe lines into the Anderson machine and then, maize and soya beans mixture is boiled and desiccated by the use of this steam. Thereafter, this steam is condensed into water and disposed. The solution discovered through this project was to return this disposed water back into the boiler. The water so returned into the boiler, then, increases the temperature of water already existing in the boiler from 35 degrees up to some 80 degrees thus reducing the time taken for the water in the boiler to heat to the required degree which, in other words, means a reduction of the amount of Diesel used at this heating process. As such, this project has enabled reduction of the amount of Diesel consumed per hour in 06 liters from 37 liters to 31 liters.

Financial returns earned through saving diesel

The price of a liter of Diesel then was Rs. 115/-. Accordingly, the saving is as follows.

I. The amount able to be saved per hour	- Rs.	690.00
II. The amount able to be saved per month	- Rs.	430,000.00
III. The amount able to be saved per year	- Rs.	5,160,000.00

The magnitude of economic gains achieved through this project may be measured through the amount of over five million rupees saved per year.

### Saving water

Prior to the introduction of this project, the steam produced by the boiler was added into the production process and finally the steam turned into heated water was disposed without taking any use. Since re use of this boiled water by addition into the boiler was the main function introduced by the Project, the resource of water could be saved in the form of saving some 900,000 liters of water annually by its re use, which amounts to a massive economic gain.



## "Shakthi" Circle drama which gained all island excellence

The project of minimizing the amount of Diesel consumed by the boiler in the Manufactory was presented to the Quality Circle tournament and it was presented in the form of a drama performance. This drama presented by members of the Shakthi Circle in our Company was in a very high standard and it won a prominent place among other dramas. As a result of this successful presentation, it won at the first round of the District Level held in the Auditorium of the District Secretariat, Gampaha, and subsequently, it also won the second round at Provincial Level held at the Auditorium of the Productivity Secretariat on 31-10-2012. Our drama which won the provincial level tournament was also presented for the grand finale at the national level.

We humbly, but with happiness and exalting feelings, state that Sri Lanka Thripasha Ltd. has won the all island second place at this Quality Circle Drama Competition held with the participation of Production Sections of all state entities of the island. There was no first place awarded at this competition. Therefore, we won excellence both at this Production Circle Competition as well as among the performance dramas presented. This is a remarkable victory our institution has achieved during year 2012.



### Beginning of the drama - getting permission from the audience

(The English Translation of the poetic recitation used for this purpose goes as "*Dear ladies and gentlemen, we request your permission for this presentation. We all have come from Thripasha Company to uncover our project completed on the stage and we beg for your earnest forgiveness if there is any defect in this drama*".)



## Welfare and Socio-religious Affairs

After its conversion into a state entity, it is equally important to create a more satisfactory institutional environment for the workers by initiation of welfare activities for them as improvement of their efficiency as a result of the addition of state outlook. Employees' Welfare Association set up for the welfare of employees in this Company engaged in production and other various activities was originally initiated after this entity was established as a state body. Various welfare activities were performed by this Welfare Association commenced by the name of the "Welfare Association of Sri Lanka Thripasha Ltd.", in order to promote welfare, unity and cooperation among employees during the year 2012. Sri Lanka Thripasha Ltd. offered its fullest support and assistance for these welfare activities. A system of Distress Loan is in force for the members of this Welfare Association where they are offered instant distress loans up to Rs. 20,000/-. Additionally, material and financial gifts are offered in grateful evaluation of the service of the employees at their retirement and resignation by organizing farewell events. Organizing the function to mark the commencement of work for the New Year and organizing the year end party were made by the Welfare Association. The one day limited over cricket match was held very successfully at the Nawaloka Stadium, Wattala. The Welfare Association also offered its fullest cooperation in organizing Sinhala & Hindu New Year - 2012 and performing religious observances required for the festivals of Wesak and Christmas etc.

The Annual Trip - 2012 of the Thripasha Company was conducted as a tour to Trincomalee with participation of all employees. Having travelled up to Trincomalee in buses, they took part in a sea tour with the assistance of the SL Navy, Trincomalee. This sea tour in a sea vessel was a novel experience to many of the participants.



## Conclusion

Sri Lanka Thriposha Ltd., as a fully government owned Company under the supervision of the Ministry of Health, is engaged in the task of production and distribution of Thriposha additional food with a view to creating a healthy generation by eliminating malnutrition from the country. This program is successfully operative under instructions and guidance of the Hon. Maithripala Sirisena, the Minister of Health as well as the full assistance of Hon. Lalith Dissanayake, Attorney-at-law, and the Deputy Minister of Health. We also appreciate the instructions of Dr. Nihal Jayatilleke, the Secretary to the Ministry of Health and assistance rendered by the staff of the Ministry. A special note of thanks is due for the assistance granted by Dr. P.B.Jayasundera, the Secretary to the Ministry of Finance and the Secretary to the General Treasury. Our Company has been able to promote production efficiently since it received the required financial provisions in time. The Board of Directors including the Chairman who maintain the Thriposha Company as a successful entity complying with state policies by taking it to the correct path deserves commendation of all of us.

The team of people contributing to the manufacture of Thriposha should be remembered here. The number of Thriposha beneficiaries calculated by the Nutrition Coordination Section of the Ministry of Health after gathering information through a questionnaire in order to identify Thriposha requirements is utilised for the purpose of Thriposha distribution. Thriposha bags are transported to different areas in the country by railway waggons and lorries. The service rendered at this stage by the Sri Lanka Railway Department is commendable. Our thanks are also due to the other mediums of transportation.

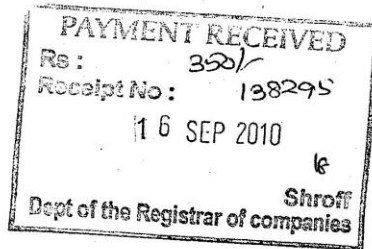
Divisional Directors of Health Service are responsible for distribution of Thriposha additional food monthly to the beneficiaries. The service rendered by them is also thankfully noted here. We would also like to offer our thanks to the Medical Officers of Health, Divisional Inspectors of Health, Midwives as well as the staff serving in Offices of the Divisional Directors of Health Service, and Offices of Medical Officers of Health contributing to the functions of distribution.

It is an extremely responsible trust to produce Thriposha additional food in proper standard and proper sanitation, efficiently and continuously and distribute throughout the island in time for the benefit of some million beneficiaries of Thriposha scattered all over the country in villages and towns. There is only a staff of less than 200 personeel dedicated to perform this duty in the Sri Lanka Thriposha Ltd. This team includes personnel in the categories of Senior Manager, Manager, Junior Manager, Supervisor, Skilled and Semi-skilled Primary Services as well. This staff performs a grand national mission by its dedication day and night. Therefore, the service rendered by the entire staff should also be esteemed herein.

Maize and soya beans are the primary raw material requirements for production of Thriposha. We are so proud of being able to make use of the nutritious value of the local cultivations of maize and soya beans for production of Thriposha. Sri Lankan local farmers deserve our tribute for providing maize and soya beans cultivated by them in fertile fields in the districts of Anuradhapura, Polonnaruwa, Badulla, Moneragala and Ampara etc. Equally, the suppliers of such crops to Sri Lanka Thriposha Ltd. by receiving them from these local farmers should also be remembered. We also offer our thanks to the other suppliers who supply us with vitamins, milk powder etc. We also make use of this opportunity to offer our respects to all those who are contributing in any way to the process starting from the stage of sowing the seed of maize or soya beans up to the stage of handing the packet of Thriposha additional food over to the pregnant mother or breast feeding mother.

Thriposha is a food filled with nutrition. Let us be further and further determined to work in dedication to eliminate malnutrition from the country, to generate a healthy labour force, to build up a developed nation through their contribution and finally to witness a country of Sri Lanka which shines in the continent as the Wonder of Asia.

**ARTICLES OF ASSOCIATION  
OF  
SRILANKA THRIPOSHA LTD**



**ARTICLES OF ASSOCIATION  
OF  
SRI LANKA THRIPOSHA LTD**

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**INTERPRETATION**

1. In these presents if not inconsistent with the subject or context, the words standing in the first column shall bear the meaning set opposite to them respectively in the second column.

**WORDS**

**MEANING**

The Company

Sri Lanka Thriposha Ltd

The Act

The Companies Act No. 7 of 2007

These Presents

The Articles of Association of the company for the time being in force.

Special & Extraordinary Resolutions

The meaning given in the ACT

The Board

The directors of the company for the time being including (whether the context so admits or requires) Alternative directors

Year

Calendar Year

Seal

The common seal of the company

In Writing

Written or words reproduced in a visible form of communication.

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2. The regulation contained in the model articles of First Schedule to the Companies Act No. 7 of 2007 shall apply to the company and be deemed to be incorporated herewith except so far as they are herein expressly or by implication modified or excluded.
3. The company is a Public Company and prohibits the company from offering the shares or other securities issued by the company to the public.
4. The number of share holders need to be limited to one.

#### **OBJECTIVES**

5. The company for the time being shall in particular engage in and undertake:
  - i. To facilitate to development, production and distribution of Thriposha - a Sri Lanka fortified supplementary food product in order to reduce the maternal and child malnutrition of Sri Lanka.
  - ii To encourage the income generation path for the local farmers who supplies the raw material for Thriposha Production as far as possible.
  - iii To produce and market any other form of fortified blended food items based in government policy.
  - iv. To assess the annual requirement of Thriposha and take necessary actions to supply.

#### **ISSUE OF SHARES AND STATED CAPITAL**

6. The issued capital of the company shall at all the times held by Secretary to the Treasury on behalf of the Government of Sri Lanka.
7. The Stated capital of the company shall be Rs. 304.6 Million
8. Section 49 (2)(b), 2(c) and (3) of the Act shall not apply to the company.

#### **MEETINGS OF SHAREHOLDERS**

9. Meetings
  - (i) The Board or the Chairman may convene an extra ordinary general meeting of the company at any time for any special reason in the same manner as a general meeting is convened.

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- (ii) The board shall call an annual general meeting in each calendar year not later than six months after the balance sheet date of the company, except in the year of incorporation. The first annual general meeting may be held within 18 months after incorporation. The period between two annual general meetings shall not be more than 15 months.

#### **NOTICE OF THE MEETING**

10. Written notice of not less than fifteen working days shall be given of every annual general meeting or a meeting convened for passing of a special resolution and ten working days notice in the case of any other general meeting. Notice shall be given to every share holder entitled to receive notice and every director of the company and in the case of an annual general meeting to the auditor as well.
11. Notice need not to be given for any adjournment for less than thirty days provided the date, time and place are announced at the meeting that is being adjourned.
12. The notice must set out the date, time and place of meeting, the general nature of the business to be transacted and the text of any resolution to be submitted.

#### **PROXY**

13. The notice must also state that the shareholder is entitled to appoint another person (Whether a shareholder or not) as his proxy and to vote instead of him. Notice of the appointment of a proxy must be received by the company not later than twenty four hours before the time of the meeting.

#### **DIRECTORS**

##### **14. Appointment**

- i. The number of directors of the company shall be seven (07) and shall comprise as follows.
- (a) Representative from Ministry of Finance & Planning
  - (b) Representative from Ministry of Health - Director General of Health Services (Ex officio)
  - (c) Director, Nutrition Coordination Division of Ministry of Health
  - (d) A Medical Consultant – Pediatrician / Consultant Community Physicians
  - (e) A Food Technologist – Industrial Technology Institute

- (f) Legal Specialist
- (g) Management Specialist.
- ii. The Secretary to the Treasury shall nominate the representative from the Ministry of Finance & the Secretary Ministry of Health shall make the appointment.
- iii. Secretary Ministry of Health shall make the appointment of the other six members of the Board with the concurrence of Minister in charge of Ministry of Health.
- iv. The appointing authorities shall revoke the appointments made by them by way of written notice to the chairman and directors with a copy to the Secretary of the company.
- v. Chairman shall nominate by the Minister in charge of Health amongst the directors appointed by the Secretary Ministry of Health for such period as he may consider necessary.
- vi. The chairman shall preside at all meetings of the Board and in his absence the directors shall elect a member from among those present to preside at that meeting.

#### 15. Remuneration

The remuneration of the Directors shall be paid in accordance with the currently effective rules & regulations of the government.

#### DISQUALIFICATION OF DIRECTORS

16. The office of the director shall be vacated in any of the following events namely:

- (a) If he becomes bankrupt or insolvent: or
- (b) If he prohibits from being a director by reason of an order made under section 213 or section 214 of this Act: or
- (c) If he becomes unsound mind or mentally deficient: or
- (d) If he resigns his office in writing to the company: or
- (e) If he removes from office under Article 14 (iv) of the Articles of Association.

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#### **POWERS & DUTIES OF DIRECTORS**

17. The Board of Directors is vested with all powers of managing the business, activities and affairs of the company subject to the section 185 of the Act and may entrust or delegate their power except matters described in the sixth schedule to the Companies Act No. 07 of 2007. However the Board of Directors shall bound by the Government rules & regulations.
18. The board may subject to the provisions of the 6<sup>th</sup> schedule to the Act, delegate any of their powers to committees consisting of such member or members of their body as they think suitable. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Board in good faith with the company.
19. The board may time to time raise, borrow or secure the payment of any sum or sums of money and obtain, other accommodation for the purposes of the company and may give security for the same by mortgage or pledge or issue of bonds, debenture or debenture stocks of the company or other in such other manner and upon such terms and conditions in all respect as obtained with a prior written approval of the minister of the subject of Health with consent of Minister of Finance.

#### **PROCEEDINGS OF DIRECTORS**

20. The Board of Directors shall meet at least once in every month. The directors may meet, adjourn and otherwise regular their meetings as they think fit for the smooth operations of the company.
21. The chairman may convene a board meeting at any time on the request of a director and the secretary shall summon a meeting of the directors by notice in writing given to each director.
22. Notice of the meeting and board papers together with the agenda of the board meeting should reach all board members of the board by registered post or by hand within a reasonable period of time.
23. Minutes shall be kept in books provided for the purpose of all proceedings of board, committees and general meetings, resolution passed and orders made at such meetings and any minute signed by the chairman of such meetings or by the chairman of the next following meeting of the board committee or company

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as the case may be shall be evidence without further proof of the facts therein recorded.

#### **QUORUM FOR DIRECTORS MEETING**

24. The quorum for the meetings of the Board of Directors shall be Five (05).

25. No business shall be transacted at a meeting of directors if a quorum is not present.

#### **SEAL**

26. The Board of Directors shall provide for the safe custody of the seal which shall only be used with the authority of the said board. Every instrument to which the seal shall be affixed and shall be signed by a Chairman of the said board and counter signed by another Director or by some other person duly authorized by the Board of Directors.

#### **SECRETARY**

27. The Board of Directors shall appoint some individual, firm or company qualified in terms of such regulations as may be prescribed for the time being under the provisions of section 222 of the Act, as secretary, on such remuneration and upon such terms and conditions as the said board thinks fit. A secretary appointed under this article may be removed by the Board of Directors.

#### **ACCOUNTS, ANNUAL REPORT AND AUDIT**

28. The board shall ensure that:-

- (a) Proper accounting records are kept in compliance with the Section 148 of the Act.
- (b) Financial Statements which comply with section 151 of the Act are completed, duly audited and signed within six months of the balance sheet date and a copy delivered to the Registrar General of Companies for registration together with the auditor's report thereon within 20 working days of such signing.
- (c) An annual report that complies with section 168 of the Act is prepared and a copy (including the audited financial statements) is sent to every

shareholder not less than fifteen working days before the date fixed for the Annual General Meeting.

#### APPOINTMENT OF AUDITORS

29. An auditor or auditors shall be appointed and his fees, powers and duties regulated in accordance with sections 154 to 165 of the Act with the consent of Auditor General.

#### NOTICES

30. Written notices may be sent to a shareholder to his registered address in Sri Lanka by hand delivery or by ordinary post and a notice sent by post shall be deemed to be received within three working days of posting if properly addressed, stamped and the documents enclosed.

#### DISCLOSURE OF INTEREST

31. A director who interested in a transaction to which the company is a party must forthwith disclose that interest in accordance with Section 192 of the Act.

Names, Address and descriptions of  
Subscribers

Signature



P B JAYASUNDERA  
Secretary  
Ministry of Finance and Planning  
Colombo 1

Secretary to the Treasury  
General Treasury  
Colombo 01.

Dated the 14 day of 09 2010.

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**MANAGEMENT LETTER**  
**SRI LANKA THRIPOSHA LTD**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**

(Chartered Accountants)

10th September 2013

The Board of Directors  
Sri Lanka Thriposha Ltd  
P O Box 17, Kapuwatta,  
Ja-Ela.

Dear Sir

**Sri Lanka Thriposha Ltd (PB 3873)**  
**Audit for the year ended 31<sup>st</sup> December 2012**

As the Auditors of Sri Lanka Thriposha Ltd (the Company) for the year ended 31<sup>st</sup> December 2012, our primary responsibility was to express an opinion on your financial statements for the said period. However, in keeping with the tradition of our firm in providing maximum value to our clients, we strive to provide you a service, which we extend beyond our statutory duty, by providing with you value-added ideas, information and solutions to your accounting problems. The purpose of this document is to set out the key points arising from our Audit of the financial statements for the year ended 31<sup>st</sup> December 2012.

**1.0 Unsettled Advances – More than three months**

We observed that following advances paid for procurement activities of the Company for year 2012 are still lying in the advance account due to the absence of the supporting documents to charge into relevant expense accounts. Details are as follows;

No	Date of payment	Description of Advance	Amount Rs.	No of dates in the advance account
1	15/04/2009	Mack World Organization (Advance Payment 50%)	68,290.00/-	1530 Days

**Management Comments**

1. We discussed above matter at the Audit and Management Committee meeting which was held on 28.08.2013. Audit and Management Committee has recommended to inform in writing to recover this advance from that company.

**1.1 Lack of Documentary Evidence**

Following assets and liabilities could not be satisfactorily verified due to lack of documentary evidence.

No	Description of Account	Type of evidence required	Amount Rs.
01	Electricity Deposit – Colombo	Confirmations	200,000/-
02	Land	Title Deed	220,000,000/-

271, 2<sup>nd</sup> Floor, Havelock Road,  
Colombo 6, Sri Lanka.  
Tel. : +94 11 3103 870  
Fax : +94 11 2624 544  
Mobile : +94 71 6840 945  
E-mail : krc@krathnasinghe.com  
Web : www.krathnasinghe.com

### Management Comments

We requested written confirmation letter for the above deposit from Ceylon Electricity Board at Colombo on 24/10/2012. They said that unable to confirm this deposit without new account number. After that we discussed about this deposit at the Audit and Management Committee meeting which was held on 28.08.2013. That committee decided to continue in the Financial Statement as a deposit.

We discussed about land deed at the Audit and Management Committee meeting which held on 28.08.2013. They said that to inform in writing and discuss with Divisional Secretary about this land deed based on that recommendation we informed and discussed with Divisional Secretary on 28.10.2013. They said that this is a government owned land since product tax is paying to Divisional Secretariat. This land has no deed since this is a government owned land and has only a transfer order.

#### 1.1.1 Increase of expenses compared with last year (2011)

Following expenses have been increased considerably when comparing with the last year.

Description	2012	2011	Variation %
1. Medical / Other Consultation	244,919.57	147,707	65.81%
2. Plant & Machinery Maintenance	19,806,471.31	6,002,890	229.95%
3. Vehicle repair charges	798,455.89	411,675.82	93.95%
4. Chemicals fogging	351,962.94	202,415	73.88%
5. Staff Welfare/Picnic expenses	1,615,879.00	1,079,034	49.75%
6. Stationary	1,056,072.40	306,590	244.46%

### Management Comments

1. Medical expense depend on the turn of the medical taken by the employees

#### 2. Plant & machinery maintenance.

	<u>2012</u>	<u>2011</u>	<u>Different</u>
Generator Maintenance Charges	12,051,195.57	12,842.22	12,038,353.35

Main reason is generator maintenance charges are increased by Rs.12, 038,353.35 than 2011, since generator maintenance charges are paid by Ministry of Health directly for the year 2011 and that documents were not received us. Therefore generator maintenance charges have not been recognized for the year 2011.

#### 3. Vehicle repair charges

	<u>2012</u>	<u>2011</u>	<u>Difference</u>
Vehicles repair charges	798,455.89	411,675.82	386,780.07 93.95%

Two vehicles (Nissan 4 wheel double cab and Caravan ambulance) are repaired fully which were donated by ministry of health. Therefore vehicles repair charges have increased by 93.95%. But those vehicles are not presented in the financial statement of the year 2012.

#### 4. Chemicals fogging

Cost of the testing kit is main reason for increasing chemicals expenses for the year 2012.

## **5. Staff welfare / Picnic expenses**

Picnic transport charges for the year 2011 are paid by Ministry of Health directly. But 2012 picnic transport charges are not paid by Ministry of Health directly.

## **6. Stationary**

Mainly documentary transactions were done for the year 2012 than 2011. Therefore printing & Stationary expenses are increased for the year 2012.

## **2. Financial and Performance Review**

### **2.1 Financial Review**

#### **2.1.1 Performance Review**

The operation of the company during the year under review has shown a net profit of Rs.11,254,671.55/- comparing with the net profit of Rs.7,465,778.76/- for the year 2011 thus showing an increase and improvement of Rs.7,282,942.79/-in the financial result. The main reasons for this increase were the increase of other income.

Thriplosa production of year under the review has been come down by 40% i.e. 490,452 master bags of Thriplosa. During the year target was 691,531 of master bags, accordingly production shortage was 201,079 of Master Bags during the year under the review. Mainly material shortage, machines breakdowns, etc were observed to report this 40% shortfall in production.

Cost of a master bag has been increase by Rs.608/- against the budgeted cost of Rs 2,232/- .

Description	Budgeted units/ value (Rs.)	Actual units / Values (Rs)	Variation Increase/decrease
Production (Master Bags)	691,531	490,452	201,079 (decrease)
Recurring Expenses (Rs)	1543,500,000/-	1,393,093,665/-	150,406,335/-(decrease)
Cost of Master Bag (Rs)	2,232/-	2,840/-	608/- (increase)

#### **2.1.2 Major Variations against the Budget**

Major variations between the items in the accounts for the current period with those of the budget have been noted below.

Item	Budget	Actual	Variance	Result
Salary & Wages	70,000,000	83,193,001	(13,193,001)	Adverse
Electricity & Water	28,800,000	43,091,797	(14,291,797)	Adverse
Laundry	800,000	3,113,807	(2,313,807)	Adverse
Building & Structures	2,500,000	3,704,885	(1,204,885)	Adverse
Fuel	20,000,000	51,153,137	(31,153,137)	Adverse

Further we observed that company has not used the budget as effective control mechanism and realistic budgetary control has not implement by the company in order to meet the annual projected production and controlling of cost.



## Management Comments

This budget is prepared for internally purpose. Main budget is prepared by the Ministry of Health. That budget is prepared under two categories as follows.

	<u>Budget-2012</u>	<u>Actual-2012</u>
→Recurrent Expenses	Rs. 1,543,500,000	1,393,093,665
→Capital Expenses	Rs. 40,000,000	16,470,145

## 2.2 Statistics on Company Performance-Compared with 2011

<u>Item</u>	<u>2011</u>	<u>2012</u>	<u>Variance</u>	<u>Result</u>
Production (Master Bags)	512,947	490,452	(22,495)	Decreased by 4.39%
Production Cost (Rs)	1,368,423,401	1,287,623,016	(81,397,151)	Decreased by 5.95%
Cost per master bag (Rs)	2,667.77	2,625.38	(42.39)	Decreased by 1.63%
Overtime (Rs)	13,140,478.34	15,165,808.88	2,025,330.54	Increased by 15.41%
Cost of Living Allowance (Rs)	13,388,681.29	13,185,822.78	(202,858.51)	Decreased by 1.52%

### Reasons for Variations by Management

#### Production

Main reason is production not executed twenty (20) days since installment of two (02) packing machineries. Other reasons are machines breakdowns and insufficient thriposha storage tanks capacity.

#### Production Cost

Main reason is decrease of the production by 4.39%

#### Cost per Master Bag

Main reason is cost of product decreased by 5.95%

#### Overtime

Overtime is computation base on Basic Salary, when basic salary are increased, overtime also increased

#### Cost of Living Allowance

Main reason is Salary increased by Government budget

### 2.2.4 Identified Losses – Reprocessing loss

We observed that, during the year under review the Company has re- processed 368 no's of packets and incurred a loss of Rs. 371,580.60 also it has increased by 270%



### **Management Comments**

Main reason is increasing of machines breakdowns during the year 2012

### **3.0 Systems and Controls**

### **3.1 Lack of Strong Internal Audit Function and Reporting**

Even though the Company is carrying out an internal audit function it is only limited to financial accounting aspects of the company. Consequentially, there is a lack of an independent reporting framework on the Company's internal control environment.

Business complexities along with growth envisaged in the ensuing years makes it a necessity for Management to take the necessary steps to ensure the implementation of an effective internal audit function.

Accordingly, a forward plan should be established and approved by the Management. In terms of its contents, the plan should address the objectives, resources, scope, risk assessment, strategy, and timing of reviews; establish protocols for communication of work performed and findings, deliverables, satisfaction surveys etc.

The effective internal control function should cover following areas of the Company.

- Payments / Expenses
- Procurements Process of raw materials / consumables and other related services
- Payroll including HR function
- Fixed Assets.
- Production Process
- Stores related function.
- Product Distribution.
- Information Systems

### **Management Comments**

Internal Audit report will be submitted to Audit and Management Committee Meeting to be held on 29<sup>th</sup> November 2013.

### **3.2 Segregation of duties in the Accounting Department.**

We observed that in the accounting department duties have not been segregated properly. Following are observed.

- Person who entering the financial data in to the system have alteration power of such entries without any higher authority in the accounting system.

### **Management Comments**

We discussed about this in the Audit and Management Committee Meeting which was held on 28.08.2013. Committee recommended that data editing and deleting should do under authorization of the finance manager, but this solution also unable to process since inadequate users of this accounting system.





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**SRI LANKA THRIPOSHA LTD**  
**AUDITOR'S REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**

**SRI LANKA THRIPOSHA LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**Kapila Rathnasinghe & Co.**  
(Chartered Accountants)

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Colombo 6, Sri Lanka.  
Tel. : +94 11 3103 870  
Fax : +94 11 2624 544  
Mobile : +94 71 6840 945  
E-mail : krc@krathnasinghe.com  
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## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF SRI LANKA THRIPOSHA LTD**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of **Sri Lanka Thriposha Ltd**, which comprise the statement of financial position as at 31<sup>st</sup> December 2012, and the statement of comprehensive income and expenditure account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**3. Scope of Audit and Basis of Opinion**

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the paragraph 04 below, we conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements.

Except as discussed in paragraph 4 below, we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our qualified opinion.

- 4.** We could not satisfactorily verify the ownership of the land reflected in the financial statement amounting to Rs.220,000,000/-

**5. Opinion**

In our opinion, so far as appears from our examination, except for the effect of such adjustments if any, as might have been determined to be necessary and had we been able to satisfy ourselves as to the matter referred in the paragraph 4 above, the Company maintained proper accounting records for the year ended 31<sup>st</sup> December 2012 and the financial statements give a true and fair view of the company's state of affairs as at 31<sup>st</sup> December 2012 and its income over expenditure and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

**6. Report on Other Legal and Regulatory Requirements**

These financial statements also comply with the requirements of section 151(2) of the Companies Act No. 07 of 2007.

Chartered Accountants  
Colombo  
Date: 10/09/2013



STATEMENT OF COMPREHENSIVE INCOME & EXPENDITURE

For the year ended 31<sup>st</sup> December 2012

	Notes	2012 Rs. Cts.	2011 Rs.
<b>Revenue</b>	<b>4</b>	<b>1,310,246,315.91</b> <b>1,310,246,315.91</b>	<b>1,392,555,580</b> <b>1,392,555,580</b>
<b><u>Less</u> : Cost of Manufacturing</b>	<b>5</b>	<b>(1,287,623,016.93)</b> <b>22,623,298.98</b>	<b>(1,368,423,401)</b> <b>24,132,180</b>
<b><u>Add</u>: Other Income</b>	<b>6</b>	<b>21,433,055.24</b> <b>44,056,354.22</b>	<b>18,122,992</b> <b>42,255,171</b>
<b>Less: Expenses</b>			
Administration expenses		(25,083,562.59)	(24,920,109)
Distribution cost		(7,029,845.92)	(9,697,527)
Financial and other expenses		(688,274.17)	(171,757)
Income over expenditure for the year	<b>7</b>	<b>11,254,671.55</b>	<b>7,465,779</b>
<b><u>Other Comprehensive Income</u></b>			
Revaluation of property, Pant & Equipment		26,259,461.67	246,452,131
Total Comprehensive Income for the year		<b>37,514,133.22</b>	<b>246,452,131</b>

The above satatement of comprehensive income is to be read in conjunction with the accounting policies and notes to the financial statements appear on pages 6 to 21 which form an integral part of these financial statements.



Sri Lanka Thripasha Ltd  
STATEMENT OF FINANCIAL POSITION  
As at 31st December 2012

	Notes	31/12/2012 Rs. Cts.	31/11/2011 Rs.	01/01/2011 Rs.
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, Plant & Equipment	8	434,425,073.10	376,104,521	129,640,368
		<u>434,425,073.10</u>	<u>376,104,521</u>	<u>129,640,368</u>
<b>Current Assets</b>				
Inventories	9	155,307,596.53	185,918,189	190,472,225
Trade & Other Receivables	10	27,797,333.50	49,934,992	44,227,089
Cash & Cash Equivalents	11	64,601,878.85	38,358,530	617,897
		<u>247,706,808.88</u>	<u>274,211,712</u>	<u>235,317,211</u>
<b>Total Assets</b>		<u><b>682,131,881.98</b></u>	<u><b>650,316,232</b></u>	<u><b>364,957,579</b></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Capital Reserves	12	147,354,856.01	127,132,392	124,910,905
Revaluation Reserves	13	307,170,027.56	246,452,131	-
Container Fund	14	4,296,065.15	4,296,065	4,296,065
Grant from Care	15	-	22,636,578	22,636,578
Accumulated Income Over Expenditure		173,818,495.74	162,563,824	(36,672,971)
<b>Total Equity</b>		<u><b>632,639,444.46</b></u>	<u><b>563,080,990</b></u>	<u><b>115,170,577</b></u>
<b>Non Current Liabilities</b>				
Retirement Benefit Obligation	16	28,201,124.50	23,480,226	24,735,716
Medical Fund	17	64,656.50	-	-
		<u><b>28,265,781.00</b></u>	<u><b>23,480,226</b></u>	<u><b>24,735,716</b></u>
<b>Current Liabilities</b>				
Trade & Other Payables	18	21,226,656.52	58,466,723	219,765,969
Bank Overdraft	19	-	5,288,293	5,285,317
		<u><b>21,226,656.52</b></u>	<u><b>63,755,016</b></u>	<u><b>225,051,286</b></u>
<b>Total Equity &amp; Liabilities</b>		<u><b>682,131,881.98</b></u>	<u><b>650,316,232</b></u>	<u><b>364,957,579</b></u>

The above statement of financial position is to be read in conjunction with the accounting policies and notes to the financial statements appear on pages 6 to 21 which form an integral part of these financial statements.

These financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.

*[Signature]*

Head of Finance

The board of directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board

*[Signature]*

Chairman

*[Signature]*

Director

Ja-Ela, Kapuwatta

Date: 10/09/2013



Sri Lanka Thripasha Ltd

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2012

	Capital Reserves		Grant from CARE		Container Fund		Revaluation Reserves		Accumulated Income Over Expenditure		Total	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Balance as at 01/01/2011	124,910,905.14		22,636,578.17		4,296,065.15		-		(36,672,971)		115,170,577.13	
Revaluation Reserves	-		-		-		246,452,131.00		-		246,452,131.00	
Capital grant from Ministry of Health	11,516,946.49		-		-		-		-		11,516,946.49	
Prior Year adjustment	-		-		-		-		182,475,557.04		182,475,557.04	
Income over expenditure	-		-		-		-		7,465,778.76		7,465,778.76	
Depreciation - Capital Assets Grant by MOH	(9,295,459.72)		-		-		-		9,295,459.72		-	
Balance as at 31/12/2011	127,132,391.91		22,636,578.17		4,296,065.15		246,452,131.00		162,563,824.19		563,080,990.42	
Balance as at 01/01/2012	127,132,391.91		22,636,578.17		4,296,065.15		246,452,131.00		162,563,824.19		563,080,990.42	
Revaluation Reserves	-		-		-		60,717,896.56		-		60,717,896.56	
Transfer to Capital Reserve	22,636,578.17		(22,636,578.17)		-		-		-		-	
Capital grant from Ministry of Health	16,470,144.75		-		-		-		-		16,470,144.75	
Depreciation - Capital Assets Grant by MOH	(18,884,258.82)		-		-		-		-		(18,884,258.82)	
Income over expenditure 2012	-		-		-		-		11,254,671.55		11,254,671.55	
Balance as at 31/12/2012	147,354,856.01		-		4,296,065.15		307,170,027.56		173,818,495.74		632,639,444.46	



**Sri Lanka Thripasha Ltd**  
**CASH FLOW STATEMENTS**

For the year ended 31<sup>st</sup> December 2012

	2012 Rs. Cts.	2011 Rs.
<b><u>Cash Flow from Operating Activities</u></b>		
Income over expenditure for the year	11,254,672	7,465,779
<b><u>Adjustments for</u></b>		
Depreciation	-	11,504,924
Gratuity Provision for the year	6,905,388	852,144
Provision Medical Contribution	105,800	-
	<u>7,011,188</u>	<u>12,357,068</u>
Operating Profit Before Changes in Working Capital	18,265,860	19,822,847
<b><u>Changes in Working Capital</u></b>		
Increase / (Decrease) in Debtors & Other Receivables	22,137,659	(5,707,904)
Increase / (Decrease) in Trade & Other Payables	(37,240,067)	21,176,312
Increase / (Decrease) in Inventories	30,610,593	4,554,036
	<u>15,508,185</u>	<u>20,022,444</u>
Net Cash Flow from Operating Activities Before Gratuity Payment	33,774,045	39,845,291
Less: Gratuity Paid	(2,184,490)	(2,107,634)
Payment of medical fund	(41,144)	-
Net Cash Flow from Operating Activities After Taxation	<u>31,548,411</u>	<u>37,737,657</u>
<b><u>Cash Flow from Investing Activities</u></b>		
Acquisition of Property, Plant & Equipment	(16,486,915)	(11,516,946)
Net Cash Flow from Investing Activities	<u>(16,486,915)</u>	<u>(11,516,946)</u>
<b><u>Cash Flow from Financing Activities</u></b>		
Capital Grant from Ministry of Health	16,470,145	11,516,946
Net Cash Flow from Financing Activities	<u>16,470,145</u>	<u>11,516,946</u>
Changes in Cash & Cash Equivalent	31,531,641	37,737,657
Cash & Cash Equivalent Brought Forward	33,070,238	(4,667,419)
Cash & Cash Equivalent Carried Forward	<u>64,601,879</u>	<u>33,070,238</u>
<b><u>Analysis of the Cash &amp; Cash Equivalent shown in the statement of financial position</u></b>		
Bank of Ceylon - Ja Ela-71324617	990,193	(2,976)
Commercial Bank - Kadana - 1311447301	-	581,897
Bank of Ceylon - Ja Ela -72059803	63,160,686	37,149,116
Cash In Transit	400,000	551,517
Cash Imp rest	1,000	1,000
Contingent Fund	50,000	75,000
Bank of Ceylon - Ja Ela - 404762	-	(5,285,316)
	<u>64,601,879</u>	<u>33,070,238</u>



## Sri Lanka Thriposha Ltd

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> December 2012

#### 1. CORPORATE INFORMATION

##### 1.1 Reporting Entity

Sri Lanka Thriposha Ltd is a limited liability company incorporated and domiciled in Sri Lanka as a fully Government owned company under the supervision of Ministry of Health. The registered office of the Company and the principal place of business is located at P O Box 17, Kapuwatta, JaEla, Sri Lanka. The Financial Statements of Sri Lanka Thriposha Limited for the year ended 31<sup>st</sup> December 2012 were authorized for issue in accordance with the resolution of the Board of Directors on 2013.

##### 1.2 Principal Activities and Nature of Operations

During the period, the principal activities of the Company were:-

- To facilitate to development, production and distribution of "Thriposha" – a Sri Lanka fortified supplementary food product in order to reduce maternal and child malnutrition in Sri Lanka.
- To encourage the income generation path for local farmers who supply the raw material for Thriposha Production as far as possible.
- To reduce and market any other form of fortified blended food items based on Government policy.
- To assess the annual requirement of Thriposha and take necessary action to supply.

##### 1.3 Board of Directors

Mr. A. N. R. Amarathunga(Chairman)

Mrs.GeethaWimalaweera

Mr.Palitha Gunarathne Maheepala

Dr.Shanthi Renuka Hemamali Pathirage Gunawardana

Dr.Deepthi Kumudini Samarage

Mrs.Ahamed Riyza Ahamed

Dr.Janaki Goonaratne

##### Board Secretary

Mrs.Thanuja Priyadharshani Alwis

##### 1.4 Auditors

Kapila Rathnasinghe & Co,  
(Chartered Accountants)  
271,2<sup>nd</sup> Floor,Havelock Rd,Colombo-06.

##### 1.5 Bankers

Bank of Ceylon





## Sri Lanka Thriposha Ltd

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> December 2012

#### 2. BASIS OF PREPARATION

The Financial Statements have been prepared on a historical cost basis other than the valuation of Property Plant & Equipments. The Financial Statements are presented in Sri Lankan Rupees. The preparation and presentation of these Financial Statements is in compliance with the Companies Act, No. 07 of 2007.

##### 2.1 Statement of Compliance

The financial statements which comprise the income statement, statement of comprehensive income & expenditure, statement of financial position, statement of changes in equity and the cash flow statement, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007. These financial statements for the year ended 31 Dec. 2012 are the first financial statements the Company has prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) immediately effective from 1 January 2012.

##### 2.2 Comparative Information

The presentation & classification of the financial statements of the previous year have been amended where relevant for better presentation & to be comparable with the current year.

##### 2.3 Changes in Accounting Policies

The changes in accounting policies have been applied consistently to all financial periods presented in these financial statements and in preparing the opening SLFRS/LKS statement of financial position as at 1<sup>st</sup> January 2011 for the purposes of transition to SLFRS/LKS unless otherwise indicated.

##### 2.4 Significant Accounting Judgment, Estimate and Assumption

###### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the Financial Statements.

###### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below. The respective carrying amounts of assets and liabilities are given in related notes to the Financial Statements



**Sri Lanka Thriposha Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31<sup>st</sup> December 2012

**2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.5.1 Property, Plant and Equipment**

**2.5.1.1 Basis of Recognition**

Property, plant and Equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the assets can be measured reliably.

**2.5.1.2 Measurement**

Property, Plant and Equipment are stated at cost, excluding the cost of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Land & building are measured at fair value less accumulated depreciation on buildings & impairment subsequent to the date of revaluation.

**2.5.1.3 Depreciation**

The Company provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on straight line basis over the periods appropriate to the estimated useful lives of the different type of assets.

The estimated useful lives for the current and comparative years are as follows.

**Principal Type of Assets**

**Year**

Buildings	Over 20 Years
Plant and Machinery	Over 20 Years
Motor Vehicles	Over 05 Years
Equipment and Tools	Over 05 Years
Laboratory Equipment	Over 05 Years
Agricultural equipments	Over 10 Years
Electrical Works	Over 05 Years
Office Equipment	Over 10 Years
Furniture and Fittings	Over 10 Years

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

**2.5.1.4 De- Recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is de-recognized.



## Sri Lanka Thriposha Ltd

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> December 2012

#### 2.5.2 Inventories

Inventories are valued at average cost, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following formulae:-

Raw Materials	- At cost
Finished Goods and Work -in- Progress	- At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity.
Goods in Transit	- At actual cost

Net Realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make sale.

#### 2.5.3 Trade and Other Receivables

Other receivables are stated at the amounts they are estimated to realize net of allowances for bad and doubtful receivables.

Other receivables and dues from Related Parties are recognized at cost less allowances for bad and doubtful receivables.

#### 2.5.4 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

#### 2.5.5 Capital Reserve – (Related to Capital Grants)

Funds spend on fixed assets since year 2000 provided by the Ministry of Health, CARE, and Ceylon Tobacco Ltd have been treated as capital grant and as such the depreciation in respect of these items has been charged to the relevant capital grant accounts while setting off same against the total depreciation charge for the year.

#### 2.5.6 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the



## **Sri Lanka Thriposha Ltd**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> December 2012

reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any

Reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

#### **2.5.7 Retirement Benefit Obligations**

##### **a) Defined Benefit Plan – Gratuity**

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried forward in the balance sheet, equivalent to an amount calculated based on a half month's salary of the last month of the financial year of all employees for each completed year of service, commencing from the first year of service.

The Company annually measures the present value of retirement benefits for gratuity, which is a defined benefit plan using the Gratuity based on the Projected Unit Credit Method.

The gratuity liability is not funded externally nor actuarially valued.

##### **b) Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund**

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12 % and 3 % of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

#### **2.5.8 Creditors and other Payables**

Creditors and other payables including related party payables are stated at their cost.

#### **2.5.9 Statement of Comprehensive Income**

##### **Re Imbursement from Ministry of Health (MOH)**

Operational expenses reimbursed by the Ministry of Health during the year have been recognized as income for the year.

##### **Grant**

Grant related to revenue recognized as income on which the grant received in money or in kind or goods.

##### **Others**

Other income is recognized on accrual basis.



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**Sri Lanka Thriposha Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31<sup>st</sup> December 2012

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**2.5.10 Expenditure Recognition**

**Revenue Expenditure**

All expenditure incurred in running of the business and in maintaining the property, plant & Equipment in the state of efficiency has been charged to income in arriving at the profit for the year.

**Capital Expenditure**

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature has been treated as capital expenditure.

**3. FIRST TIME ADOPTION OF SLFRS/LKAS**

These financial statements, for the year ended 31<sup>st</sup> December 2012 are the first financial statements the company has prepared in accordance with SLFRS/LKAS. For the periods up to and including year ended 31<sup>st</sup> December 2011 the company prepared its financial statements in accordance with (SLAS) up to 31 December 2011



# Sri Lanka Thripasha Ltd

## DETAILED NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2012

	2012	2011
	Rs. Cts.	Rs.
<b>4. REVENUE</b>		
Reimbursement of expenses from Ministry of Health	1,283,090,315.91	1,346,127,611
Income from supply of Thripasha to World Food Program	27,156,000.00	46,427,969
	<u>1,310,246,315.91</u>	<u>1,392,555,580</u>
<b>5. COST OF MANUFACTURING</b>		
Material Consumption	1,137,091,223.85	1,181,801,446
Direct Labour	100,770,308.77	88,678,808
Factory Overheads	70,957,503.74	54,733,354
Prime Cost	<u>1,308,819,036.36</u>	<u>1,325,213,608</u>
Add: Finished Products at the Beginning of the year	7,802.43	43,318,149
Less: Finished Products at the End of the year	(20,730,175.4)	(7,802)
Sundry Products at the End of the year	(101,939.0)	
Re Processing Loss	(371,707.5)	(100,554)
	<u>1,287,623,016.93</u>	<u>1,368,423,401</u>
<b>6. OTHER INCOME</b>		
Sweeping Sales	9,109,331.34	6,963,429
Gunnies Sales	2,538,952.50	1,370,929
Interest income on Treasury Bills	4,113,711.68	-
Others	5,671,059.72	208,086
Maize Donation for Production	-	7,430,547
Donation from Ceylon Tobacco Ltd	-	2,150,000
	<u>21,433,055.24</u>	<u>18,122,991.55</u>
<b>7. INCOME OVER EXPENDITURE FOR THE YEAR</b>		
The following items have been charged in arriving at Income Over Expenditure for the year		
	2012	2011
	Rs. Cts.	Rs.
Administration wages, salaries and bonus	4,981,438.23	4,389,090
Other Administration Expenses	20,102,124.36	20,531,018
Distribution expenses	7,029,845.92	9,697,527
Finance and other expenses	688,274.17	171,757
Auditor's Remuneration	82,500.00	75,000
	<u>32,884,182.68</u>	<u>34,864,392</u>



Sri Lanka Thripasha Ltd

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2012

PROPERTY, PLANT AND EQUIPMENT

	Land Rs. Cts.	Building Rs. Cts.	Plant and Machinery Rs. Cts.	Motor Vehicles Rs. Cts.	Equipment and Tools Rs. Cts.	Laboratory Equipment Rs. Cts.	Agricultural Equipment Rs. Cts.	Electrical Works Rs. Cts.	Office Equipment Rs. Cts.	Furniture and Fittings Rs. Cts.	Total Rs. Cts.
<b>Cost/ Revaluation</b>											
Balance as at 01/01/2012	192,500,000.00	74,590,651.00	155,844,589.28	1,500,000.00	3,687,905.70	7,036,115.46	177,461.55	1,028,397.45	9,749,062.67	5,906,069.95	452,020,253.06
Adjustments									232,585.00		232,585.00
Transfer for Revaluation	(192,500,000.00)	(70,000,000.00)	(151,994,496.24)	(1,500,000.00)	(3,499,825.70)	(7,036,115.46)	(177,461.55)	-	(8,048,017.67)	(5,726,583.70)	(440,482,500.32)
Additions		2,392,153.28	5,908,735.84		5,502,411.38	354,368.00			1,632,070.00	697,176.25	16,486,914.75
Revaluation	220,000,000.00	62,342,795.00	115,652,075.00	1,178,750.00	2,166,930.00	4,291,190.00	138,650.00		3,450,325.00	2,185,645.00	411,406,360.00
Balance as at 31/12/2012	220,000,000.00	69,325,599.28	125,410,903.88	1,178,750.00	7,857,421.38	4,645,558.00	138,650.00	1,028,397.45	7,016,025.00	3,062,307.50	439,663,612.49
<b>Accumulated Depreciation</b>											
Balance as at 01/01/2012		3,505,280.80	51,733,047.34	300,000.50	3,021,469.22	6,571,021.37	161,279.39	113,340.37	5,190,990.10	5,319,303.36	75,915,732.45
Adjustments									232,585.00		232,585.00
Transfer for Revaluation		(6,416,666.67)	(61,586,439.64)	(550,000.00)	(3,211,110.11)	(6,679,602.96)	(165,977.74)		(5,798,690.02)	(5,385,549.74)	(89,794,036.88)
Depreciation Charge for the Year		3,665,722.51	12,584,646.62	289,291.67	1,022,285.08	200,044.80	7,009.18	201,518.28	738,918.33	174,822.35	18,884,258.82
Balance as at 31/12/2012		754,336.64	2,731,254.32	39,292.17	832,644.19	91,463.21	2,310.83	314,858.65	363,803.41	108,575.97	5,238,539.39
W.D.V as at 01/01/2012	192,500,000.00	71,085,370.20	104,111,541.94	1,199,999.50	666,436.48	465,094.09	16,182.16	915,057.08	4,558,072.57	586,766.59	376,104,520.61
W.D.V as at 31/12/2012	220,000,000.00	68,571,262.64	122,679,649.56	1,139,457.83	7,024,777.19	4,554,094.79	136,339.17	713,538.80	6,652,221.59	2,953,731.53	434,425,073.10



Sri Lanka Thriposha Ltd  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31st December 2012

	2012 Rs. Cts.	2011 Rs.
<b>09. INVENTORIES</b>		
<b><u>Raw Materials</u></b>		
Maize	50,026,135.74	61,870,734
Soya	47,541,110.40	76,344,710
Milk Powder	10,605,439.40	23,487,366
Mineral	1,796,108.90	1,446,781
Vitamins	4,585,233.31	9,957,033
Polythene Bags - Red	208,935.97	1,947,971
Polythene Bags - Yellow	314,552.00	270,276
Kraft Paper Bags	4,582,947.34	720,288
Twine	153,405.61	90,310
Gummed Tape	3,359.98	3,359.98
Sweepings	85,518.00	-
Empty Containers	582.62	356.00
Used Poly Bags	16,194.34	-
Used Gunny Bags	102,056.70	102,056.70
Multy Layer Film- Children	418,723.55	-
Diesel	2,233,145.62	1,563,148.71
Engineering Stores	6,755,482.19	6,735,116.16
Work in progresses	5,148,489.50	1,370,880.93
Finished Goods	20,730,175.36	7,802
	<u>155,307,596.53</u>	<u>185,918,189</u>
<b>10. DEBTORS AND OTHER RECEIVABLES</b>		
Sundry Deposits & Prepayments	10,531,955.58	3,497,904
Housing Loan - Asset Loan AccII	5,597,999.83	-
Debtors	3,869,567.87	4,396,595
Housing Loan 5%	2,319,861.11	-
Unexpired Expenses	1,450,842.36	353,901
Housing Loan - Distress Loan II	1,096,290.86	-
Housing Loan 5%	1,047,525.09	2,150,000
Refundable Deposit CEB	987,500.00	987,500
Picnic Advance	365,500.00	298,000
Housing Loan 5% BOC II	203,578.30	-
Deposits	164,012.00	119,792
Festival Advance	162,700.00	148,200
Withholding Tax	0.50	1
Special Loan-Distress	-	11,250
Housing Loan	-	679,861
Vehicle Loan	-	5,333
Micromax Mobile	-	83,214
Receivable from Ministry of Health	-	37,203,441
	<u>27,797,333.50</u>	<u>49,934,992</u>





# Sri Lanka Thriposha Ltd

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2012

	2012	2011
	Rs. Cts.	Rs.
<b>11. CASH AND CASH EQUIVALENTS</b>		
BOC - Ja Ela -72059803	63,160,686.33	37,149,116
BOC-Ja Ela-71324617	990,192.52	-
Cash In Transit	400,000.00	551,517
Contingent Fund	50,000.00	75,000
Cash Impress	1,000.00	1,000
Commercial Bank-Kadana	-	581,897
	<b>64,601,878.85</b>	<b>38,358,530</b>
<b>12. CAPITAL RESERVES</b>		
Balance as at beginning of the year	127,132,391.91	124,910,905
Grant from Care	22,636,578.17	-
Capital grant from Ministry of Health	16,470,144.75	11,516,946
Less: Depreciation charge for the year	(18,884,258.82)	(9,295,460)
Balance as at end of the year	<b>147,354,856.01</b>	<b>127,132,392</b>
<b>13. REVALUATION RESERVES</b>		
Balance as at beginning of the year	246,452,131.00	-
Revaluation during the year	60,717,896.56	246,452,131
Balance as at end of the year	<b>307,170,027.56</b>	<b>246,452,131</b>
<b>14. CONTAINER FUND</b>		
Container fund	4,296,065.15	4,296,065
	<b>4,296,065.15</b>	<b>4,296,065</b>
<b>15. GRANT FROM CARE</b>		
Balance as at beginning of the year	22,636,578.17	22,636,578
Transfer to Capital Reserves	(22,636,578.17)	-
Balance as at end of the year	-	22,636,578
<b>16. RETIREMENT BENEFIT OBLIGATION</b>		
Balance as at beginning of the year	23,480,225.87	24,735,716
Less: Payments during the year	(2,184,489.79)	(2,107,634)
Provision for the year	6,905,388.42	852,144
Balance as at end of the year	<b>28,201,124.50</b>	<b>23,480,226</b>
	2012	2011
Discounted Rate	12%	12%
Future Salary Increment Rate	10%	10%
Staff Turn Over	2%	2%
Retirement Age	55 Years	55 Years



**Sri Lanka Thriposha Ltd**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st December 2012

	2012 Rs. Cts.	2011 Rs.
<b>17. MEDICAL FUND</b>		
Balance as at beginning of the year	-	-
Contributions During the year	105,800.00	-
Payments during the year	(41,143.50)	-
Balance as at end of the year	64,656.50	-
<b>18. CREDITORS AND OTHER PAYABLES</b>		
Creditors	20,240,546.13	20,548,648
Provision for expenses	730,972.89	571,954
Refundable Deposit	153,237.50	153,238
Auditors Remuneration payable	82,500.00	75,000
Tender Deposit Payable	19,400.00	19,400
Unclaimed Wages	-	21,700
Accounts Payable(CTC)	-	37,076,784
	21,226,656.52	58,466,723
<b>19. BANK OVERDRAFT</b>		
BOC-Ja Ela-71324617	-	2,976
BOC Ja Ela CTC Old Acc	-	5,285,316
	-	5,288,293
<b>20. DEPRECIATION RELATED TO CAPITAL GRANTS</b>		
Depreciations in respect of the fixed assets granted by the Ministry of Health have been charged to the relevant Capital Grant account while setting off same against the total depreciation charge for the year.		
<b>21. COMMITMENT AND CONTINGENCIES</b>		
There are no significant commitment or contingencies as at the reporting date.		
<b>22. RELATED PARTED DISCLOSURES</b>		
<b>Transaction with key management personnel</b>		
The key management personnel of the company are the members of its Board of Directors.		
<b>23. EVENTS OCCURRING AFTER THE RECORDING DATE</b>		
There have been no material events occurring after the reporting date which require adjustment to or disclosure in the financial statements.		



**Sri Lanka Thripasha Ltd**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st December 2012

**23. BLEND COMPOSITION**

The blend composition used during the year is as follows as recommended by the ministry of health

	Recommended	Actual	Variation
Maize	66.00%	67.98%	1.98%
Soya	30.00%	28.35%	-1.65%
Milk	3.00%	2.75%	-0.25%
Vitamin	0.10%	0.83%	0.73%
Mineral	0.90%	0.09%	-0.81%

**24. STANDARD WASTAGE**

	Moisture	Process	Total
Maize	14.00%	6.50%	20.50%
Soya	12.00%	9.50%	21.50%
Milk	4.00%	-	4.00%
Vitamin	3.00%	-	3.00%
Mineral	3.00%	-	3.00%

**25. RAW MATERIAL CONSUMPTION (IN VALUE)**

	Quantity	Value	Average Per kg Value (Actual)	Per kg Value (Budgeted)	Variance against budget
		Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Maize (Kg)	8,169,128	467,424,502.38	57.22	51.52	5.70
Soya (Kg)	3,406,127	369,000,600.20	108.33	137.76	(29.43)
Milk (Kg)	331,000	189,604,251.82	572.82	509.00	63.82
Mineral (Pkt)	99,375	29,469,022.25	296.54	327.00	(30.46)
Vitamin (Pkt)	10,575	33,091,800.00	3129.25	3,600.00	(470.75)
Kraft Paper (Bags)	491,400	17,299,256.26	35.20	25.85	9.35
Polythene (Bag)	13,914,000	34,764,521.72	2.50	2.00	0.50
Twine	1,237	214,877.79	173.71	228.00	(54.29)

**26. PRODUCTION**

	Budgeted	Actual	Variation
Produced Master Bags in Qty	691,531	490,452	(201,079)
Production Cost including Administration, Distribution and other expen	1,543,500,000	1,320,424,700	223,075,300
Cost Per Master Bag (Rs)	2232.00	2692.26	(460)



# Sri Lanka Thriposha Ltd

## DETAILED NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2012

		2012	2011
		Rs. Cts.	Rs.
<b>1. INCOME</b>			
Reimbursement of expenses from Ministry of Health		1,283,090,315.91	1,346,127,611
Income from supply of Thriposha to World Food Program		27,156,000.00	46,427,969
		<u>1,310,246,315.91</u>	<u>1,392,555,580</u>
<b>2 COST OF MANUFACTURING</b>			
Material Consumption	2.1	1,137,091,223.85	1,181,801,446.19
Direct Labour	2.2	100,770,308.77	88,678,808.08
Factory Overheads	2.3	70,957,503.74	54,733,353.69
Prime Cost		<u>1,308,819,036.36</u>	<u>1,325,213,608</u>
Add: Finished Products at the Beginning of the year		7,802.43	43,318,149
Less: Finished Products at the End of the year		(20,730,175.4)	(7,802)
Sundry Products at the End of the year		(101,939.0)	-
Re Processing Loss		(371,707.5)	(100,554)
		<u>1,287,623,016.93</u>	<u>1,368,423,401</u>
<b>2.1 RAW MATERIAL CONSUMPTION</b>			
Opening Stock		176,135,468.48	135,086,868
Add: Purchases			
Maize		455,579,904.54	517,967,839
Soya		340,197,000.80	397,889,071
Milk Powder		176,722,325.00	189,805,675
Mineral Premix		29,818,350.00	30,627,400
Vitamin		27,720,000.00	39,680,000
Kraft Paper Bags		21,161,916.00	10,297,413
Polythene Bags (Red and Yellow)		33,069,762.63	33,581,972
Twine		277,973.64	301,018
Closing Stock		(119,813,868.67)	(176,135,468)
		<u>1,140,868,832.42</u>	<u>1,179,101,788</u>
Add: Work in Progress Beginning of the year		1,370,880.93	4,070,539
Less: Work in Progress End of the year		(5,148,489.50)	(1,370,881)
		<u>1,137,091,223.85</u>	<u>1,181,801,446</u>



**Sri Lanka Thripasha Ltd**

**DETAILED NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st December 2012

	2012 Rs. Cts.	2011 Rs.
<b>2.2 DIRECT LABOUR AND MANAGEMENT COST</b>		
<b><u>Salaries &amp; Wages Factory</u></b>		
Basic Salary	41,700,124.94	34,409,812
Overtime	13,946,064.43	12,585,952
Cost of Living	12,218,496.97	12,574,406
Gratuities	6,905,388.42	429,959
Incentive	6,391,645.41	8,482,235
EPF	4,368,412.05	3,931,582
Target	3,644,024.72	2,377,314
Leave Pay	2,035,637.55	1,571,011
ETF	1,106,890.14	982,896
Meal Allowance	773,175.00	618,966
Medical Retainer	165,000.00	144,000
Shift Allowance	122,427.00	103,774
Management Fees	115,575.60	25,647
Special Allowance	18,700.00	547,190
Productivity Allowance	12,400.00	-
<b><u>Contractual Wages</u></b>		
Factory Stores Out pool	662,685.99	3,400,066
Overtime	405,978.05	-
EPF	79,522.32	407,890
ETF	19,880.59	101,973
Interim Allowance	-	154,140
<b><u>Welfare and Medical</u></b>		
Uniforms, Head gear & Laundry	3,113,807.17	2,687,181
Tea Expenses	1,948,311.00	1,720,622
Gas & Other Canteen Expenses	604,892.85	453,295
Medical / Other Consultation	244,919.57	147,707
Medical Reimbursement	133,881.50	-
Papers & Periodicals	32,467.50	30,790
	<b>100,770,308.77</b>	<b>88,678,808</b>
<b>2.3 DIRECT OVERHEAD COST</b>		
Electricity Boiler & Generator Fuel	43,091,797.64	39,757,787
Plant & Machinery Maintenance	20,606,354.46	6,002,890
Indirect production materials	1,084,843.01	326,938
Depreciation	1,078,998.07	-
Insurance	810,095.18	1,183,590
Vehicle repair charges	798,455.89	102,023
Factory Maintenance Charges	773,287.24	-
Fuel - Motor vehicles	677,549.85	175,872
Rate & Taxes	605,084.05	-
Pest control	375,816.50	4,450
Chemicals fogging	351,962.94	202,415
Other factory overheads	335,696.88	332,135
Telephone	174,056.96	182,113
Other Laboratory expenses	125,278.00	-
Licence and Insurance	67,467.07	50,704
Medical Centre Maintenance	760.00	-
	<b>70,957,503.74</b>	<b>54,733,354</b>



# Sri Lanka Thriposha Ltd

## DETAILED NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2012

	2012 Rs. Cts.	2011 Rs.
<b>3. OTHER INCOME</b>		
Sweeping Sales	9,109,331.34	6,963,429
Other Income	5,374,502.02	-
Interest income on Treasury Bills	4,113,711.68	-
Gunnies Sales	2,538,952.50	1,370,929
Sundry income miscellaneous	194,459.57	42,700
Housing loan interest	102,098.13	147,837
Maize Donation for production	-	7,430,547
Bid document charges	-	7,000
Packing charges	-	10,110
Vehicle loan interest	-	439
Donation from Ceylon Tobacco Ltd	-	2,150,000
	<b>21,433,055.24</b>	<b>18,122,992</b>
<b>4. ADMINISTRATIVE EXPENSES</b>		
Basic Salaries	4,981,438.23	4,389,090
Security Charges	3,843,692.84	3,568,277
Building Repair & Maintenance	3,704,885.54	2,220,473
Management Salaries	3,150,426.80	1,167,524
Staff Welfare/Picnic expenses	1,615,879.00	1,079,034
Stationary	1,056,072.40	306,590
Cost of Living	967,325.81	814,275
Incentive	860,842.29	-
Overtime	813,766.40	554,526
Staff Training Charges	576,953.70	91,813
EPF	515,781.38	531,159
Advertising	388,752.00	113,792
Fuel - Motor Vehicles	353,943.72	267,379
Telephone Charges	313,921.78	306,416
Leave Pay	311,166.34	228,367
Postage Charges	243,280.00	228,798
Repairs - Motor Vehicles	175,483.40	133,781
Tea Expenses	162,820.00	154,219
Allowances	150,595.73	360,000
Drivers Subsistence	136,697.00	108,826
Other Expenses	126,657.45	-
ETF	114,158.17	129,927
Sanitary	110,531.46	114,545
Garden Maintenance	91,992.74	59,299
Office Equipment Maintenance	89,028.56	415,183
Audit fees	82,500.00	75,000
General Expenses	69,090.00	39,427
Books & Periodicals	24,949.75	44,391
Legal Expenses	22,400.00	1,859
Stationary - Admin	15,525.50	3,015
Printing	6,740.00	22,530
Insurance Charges	6,264.60	50,341
Gratuity	-	422,185
	<b>25,083,562.59</b>	<b>24,920,109</b>



Sri Lanka Thriposha Ltd

DETAILED NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2012

	2012 Rs. Cts.	2011 Rs.
<b>5. DISTRIBUTION COST</b>		
Distribution Charges	1,370,586.32	-
Transport Charges	5,659,259.60	9,307,027
Sticker	-	390,500
	<u>7,029,845.92</u>	<u>9,697,527</u>
<b>6. FINANCE AND OTHER EXPENSES</b>		
Re - Processing loss	371,707.55	100,554
LC Charges	273,591.62	-
Stamp Duty	-	25,500
Bank Charges	42,975.00	45,703
	<u>688,274.17</u>	<u>171,757</u>
<b>7. DEBTORS</b>		
Ministry of Health	3,869,567.87	4,721,367
Mr.Rahuman	-	125,228
	<u>3,869,567.87</u>	<u>4,846,595</u>
<b>8. CREDITORS</b>		
Milco (Pvt) Ltd	5,910,000.00	-
Govi Madyasthanya Meegalewa	5,141,287.20	5,190
K S T Evergreen (Pvt) Ltd	4,035,830.40	-
Ceylon Paper Sacks Limited	3,350,144.00	2,539,603
JF Packaging (Pvt) Ltd.	450,141.49	-
Sinha Engineering (Pvt) Ltd.	263,200.00	137,100
Technokaru (Pvt) Ltd	170,532.90	136,800
Lanco Rubber Industries	134,025.00	218,500
M. G Sarath & Sons	125,000.00	-
API Machinery Pvt Ltd.	113,026.00	-
Victories	81,611.00	31,830
Dilshan Trading Company	60,295.00	145,208
SM International (Pte) Ltd.	53,088.00	-
Golden Trading Company	42,296.80	-
S.R.B Enterprises	36,100.00	18,393
Sonalee Motors & Tinker Works	34,080.00	3,200
Ambro Electrical	25,396.69	76,979
Super Electrical Station	23,550.00	-
J.P Electrical & Iron Work	22,600.00	-
Firetech (Pvt) Ltd.	21,901.60	-
Barings & Spares (Pvt) Ltd.	19,792.80	29,577
Rex iron Works	18,000.00	-
Elite Radio & Engineering Co, Ltd	16,770.00	-
Srimal Electricals	15,000.00	-
St Francis Xavious Hardware	10,800.00	-
Rex Iron Works	10,000.00	21,000
Sudesh Electrical Works	9,400.00	-
GP Janalantha	8,500.00	8,500
SL State Trading Cop Ltd	7,950.00	-
Doodwills Trading & Co	7,127.00	14,986
Hara Traders	6,400.00	6,400
Liberty Motor Stores (Pvt) Ltd.	5,822.00	5,822
Bearings Inn Lanka Enterprises	4,765.60	-
Prasanna Pharmacy & Grocery	2,300.00	-
Metropolitan Communications Ltd	2,016.00	52,516
Chathama Trader	1,850.00	1,850
WSS Auto Fuels (Pvt) Ltd.	1,590.00	1,370
M.L.B.C Perera	1,288.21	-
St. Francis Xavious Hardware	840.00	52,689
A G N K Enterprises	559.00	1,661
M.L.B.C Perera Shift & Meal Allowance 01/01 - 09/01	216.04	-
Salaries Control Acc	(46.60)	-
M.D.A Appuhamy	(4,500.00)	(4,500)
Others	-	17,043,975
	<u>20,240,546.13</u>	<u>20,548,648</u>



**SRI LANKA THRIPOSHA LTD**  
**AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**  
**WORK DONE**

AREA	NATURE OF CHECK	EXTENT
1. <u>ASSETS</u>		
1.1 <u>PROPERTY, PLANT AND EQUIPMENT</u>	<ul style="list-style-type: none"> <li>- Carry out analytical procedure such as comparison of the current figures with those of prior periods</li> <li>- Examine any journal entries / other adjustment made adding or removing assets</li> <li>- carry out physical inspection of assets including both current year additions and assets purchased in previous years.</li> <li>- Inspect insurance policies and assets adequacy of coverage</li> <li>- Inspect the motor vehicle registration documents for motor vehicles owned by the company</li> <li>- Ensure the entity has accounted for its PPE adopting the cost/ valuation model</li> <li>- Vouch additions to supporting documentation, Endure that <ul style="list-style-type: none"> <li>(a) The cost is correctly recorded</li> <li>(b) They have been properly authorized</li> <li>© They have been correctly classified</li> <li>(d) They have supported with adequate supporting document.</li> </ul> </li> <li>- Where there is a policy of revaluation for a class of assets is that policy applied consistently to all assets by that class</li> <li>- For assets revalue during the year, inspect professional valuever report.</li> <li>- Compare bases and rates of depreciation with the accounting policy.</li> <li>- Checked the accuracy of the calculation.</li> <li>- Ensure that no assets have been depreciated by more than cost.</li> </ul>	100%





**SRI LANKA THRIPOSHA LTD**  
**AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**  
**WORK DONE**

AREA	NATURE OF CHECK	EXTENT
<b>1.2 INVENTORIES</b>	<ul style="list-style-type: none"> <li>- Review the planned extend of reliance on internal controls in this area and consider whether this remain appropriate.</li> <li>- Ensure that all stock count sheet are available</li> <li>- Carry out physical verification on 15/10/2012 and cross check with the bin cards / stock book to see whether quantities are agreeing.</li> <li>- Ascertain the method used for valuing inventories and consider whether, <ul style="list-style-type: none"> <li>(a) It has been correctly applied</li> <li>(b) It is an acceptable basis of valuation for Raw Materials, Work in Progress and Finished Goods.</li> <li>(c) It is consistent with previous years with the company's accounting policy.</li> </ul> </li> <li>- Obtained confirmation from the management</li> <li>- Checked whether are there any possibility of fraud, misappropriation or misstatement indicated by; <ul style="list-style-type: none"> <li>* overstocking</li> <li>* overvaluation</li> <li>* stock loss through theft</li> </ul> </li> </ul>	100%
<b>1.3 TRADE AND OTHER RECEIVABLES</b>	<ul style="list-style-type: none"> <li>- Carry out analytical procedure such as comparison of the current figures with those of prior periods.</li> <li>- Reviewed the planned extent of the reliance on internal controls in this area and consider whether this remain appropriate.</li> <li>- Examined any material journal entries/ other adjustments (which large and unusual) made during the course of preparing the financial statements.</li> <li>- Obtained and aged list of balances and agreed with the controls accounts, Obtained explanation for all material variation</li> <li>- Inquired and get the evidence from management regarding the long outstanding debts.</li> <li>- Requested confirmation for the refundable deposits with third parties</li> </ul>	100%



**SRI LANKA THRIPOSHA LTD**  
**AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**  
**WORK DONE**

AREA	NATURE OF CHECK	EXTENT
	<p><b><u>TRADE AND OTHER RECEIVABLES (Cont...)</u></b></p> <ul style="list-style-type: none"> <li>- Checked the subsequent settlement.</li> <li>- Examined the debt written off during the year and ensure that they were authorized and the write off was valued.</li> <li>- Obtained a list of pre payments and compare the list in detail to last year's and inquire into any major differences.</li> <li>- Ensure that the nature of the deposits and ensure that the documents (invoices/ Correspondence) were; <ul style="list-style-type: none"> <li>* in the name of the company</li> <li>* in the correct amount</li> <li>* originals</li> <li>* relevant to the current period</li> </ul> </li> <li>- Obtained and prepared a list of other receivables and vouch material items to supporting documentation.</li> <li>- Ensure that no loans have been made to directors unless within the provision of applicable legislation.</li> <li>- Obtained list of staff loans and advances and obtained confirmations of loans.</li> <li>- Verify the existence of the loans whether the company has kept the adequate security.</li> <li>- Check the loan granted during the year are properly authorized</li> <li>- Checked the loan repayments are received on the due dates and correctly reported.</li> <li>- Checked the interest on loans receivables is correctly recorded and received / deducted on due dates.</li> </ul>	



**SRI LANKA THRIPOSHA LTD**  
**AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**  
**WORK DONE**

AREA	NATURE OF CHECK	EXTENT
1.4 <u>CASH &amp; SHORT TERM FUNDS</u>	<ul style="list-style-type: none"> <li>- Reviewed of appropriateness and consistency of accounting policies used by the entity in relation to cash.</li> <li>- Obtained direct bank confirmation for all bank accounts.</li> <li>- Obtained bank reconciliations for all accounts and checked the accuracy of the bank reconciliation and checked the casting of the reconciliation.</li> <li>- Check the subsequent bank statements for realization of unrealized deposits and un presented cheques shown in the reconciliation.</li> <li>- Find out the reason for deposits realized after more than 03 days, the reason for delay.</li> <li>- Find out the reason for cheques issued but not presented.</li> <li>- Test checked the banking of one week's collection to ensure that there are no delays in banking</li> <li>- Ensure all cheques issued prior to year end is accounted in the current period.</li> <li>- Counted all cash balances, record detailed check with the cash book balance as at the date of verification.</li> <li>- Obtained certificate for cash balances from the person responsible for hold cash.</li> <li>- Checked whether cash in hand has been insured for loss.</li> </ul>	100%



<b>SRI LANKA THRIPOSHA LTD</b> <b>AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012</b> <b>WORK DONE</b>		
<b>AREA</b>	<b>NATURE OF CHECK</b>	<b>EXTENT</b>
<b>2. <u>EQUITY AND LIABILITIES</u></b>		
<b>2.1 <u>CAPITAL RESERVES</u></b>	<ul style="list-style-type: none"> <li>- Reviewed of appropriateness and consistency of accounting policies used by the entity in relation to capital reserves.</li> <li>- Checked whether the during the year capital grant from MOH with the cash book and all are properly authorized</li> <li>- Checked the accounting of capital grant and check the supporting documents with regard to assets purchased during the years..</li> </ul>	100%
	<b>2.2 <u>RETIREMENT BENEFIT OBLIGATION</u></b> <ul style="list-style-type: none"> <li>- Reviewed of appropriateness and consistency of accounting policies used by the entity in relation to retirement benefit obligations (Gratuity).</li> <li>- Obtained list of the employee wise gratuity provision as at the year end and check whether the employees mention in the schedule are actually worked in the company.</li> <li>- Checked whether the basic salary mention in the schedule agree with the basic salary of the last month of the year.</li> <li>- Test checked the appointment date of the employees with the employee's personnel files.</li> <li>- Check the years of work completed of each employees are numerically correct.</li> <li>- Check the appropriateness of the assumption made with regard calculation of the gratuity provision in line with the SLAS 16.</li> <li>- Checked during the year payments of gratuity are paid in line with the relevant legislation and circulars.</li> </ul>	100%



**SRI LANKA THRIPOSHA LTD**  
**AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**  
**WORK DONE**

AREA	NATURE OF CHECK	EXTENT
<b>2.3 <u>TRADE AND OTHER PAYABLES</u></b>	<ul style="list-style-type: none"> <li>- Examine any material journal entries or other adjustments affecting the creditors.</li> <li>- Review of appropriateness and consistency of accounting policies used by the entity</li> <li>- Obtained list of payables and agreed with the control account if applicable, obtain explanations when there are material variances.</li> <li>- Select a sample of creditors and checked whether goods and services have been received from creditors.</li> <li>- Selected a sample of creditors accounts for verification and call for confirmation from a complete list of balances (include nil and debit balances where applicable) and check with the documents supporting the outstanding balance of the creditors.</li> <li>- Check whether the payment to creditors are supported by the valued receipt from the creditors.</li> <li>- Check the subsequent settlement</li> <li>- Vouched all material accruals with supporting documents.</li> <li>- reviewed accruals for completeness.</li> </ul>	100%
<b>3. <u>STATEMENT OF INCOME</u></b>		
<b>3.1 <u>INCOME</u></b>		
<b>3.1.1 <u>RE IMBURSEMENT FROM MOH</u></b>	<ul style="list-style-type: none"> <li>- Identify all material sources of income and specify how each source has been audited.</li> <li>- Documented the income accounting process.</li> <li>- Ensure entries have been posted to cash book and income ledger.</li> <li>- Checked the expenses reimbursement sheets sent to the MOH for reimbursement and correctness and authority of such claims.</li> <li>- Checked the compliance with circular, regulation and accounting standard</li> </ul>	100%



**SRI LANKA THRIPOSHA LTD**  
**AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**  
**WORK DONE**

AREA	NATURE OF CHECK	EXTENT
<b><u>3.1.2 OTHER INCOME</u></b>	<ul style="list-style-type: none"> <li>- Inquiry from management about the sources of other income.</li> <li>- Checked whether the sweeping sales and gunnies sale are in line with tender procedure approved by the Board of Directors.</li> <li>- Checked donations in kind of goods are valued at the fair value and accounted properly.</li> <li>- Checked whether company has issued receipts and collected cash.</li> <li>- Cross checked whether all cash receipts are posted in the cash book.</li> <li>- Checked whether the calculation and accounting of staff loan interest income is accurate.</li> </ul>	100%
<b><u>3.1.3 PURCHASES</u></b>	<ul style="list-style-type: none"> <li>- Reviewed the purchasing process and documented it.</li> <li>- Selected a sample of purchases from the purchases day book and reviewed the supplier invoices and supporting data for evidence of approval, suppliers' name, clerical accuracy, quantities and prices in relation to the Purchase Orders and supporting documentation.</li> <li>- Checked whether purchased quantity have been entered into the stock records.</li> <li>- Checked numerical sequences of GRN and investigate missing items.</li> <li>- Selected a sample of goods received notes (GRN) and purchased orders for the goods/ services received.</li> <li>- Checked GRN,s with purchases orders and ensure whether quantities received are in agreement with the quantities orders.</li> <li>- Checked whether the suppliers prices are in accordance with the cabined approval.</li> <li>- Test cut -off purchases as follows; <ul style="list-style-type: none"> <li>* All goods delivered prior to the year end are included in inventories and purchases.</li> <li>* All goods delivered after the year end are excluded from inventories, purchases and trade payables.</li> </ul> </li> </ul>	75%



**SRI LANKA THRIPOSHA LTD**  
**AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**  
**WORK DONE**

AREA	NATURE OF CHECK	EXTENT
<b><u>3.1.4 SALARIES AND WAGES</u></b>	<ul style="list-style-type: none"> <li>- Reconcile a list of employees and their gross pay to the staff cost charge in the accounts, explain and verify any material differences.</li> <li>- Compare that the net salary as per payroll with the cash book payments.</li> <li>- Ensure that the payroll is authorized by a responsible officer.</li> <li>- Checked name of employees with attendances records.</li> <li>- Select a sample of employees personal files and checked to payroll details.</li> <li>- Check from acknowledgments receipts whether EPF and ETF has been paid on due dates.</li> <li>- Check whether unclaimed salaries were banked after reasonable period.</li> <li>- Checked whether there is possibility of bogus names being included in the salary sheets.</li> </ul>	75%
<b><u>3.1.2 OVERHEAD EXPENSES</u></b>	<ul style="list-style-type: none"> <li>- Study the system of making payments and identified any weakness in the system.</li> <li>- Reviewed the Board Minutes and record the details pertaining to authority limits</li> <li>- For each payment, Checked the followings <ul style="list-style-type: none"> <li>* Whether the outflow are within the financial period.</li> <li>* Whether the vouchers are recorded in serial orders.</li> <li>* Is the payment is relevant to the company.</li> <li>* Whether the company has received the value for money .</li> <li>* Whether the outflows have been properly authorized.</li> <li>* Whether the all payments are duly recorded in the ledger and check the posting accordingly.</li> </ul> </li> <li>- Checked that for every payments a receipts has been obtained from the payee, Payee's Name, Designation, Identity card Number should be available.</li> </ul>	50%



<b>SRI LANKA THRIPOSHA LTD</b> <b>AUDIT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012</b> <b>WORK DONE</b>		
AREA	NATURE OF CHECK	EXTENT
4. <u>SYSTEM OF CONTROL</u>	<ul style="list-style-type: none"> <li>- Dual control and joint custody</li> <li>- Compliance with the board decision and relevant circulars</li> <li>- Checked the allocation of duties</li> <li>- Checked the variance with budget</li> </ul>	Test Checked
5. <u>COMPUTER PACKAGE</u>	<ul style="list-style-type: none"> <li>- Checked password controls</li> <li>- Checked access rules</li> <li>- Checked security violation</li> <li>- Checked the development and maintenance</li> <li>- Checked the modification for existing system</li> </ul>	Test Checked

