



கர்மாண் கா வலிசு கப்டுவு அமைச்சு
கைத்தொழில் மற்றும் வணிகம் பற்றிய அமைச்சு
Ministry of Industry and Commerce



பரந்தன் கெமிகல்ஸ் கம்பனி லிமிடெட்
பரந்தன் கெமிக்கல்ஸ் கம்பனி லிமிடெட்
Paranthan Chemicals Company Limited

வார்கிக வா்வா
வருடாந்த அறிக்கை
Annual Report

2020



Ministry of Industries



Paranthan Chemicals Company Limited

Annual Report

2020

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THE ORGANIZATION

Paranthan Chemicals Company Limited is a State owned Company performing its activities under the purview of Ministry of State Resources and Enterprise Development. The Company operates under the provisions of the Companies Act No 7 of 2007. The Company is also required to adhere to Good Governance, Accountability and other Policy decisions imposed by the Government.

The Company's main function is to import and supply liquid Chlorine, Caustic Soda, and Hydrochloric Acid as main chemical component needed by the local industry. The Company is the main supplier of liquid Chlorine in the market and acquires a reasonable segment of market share in other chemical requirements.

Among the initial Factories set up in the 1950 decade, Paranthan Chemicals Factory was established in 1954 as Government Chemicals Factory at Paranthan in Kilinochchi District in the Northern Province. This factory had been brought under the name of Paranthan Chemicals Corporation in 1957 by the State Industrial Corporation Act no 49 of 1957.

This Factory manufactured Caustic Soda, Liquid Chlorine as main products and Hydrochloric Acid, Zinc Chloride and Table salt as by-products, using local raw materials. At present, the Company imports liquid Chlorine in 900 Kg cylinders and refill in to 68 Kg cylinders at the refilling unit of the Company and Supply to certain sites of Water Supply and Drainage Board and some small scale industrialist whose requirements are fulfilled by the Company.

Due to the terrorist activities started in 1983, the operations of the Paranthan Factory could not be carried out from the year 1985 onwards and as a result of that the company had to import Caustic Soda and Chlorine for the various applications in manufacturing soap, paper, and textiles & for purifying water. Presently, country's requirement of chemicals is met by imports. A large sum of foreign exchange has to be incurred for this purpose. This has resulted in non-utilization of local raw materials and skilled labour, mostly due to inactivation of the Chemical Factory.

After the destruction of the Factory at Paranthan, the employees attached to Paranthan factory had been awarded compensation. Accordingly, Paranthan Chemicals Company was incorporated on 17th January 1991 as a Public Limited Liability Company under the Conversion of Public Corporations or Government owned Business Undertakings into Public Companies Act No.23 of 1987. Main activities of the Corporation at present are import and sale of liquid Chlorine, Caustic Soda Flakes and Hydrochloric Acid.

Paranthan Chemicals Company Limited is a profit making institution and in addition to the trading, the company is involved in refilling of Liquid Chlorine in to the lower capacity cylinders. The Company maintains a quality control and quality assurance scheme especially in respect of importation of cylinders and refilling. The Company has the best expertise in respect of Chlorine sector and the Company is enriched with experts and knowledgeable staff in this concern.

The Company's Head Office and stores is situated at No. 100/25, Sri Ramanathan Mawatha, Colombo 13. Land extending to 227 acres at Paranthan is reserved for construction of the new chemical factory. The land at Kalutara industrial zone extending 2 acres which had been used for refilling Chlorine and related activities is now expected to use for some new Industrial application. The total employment of the Company as at 31st December 2020 was 64. The Company has been making regular tax payments over the past several years and continued to earned profits and ensured steady expansion.

CHEMICAL INDUSTRY IN SRI LANKA AND MAJOR CHALLENGES

The chemical industry of Sri Lanka consists of major sectors namely,

- Agro chemicals,
- Industrial chemicals.
- Rubber Chemicals,
- Coating chemicals,
- Plastic related Chemicals,
- Food and Seeds Chemicals and
- Personal Chemicals.

As a country Sri Lanka consumes a larger quantity of chemicals and almost the entire requirement is being imported annually.

Paranthan Chemicals Company Ltd is mainly engaged in the supply of liquid Chlorine for water purification and input chemicals for various industries such as rubber and cold room applications.

The size of the total market perceptions relevant to Paranthan Chemicals Company Limited is estimated to Rs.1.6 Billion per annum. Presently the total contribution of the Company to the overall chemical Industry is expected to be increased enabling the Paranthan Chemicals Company Limited to become a major player during the period of next five years.

The Paranthan Chemicals Company Limited being a statutory body with 100% Government ownership and regulatory powers are expected to achieve the envisaged goals and objectives within the period set out in the Corporate Plan which is operational for 2020 - 2022.

CORPORATE INFORMATION

Legal Form	: Public Limited Liability Company incorporated in 1991, in terms of the Companies Act 17 of 1982 and later reregistered under the Companies Act No. 7 of 2007. This has been carried out in keeping with the provisions of Public Companies Act No. 23 of 1987 for conversion of public corporations or Government Owned business undertakings into public companies. The powers and functions vested in the Paranthan Chemicals Corporation statute were re-assigned to the Paranthan Chemicals Company Limited by the Memorandum and Articles of Association.	
Date of Incorporation	: Established in 1957. Re-incorporated in 17 th January 1991.	
Address Head Office	: 100/25, Sri Ramanathan Mawatha, Colombo 13, Sri Lanka	
Industrial Unit	: BOI Zone, Wagawatta, Horana	
Telephone - Head Office	: +94 11 2437555-6-7; +94 11 2437831; +94 11 2387109; +94 11 2324464; +94 11 2324465; +94 11 2437829	
Telephone – Kalutara Unit	: +94 34 2289976	
Telephone – Horana Unit	: +94 34 3442924	
Fax	: +94 11 2437555	
Email	: pccltd@sltnet.lk	
Website	: www.paranthanchemicals.gov.lk	
Principal Bankers	: People's Bank	
Statutory Auditors	: Auditor General Department	
Chairman	Mr.R.K.U.Ranaweera	- Appointed on 16 th January 2020
Executive Director	:	
Board of Directors	Mr.W.U.Perera	- Appointed on 16 th January 2020
	Mr.A.D.S.K.Nandasiri	- Appointed on 16 th January 2020
	Mr.L.U.P.Wickramasinghe	- Appointed on 16 th January 2020
	Mr.S.Amaraweera	- Appointed on 16 th January 2020
	Mr.D.K.Sumanadasa	- Appointed on 16 th January 2020
	Mrs.C.H.ranatunga	- Appointed on 17 th January 2020
	Mrs.J.P.Priyangani	- Retired on 15 th September 2020 - Appointed on 15 th September 2020
Secretary to the Board	: Mr. H.L. Vipula Silva	
Principal Officers	General Manager	- Mr.G.A.J.Wijesundara
	Deputy General Manager (Engineering)	- Mr. Tissa Liyanage
Internal Auditor	: Thilak Jayathilaka & Co. Chartered Accountants (Appointed on 01 st January 2016)	

VISION & MISSION STATEMENTS AND GOALS AND OBJECTIVES

Vision

To be the leader of chemical manufacturing and trading industry in the Country with the state sponsorship enabling to impose and ensure role of market leader and regulatory powers in the future.

Mission

To facilitate to improve the standard of local manufacturing industries by providing quality locally manufactured or imported chemical based process inputs.

Goals

- To become the major market player in the chemical market in Sri Lanka.
- Recommencing of Caustic Soda / Chlorine plant in Paranthan, Setting up of Bleaching powder and Sulphuric Acid manufacturing plants.
- To Improve and ensure employee satisfaction and obtain dedicated service to the company.
- To overcome the shortage of physical resources of the company.

Organizational Objectives

In terms of the Articles of Association of the Company, the primary objectives of the Company are as follows;

Primary Objectives

“To succeed to and carry on the business now carried on by the Paranthan Chemicals Corporation established by the order made under section 2 of the Government Sponsored Corporation Act No. 19 of 1955 and published in Gazette Extraordinary No. 10898 of March 1, 1956, and subsequently amended by the order under section 2 of the State Industrial Corporation Act. No. 49 of 1957, and published in Gazette No. 11, 632 of January 1, 1959, and in particular,

- To succeed to the ownership of all property movable and immovable owned and used by the said Paranthan Chemicals Corporation.
- To succeed to all rights including patent rights, powers, privileges and interests arising in or out of such property of the said Paranthan Chemicals Corporation.
- To succeed to all the liabilities of the said Paranthan Chemicals corporation.
- To receive and maintain all books, accounts and documents relating or pertaining to the business of the said Paranthan Chemicals Corporation.
- To succeed to all contracts and agreements entered into for the purposes of the business of the said Paranthan Chemicals Corporation.
- To succeed to all actions and proceedings instituted by or against the said Paranthan Chemicals Corporation.
- To promote and establish a share trust under the laws of Sri Lanka enabling the employees of the Company to apply for and purchase, or otherwise acquire shares issued by the Company.

To carry on the business of:

- manufacture and sale of Caustic Soda, Chlorine, Sulphuric acid, Fatty alcohols, Fertilizers, Insecticides, Fungicides, Pesticides, Agricultural chemicals and Detergents of every description, and other chemicals.
- Development, manufacture and sale of any by-products such as Hydrochloric Acid, Zinc chloride, Ferric Chloride, and Table salt which may be produced in the process of manufacturing of any of the articles specified above.
- Import and sale of any of the products specified above.
- Chemical manufactures and wholesale and retail chemists and druggists, analytical chemists, dry salters, importers, exporters and manufactures of and dealers in plastics, synthetic and other fibres, heavy and light chemicals, drugs, essences, cordials, acids, alkalis, pharmaceutical, medicinal, chemical, industrial and other preparations and articles of any kind whatsoever, mineral and other waters, explosives, ammunition and other explosive products and accessories of all kinds of fertilizers, vermifuges, fungicides, cements, oils, paints, pigments and varnishes, drug, paint and colour grinders, makers of and dealers in proprietary articles, of all kinds and of electrical, chemical, photographic, surgical and scientific apparatus and materials and in

any similar or allied businesses and either in connection with the said business or as distinct or separate businesses.

Main Activities at Present

Main activities of Paranthan Chemicals Company Ltd are import and sale of liquid Chlorine, Caustic Soda Flakes and Hydrochloric Acid.

CHAIRMAN'S REVIEW

Paranthan Chemicals Company Limited is State-owned profit making Company functioning under the Ministry of Industry and Commerce. As a professionally managed enterprise involved in Chemical production, import and distribution, the company plays an important role in ensuring availability of Chemicals needed for water purification and local manufacturing industries. The national goals of the Company includes fostering a safe and healthy national, ensuring active presence of the government in primary chemicals sector and identifying best practices in chemicals handling.

At present the company is the main supplier of Liquid Chlorine in the national market and has acquired a reasonable segment of market share in other chemicals as well. As a Company with a history of producing Caustic Soda, Chlorine and other related chemicals adding value to domestic salt production, Paranthan Chemicals Company is expected to re-establish the factory in Paranthan.

In recommencing the factory it does need to ensure that it will be sustainable within the current policy environment. Overall management and engineering experience gained and the goodwill acquired for its brand name, will be the foundation for future expansion. It has a will and capacity for such development within the current enabling environment.

It is very worthy to mention that the Company is running with a profit and all expenditures including salaries and other allowances are being paid by its own funds. Annual contribution is also paid to the General Treasury as dividends. Further a comprehensive medical health insurance scheme is being implemented for the benefit of the staff.

This Annual Report including vital information on important tasks carried out by the Company during the year 2015. It also sheds light on the capacities of the Company and existing challenges so as to meet them in an attempt to achieve further development.

ACKNOWLEDGEMENT

I wish to express my deep gratitude to the His Excellency the President, Hon. Prime Minister, Hon. Minister, Hon. Deputy Chairman, Secretary to the Ministry and the staff of the Ministry of Industries and Secretary to the General Treasury for their cooperation and the assistance extended to the Company and to me in order to discharge duties and responsibilities.

My gratitude is also extended to the External Auditors Auditor General Department. and Internal Auditor Thilak Jayathilaka & Co. for their services. My gratitude also due to, my Senior Management, Staff and all employees of the Company for their hard work and devoted service, which enabled the Company to ensure uninterrupted continuity in the process and the positive trend leads towards success.

It should be noted that Company would not have survived without the exemplary support of our valued customers. My appreciation goes to them as well and all the others who support directly and indirectly looking forward for their undivided support and services in the year 2020 as well.

Upul Ranaweera
Chairman
Paranthan Chemicals Company Limited.
02nd February 2022.

GENERAL MANAGER'S REVIEW

The main activities of the Company and revenue sources during the year 2020 are confined to sale of liquid Chlorine, Caustic Soda and Hydrochloric Acid. The turnover of the year under review is Rs.306 Million which is 7.47% Increase than the previous year. But the Company could reach only profit before taxes of Rs.82 Million which is slightly lower than the previous year due to low interest rates received on Deposits during the year under review.

This year also the Company's total income has received from the trading activities mainly from liquid Chlorine and the expected result of Caustic soda and Hydrochloric acid, could not be achieved. The market competition due to lower prices competition has been the main reason for the said back.

After the Chlorine leak in the Kalutara site on 20th April 2012, the Company could not settle down the manufacturing of new products and refilling of Chlorine operations in a Company owned land with adequate space. Due to the limited space, the planned new products such as Bleaching liquid, Bleaching powder could not be achieved in the year 2014. A limited quantities of bleaching liquid were manufactured at a contractor's location at Horana and expansion was difficult due to the limited space in the location.

ACTION TAKEN ON SAFE USAGE OF CHLORINE

After the incident, the Company has made an in depth analysis on the risk factors of Chlorine handling from the importation up to end user. The steps of safety measures have been identified including precautionary steps. In the latter part of the year 2013, company was able to obtain 2 1/2 acres land in the Board of Investment industrial Zone wagawatta, Horana and were able to construct warehouse buildings with the Latest scrubber system. It is also expected to complete the construction work of our chlorine refilling plant at wagawatta, Horana with the latest accepted systems and fullfil the Country's requirement of Liquid chlorine and related Chemicals with Bleaching Liquid and Bleaching Powder and as a result to increase the production and sales volumes.

All 900 Kg cylinders are properly examined by the suppliers and tested in compliance with International Standards and certified by the authorities of the respective countries. 68 Kg cylinders are tested locally for this purpose. The Company has obtained the public liability insurance cover for Rs.100.00 Million to cover the Public from any probable hazards due to the entire Chlorine operation. In addition, training programmes have been conducted on usage of Chlorine for Company employees and employees of Water Board sites and other chlorine users and introduced new safety Kits to mitigate the risk involved.

FINANCE DIVISION

The Finance Division of the Company consists of one executive and five management assistant grade employees. During the year under review the Finance Division assisted in formulating strategies in terms of the short term and the loan term investments and corporate planning. Reporting of the information relevant to the up to date progress of the Company to the Board of Directors and the line ministry and the Treasury were some of key functions carried out by the Division on time. In order to achieve the expected level of the profitability, the finance Division assisted and guided the other divisions whenever it was required. Adhering to the internal controls of the Company, meeting statutory requirements on time, proper relationship with the external entities also contributed the overall achievement of the company in the financial year 2014.

MARKETING DIVISION

The sales and the distribution activities of the Company are handled by the marketing division. The division is headed by the Assistant General Manager (Marketing) and assisted by three management assistant grade employees. The Division mainly markets liquid Chlorine, Caustic Soda, Hydrochloric Acid and Bleaching liquid to the local market. The products demand with the customers is properly analysed and maintain the stocks levels adequately. Competitive prices are checked periodically and adjust Company prices accordingly.

SUPPLIES DIVISION

The Supplies Division is mainly involved in the procurement process of the Company. The division consists of One executive Officer and five management assistants. During the year under review, the division has been able to negotiate with the suppliers and got lower prices for the imports. This has positively contributed the profitability of the Company.

ADMINISTRATIVE DIVISION

The Administrative Division of the Company is one of the largest divisions of the Company which consist of Twenty seven Employees. The division is Consists of Three Senior Executives, Four Middle Executives and assisted by Three Management Assistant and Seventeen Manual and Operational grade employees. The division manages the overall administration functions of the company which includes maintenance of up to date records relevant to the statutory payments of the employees, day to day attendance records, preparation and coordination of correspondences with stake holders, handling transport activities, and maintenance of building and premises.

REFILLING UNIT AT HORANA & KALUTARA

Refilling unit Horana and Kaluthara consist of Two Executives, Six Management Assistants One foreman and twelve Manual and operational grade employees and maintain under the supervision of Deputy General Manager (Engineering). The division managers the overall maintenance work of 68Kg capacity cylinders, conduct training programmes, assembling of safety equipment's. During the year 2014, the unit performed very satisfactorily.

ACKNOWLEDGEMENT

As the Acting General Manager of the Company I know first hand how much of our success is due to the Capability and the commitment of our staff.

I take this opportunity to express my gratitude and sincere thanks to the Chairman & Board Directors for their unstinted support given to the Company and thank to all my Company Staff for their hard work, talents, their creativity and discipline delivered in a challenging environment.

Mr,G.A.J.Wijesundara
General Manager
Paranthan Chemicals Company Limited

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2020

The Board of Directors of Paranthan Chemicals Company Limited hereby presents Annual Report and Accounts together with the Audited Financial Statements for the year ended 31st December 2020.

INTRODUCTION

Paranthan Chemicals Company Limited was incorporated on 17th January 1991 as a Public Limited Liability Company under the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987, to carry on the business that was carried out by Paranthan Chemicals Corporation.

PRINCIPAL ACTIVITIES

The principal activities of the Company are import and sale of Liquid Chlorine, Caustic Soda and Hydrochloric Acid and refilling of Liquid Chlorine from 900 kg. Cylinders to 68 kg. Capacity Cylinders at Chlorine Refilling Unit at Horana.

REVIEW OF BUSINESS

The Chairman's statement describes in detail the year's operation of the Company. This report forms an integral part of the Report of the Directors.

BOARD OF DIRECTORS

Current Board of Directors of the company as at 31st December 2020.

- | | |
|----------------------------|-------------------------------------|
| 1. Mr.R.K.U.Ranaweera | - Chairman and Director (Executive) |
| 2. Mr. W.U.Perera | - Non Executive Director |
| 3. Mr. A.D.S.K.Nandasiri | - Non-Executive Director |
| 4. Mr.L.U.P.Wickramasinghe | - Non-Executive Director |
| 5. Mr. S.Amaraweera | - Non-Executive Director |
| 6. Mr. D.K.Sumanadasa | - Non-Executive Director |
| 7. Mr. J.P.Priyangani | - Non-Executive Director |

BOARD MEETINGS

The company conducts monthly board meetings and, where necessary special board meetings are convened in order to transact special business. During the year ended 31st December 2020, 12 meetings of board were held.

Board Meeting attendance - 2020

Name of Director		Number of Meeting Attended
Mr.R.K.U.Ranaweera	(Chairman & Director - Executive)	12
Mr.W.U.Perera	Non-Executive Director)	11
Mr.A.D.S.K.Nandasiri	(Non-Executive Director)	12
Mr.L.U.P.Wickramasinghe	(Non-Executive Director)	10
Mr.S.Amaraweera	(Non-Executive Director)	11
Mr.D.K.Sumanadasa	(Non-Executive Director)	12
Mrs.C.H.Rantunga	(Non-Executive Director)	09
Mrs.J.P.Priyangani	(Non-Executive Director)	03

DIRECTORS INTERESTS IN CONTRACTS

Mr.R.K.U.Ranaweera,Mr.W.U.Perera,Mr.A.D.S.K.Nandasiri,Mr.L.U.P.Wickaramasinghe,Mr.S.Amaraweera,Mr.D.K.Sumanadasa and Mrs.J.P.Priyangani were the Directors of the Company as at 31st December 2020. They have confirmed that they did not have any interest in contracts with the Company.

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors of the Company are responsible to ensure compliance with the provisions of the Companies Act No. 07 of 2007 and applicable laws and other regulations in preparing the Company's Financial Statements.

The Directors are equally responsible for maintaining accounting records of the Company with reasonable accuracy to disclose the financial position.

The Directors accept the responsibility for the integrity and objectivity of the Financial Statements presented and also confirms compliance in preparing Company's Financial Statements, which are based on:

- Sri Lanka Accounting Standards and Sri Lanka Financial Reporting Standards issued by the Institute of Chartered Accountants of Sri Lanka.
- Appropriate Accounting policies are selected and applied consistently.
- Estimates and judgments relating to the Financial Statements made on a prudent and reasonable basis to reflect the true and fair view of the Financial Statements.

Company has taken proper and sufficient internal controls measures and check systems. This is to ensure maintaining proper accounting records and for safeguarding assets. The Company's External Auditors Auditor General Department, are appointed in accordance with the Resolution passed at the last Annual General Meeting. The auditors were provided with free access to undertake required inspections which they consider appropriate and necessary enabling them to form their opinion on the Financial Statements. The report of the Auditors on financial statements for the year 2020 sets out their responsibilities in relation to the Financial Statements.

INTERESTS REGISTER

The Interests Register was introduced during the year 2011 and continued in 2020 as per the Companies Act No. 07 of 2007.

REMUNERATION OF DIRECTORS

Directors' remuneration in respect of the Company for the year ended 31st December 2020 is given in Note 4 to the Financial Statements.

STATUTORY PAYMENTS

The Directors of the Company to the best of their knowledge and belief are satisfied that all statutory payments by way of taxes, duty on imports etc. due to Government and statutory payments relating to employees have been duly honoured by the Company.

PROPERTY, PLANT & EQUIPMENT

Significant changes in Property, Plant and Equipment during the period under review are given in Note 8 to the accounts on page 32.

PAYMENT OF DIVIDEND**PROPOSED FINAL DIVIDEND****AUDITOR**

The Auditor of the Company during the year under review was Auditor General Department. A provision of Rs.300,000.00 has been made in the Accounts as audit fees for the year. The Auditor did not have any relationship or any other interests with the Company that would impair their independence.

SOLVENCY TEST

Directors have made an assessment of the solvency of the Company immediately after proposed dividend and confirmed that the Company has satisfied the Solvency Test, as required by the Companies Act No. 07 of 2007.

SIGNIFICANT ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of Financial Statements are given on pages 30 to 35.

FUTURE FORECAST

The immediate plan of the company is to recommencing our chlorine factory at Paranthan.

AUDIT COMMITTEE

The Audit Committee comprised of three non-executive members of the Board of Directors. During its sittings, the Audit Committee regularly reviewed the effectiveness of internal control systems, statutory compliances, financial statements and Management accounts.

APPRECIATION

We wish to place on record our appreciation to all of our customers for their continued patronage, and the members of the staff for their co-operation, commitment and hard work which helped the Company to reach and maintain its profitable status prevailing at present.

By order of the Board,

Mr.Sudesh Nandasiri
Chairman
02nd March 2022

Mr.D.K.Sumanadasa
Director

Refilling activities, Cleaning and Industrial Safety at the Centre of Activities of the Company 2014



CURRENT PERFORMANCE, MID-TERM STRATEGIES AND PROPOSED ACTIVITY PLAN FOR ENHANCING OPERATIONS IN 2020

The Company has planned for a sales target of Rs.300 Million and estimated profit after tax of Rs.82 Million for 2020. It is planned to increase annual sales of Chlorine, Caustic Soda and Hydrochloric acid through a low cost operation based on a proper plan which is competitive with other players in the market.

The requirement of bleaching powder hitherto, is imported. It is planned to fulfill the national demand for bleaching powder through local production, hence a factory for manufacturing Caustic Liquid is to be commenced in 2020.

The Company wishes that this process will be carried out as a part of Company's operation.

Company has been operating its Head Office in a Land belongs to the Ports Authority from the year 1976. This building is in dilapidated condition and need essential repairs or to construct new Head Office building. As the Port Authority has taken Legal action against the Company, It is planned to renovate existing building or put up a new office building in the same premises in the year 2021.



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

} IMT/A/PCC/FA/2020/04

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

}

2022 ජනවාරි 19 දින

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පරන්තන් කෙමිකල් සමාගම

පරන්තන් කෙමිකල් සමාගමේ 2020 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 තත්ත්වගණනය කළ මතය

පරන්තන් කෙමිකල් සමාගමේ 2020 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ විස්තීර්ණ ආදායම් ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ මූල්‍ය ප්‍රකාශන වලට අදාළ සටහන්, සාරාංශගත වැදගත් ගිණුම්කරණ ප්‍රතිපත්තිවලින් සමන්විත 2020 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරණ ජාතික විගණන පනතේ විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

මාගේ වාර්තාවේ තත්ත්වගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, සමාගමේ මූල්‍ය ප්‍රකාශන තුළින් 2020 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එහි මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 තත්ත්වගණනය කළ මතය සඳහා පදනම

(අ) ශ්‍රී ලංකා මූල්‍ය වාර්තාකරණ ප්‍රමිත (SLFRS) අංක 15 හි 9 වන වගන්තිය ප්‍රකාරව ආදායම් හඳුනාගත යුතු වුවත්, සමාගම විසින් 2018 ජනවාරි 01 වන දින අවලංගු කරන ලද ශ්‍රී ලංකා



ජාතික විගණන කාර්යාලය
நேஷனல் கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

ගිණුම්කරණ ප්‍රමිත (LKAS) අංක 18 ප්‍රකාරව ආදායම හඳුනාගෙන ඇති බව සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශනයන්හි ගිණුම්කරණ ප්‍රතිපත්ති සටහන් අංක 4.12 මගින් අනාවරණය කර තිබුණි.

(ආ) ශ්‍රී ලංකා මූල්‍ය වාර්තාකරණ ප්‍රමිත (SLFRS) අංක 09 හි 4.1.1 වගන්තිය ප්‍රකාරව මූල්‍ය සාධන පත්‍ර වර්ගීකරණය කළ යුතු වුවත්, 2018 වර්ෂයේදී අවලංගු කරන ලද ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත (LKAS) අංක 39 ප්‍රකාරව මූල්‍ය සාධන පත්‍ර වර්ගීකරණය කළ බව සමාගම විසින් සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශනයන්හි ගිණුම්කරණ ප්‍රතිපත්ති අංක 4.4 මගින් අනාවරණය කර තිබුණි.

(ඇ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 01 හි 112 (ඇ) ඡේදය ප්‍රකාරව මූල්‍ය ප්‍රකාශවල වෙනත් තැනක ඉදිරිපත් කර නැති එහෙත් ඒවා තේරුම් ගැනීමට අදාළ වන තොරතුරු සැපයිය යුතු වුවත්, කර්මාන්ත අමාත්‍යාංශයට අයත් කළුතර නාගොඩ කර්මාන්තපුරයේ අක්කර 2 ක භූමි ප්‍රමාණයක සමාගමේ ව්‍යාපාරික කටයුතු සිදුකරගෙන යාම සඳහා වසර 50 ක බදු පදනම මත ලබාගෙන තිබූ අතර එම ඉඩම පිළිබඳ විස්තර මූල්‍ය ප්‍රකාශන වල හෙළිදරව් කර නොතිබුණි.

(ඈ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 16 හි 50 ඡේදය පරිදි වත්කමක ක්ෂය වන අගය එහි ප්‍රයෝජනවත් ජීවිත කාලය පුරා ක්‍රමානුකූල පදනමක් මත වෙන් කළ යුතු අතර, 34 වන ඡේදය පරිදි ප්‍රත්‍යාගණිත වත්කමක සාධාරණ වටිනාකම එහි ධාරණ අගයෙන් ප්‍රමාණාත්මක ලෙස වෙනස් වන විට තවත් ප්‍රත්‍යාගණනයක් කිරීම අවශ්‍ය බව දක්වා තිබුණ ද, දැනට භාවිතා කරන සම්පූර්ණයෙන් ක්ෂය වී ඇති පිරිවැය රු.28,378,715ක් වන මෝටර් රථ 8ක් හා පිරිවැය රු.6,728,057 ක් වටිනා අයිතම 665ක් ප්‍රත්‍යාගණය කර නොතිබුණි.

(ඉ) සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශනයෙහි ගිණුම්කරණ ප්‍රතිපත්ති අංක 4.8 යටතේ සේවක ප්‍රතිලාභ (පාරිතෝෂිත දීමනා) ගණනය සිදු කරන ලද්දේ “Project Unit Credit Method” අනුව බව සඳහන් කර තිබුණ ද, සමාගම විසින් සේවක පාරිතෝෂිත ගණනය කර තිබුණේ පාරිතෝෂිත සූත්‍ර ක්‍රමය (Formula Method) අනුවය.

(ඊ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 16 හි 16 ඡේදය ප්‍රකාරව වත්කම කළමනාකාරිත්වය විසින් අපේක්ෂිත ආකාරයෙන් ක්‍රියාකරවිය හැකි තත්ත්වයට ගෙන ඒමට සෘජුව අදාළ කළ හැකි පිරිවැය, පිරිවැය මූලිකාංග ලෙස සැලකිය යුතු වුවත්, වගවත්ත නැවත පිරවුම් ඒකකයේ (Wagawaththa Refilling Unit) ඉදි කිරීම් කටයුතු සඳහා උපදේශන සේවා ලබා ගැනීම වෙනුවෙන් වර්ෂය තුළ දරන ලද රු.1,345,119ක වියදම වත්කමක් ලෙස හඳුනා නොගෙන වර්ෂයේ වියදමක් ලෙස කසා හැර තිබුණි. එම හේතුවෙන් වර්ෂයේ ලාභය රු.1,345,119කින් අඩු වී තිබුණි.



ජාතික විගණන කාර්යාලය
ජාතික විගණන කාර්යාලය
NATIONAL AUDIT OFFICE

(උ) වගවත්ත ක්ලෝරින් නැවත පිරවුම් ඒකකය මගින් සිදු කරන බිලිවීන් දියර හා කොස්ටික් සෝඩා දියර නිෂ්පාදනයට හා ක්ලෝරින් සිලින්ඩර වලට පිරිවීමේ දී දැරීමට සිදුවන සියළු වියදම් නිෂ්පාදන පිරිවැයට ඇතුළත් විය යුතු වුවත් සමහර වියදම් පරිපාලන වියදම් තුළට ඇතුළත් කර තිබුණි.

ශ්‍රී ලංකා විගණන ප්‍රමිතිවලට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිති යටතේ වූ මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තවදුරටත් විස්තර කර ඇත. මාගේ තත්ත්වවිගණනය කළ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබාගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 සමාගමේ 2020 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබා දීමට බලාපොරොත්තු වන සමාගමේ 2020 වාර්ෂික වාර්තාවේ ඇතුළත් කර ඇති නමුත් මූල්‍ය ප්‍රකාශන සහ ඒ පිළිබඳව වූ මගේ විගණන වාර්තාවේ ඇතුළත් නොවන තොරතුරු, අනෙකුත් තොරතුරු යන්නෙන් අදහස් වේ. මෙම අනෙකුත් තොරතුරු සඳහා කළමනාකරණය වගකිව යුතුය.

මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් වූ මගේ මතයෙන් අනෙකුත් තොරතුරු ආවරණය නොකරන අතර මම ඒ පිළිබඳ කිසිදු ආකාරයක සහතිකවීමක් හෝ මතයක් ප්‍රකාශ නොකරමි.

මූල්‍ය ප්‍රකාශන පිළිබඳ මගේ විගණනයට අදාළව, මගේ වගකීම වන්නේ ඉහත හඳුනාගත් අනෙකුත් තොරතුරු ලබා ගත හැකි වූ විට කියවීම සහ එසේ කිරීමේදී අනෙකුත් තොරතුරු මූල්‍ය ප්‍රකාශන සමඟ හෝ විගණනයේදී හෝ වෙනත් ආකාරයකින් ලබාගත් මගේ දැනුම අනුව ප්‍රමාණාත්මක වශයෙන් නොගැලපෙනවාද යන්න සලකා බැලීමයි.

සමාගමේ 2020 වාර්ෂික වාර්තාව කියවන විට, එහි ප්‍රමාණාත්මක වරදවා දැක්වීම් ඇති බව මම නිගමනය කළහොත්, නිවැරදි කිරීම සඳහා පාලනය කරන පාර්ශ්වයන් වෙත එම කරුණු සන්නිවේදනය කළ යුතුය. තව දුරටත් නිවැරදි නොකළ වරදවා දැක්වීම් තිබේ නම්, ඒවා ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මා විසින් යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලබන වාර්තාවට ඇතුළත් කරනු ඇත.

1.4 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශ්වයන්ගේ වගකීම

මෙම මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ගිණුම්කරණ අනුකූලව පිළියෙල කිරීම හා සාධාරණ ලෙස ඉදිරිපත් කිරීම සහ වංචා හෝ වැරදි හේතුවෙන් ඇතිවිය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනයන් තීරණය කිරීම කළමනාකරණයේ වගකීම වේ.



ජාතික විගණන කාර්යාලය
நேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී, සමාගම අඛණ්ඩව පවත්වාගෙන යාමේ හැකියාව තීරණය කිරීම කළමනාකරණයේ වගකීමක් වන අතර, කළමනාකාරිත්වය සමාගම ඇවර කිරීමට අදහස් කරන්නේ නම් හෝ වෙනත් විකල්පයක් නොමැති විටදී මෙහෙයුම් නැවැත්වීමට කටයුතු කරන්නේ නම් හැර අඛණ්ඩ පැවැත්මේ පදනම මත ගිණුම් තැබීම හා සමාගමේ අඛණ්ඩ පැවැත්මට අදාළ කරුණු අනාවරණය කිරීමද කළමනාකරණයේ වගකීමකි.

සමාගමේ මූල්‍ය වාර්තාකරණ ක්‍රියාවලිය සම්බන්ධව පරීක්ෂා කිරීමේ වගකීම, පාලනය කරන පාර්ශවයන් විසින් දරනු ලබයි.

2018 අංක 19 දරණ ජාතික විගණන පනතේ 16 (1) උප වගන්තිය ප්‍රකාරව, සමාගමේ වාර්ෂික සහ කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වාගෙන යා යුතුය.

1.5 මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම

සමස්තයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා සහ වැරදි නිසා ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සැමවිටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කර ගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවිය හැකි අතර, එහි ප්‍රමාණාත්මක භාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කර ගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකමුසුබවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, චේතනාන්විත මඟහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.



ජාතික විගණන කාර්යාලය
ජාතික විගණන කාර්යාලය
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- අභ්‍යන්තර පාලනයේ සම්ප්‍රදායිකත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවූවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබා ගන්නා ලදී.
- භාවිතා කරන ලද ගිණුම්කරණ ප්‍රතිපත්තිවල උචිතභාවය, ගිණුම්කරණ ඇස්තමේන්තුවල සාධාරණත්වය සහ කළමනාකරණය විසින් කරන ලද සම්බන්ධිත හෙළිදරව් කිරීම් අගයන ලදී.
- සිද්ධීන් හෝ තත්ත්වයන් හේතුවෙන් සමාගමේ අඛණ්ඩ පැවැත්ම පිළිබඳ ප්‍රමාණාත්මක අවිනිශ්චිතතාවයක් තිබේද යන්න සම්බන්ධයෙන් ලබාගත් විගණන සාක්ෂි මත පදනම්ව ගිණුම්කරණය සඳහා ආයතනයේ අඛණ්ඩ පැවැත්ම පිළිබඳ පදනම යොදා ගැනීමේ අදාලත්වය තීරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව් කිරීම් වලට මාගේ විගණන වාර්තාවේ අවධානය යොමු කළ යුතු අතර, එම හෙළිදරව් කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකරණය කළ යුතුය. කෙසේ වුවද, අනාගත සිද්ධීන් හෝ තත්ත්වයන් මත අඛණ්ඩ පැවැත්ම අවසන් වීමට හැකිය.
- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ත ඉදිරිපත් කිරීම අගයන ලදී.

මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව පාලනය කරනු ලබන පාර්ශ්වයන් දැනුවත් කරමි.

2. වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

2.1 2018 අංක 19 දරණ ජාතික විගණන පනතේ සහ 2007 අංක 7 දරණ සමාගම් පනතේ පහත සඳහන් අවශ්‍යතාවයන් සම්බන්ධයෙන් විශේෂ ප්‍රතිපාදන ඇතුළත් වේ.

2.1.1 2007 අංක 7 දරණ සමාගම් පනතේ 163 (2) (ඇ) වගන්තියේ සහ 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, මාගේ වාර්තාවේ තත්ත්ව විගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණු වලින් වන බලපෑම හැර, විගණනය සඳහා අවශ්‍ය සියළු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබා ගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා සමාගම පවත්වාගෙන ගොස් තිබුණි.



ජාතික විගණන කාර්යාලය
ජාතික විගණන කාර්යාලය
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- 2.1.2 සමාගමේ මූල්‍ය ප්‍රකාශන, 2007 අංක 07 දරණ සමාගම් පනතේ 151 වගන්තියෙහි අවශ්‍යතාවයන්ට අනුකූල වේ.
- 2.1.3 2018 අංක 19 දරණ ජාතික විගණන පනතේ 6 (1) (ඇ) (iii) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වේ.
- 2.1.4 2018 අංක 19 දරණ ජාතික විගණන පනතේ 6 (1) (ඇ) (iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව ඉකුත් වර්ෂයේදී මා විසින් සිදුකරන ලද නිර්දේශයන් ඉදිරිපත් කරන ලද මූල්‍ය ප්‍රකාශනවල ඇතුළත්ව ඇත.
- 2.2 අනුගමනය කරන ලද ක්‍රියාමාර්ග සහ ලබා ගන්නා ලද සාක්ෂි මත හා ප්‍රමාණාත්මක කරුණුවලට සීමා කිරීම තුළ, පහත සඳහන් ප්‍රකාශ කිරීමට තරම් කිසිවක් මාගේ අවධානයට ලක් නොවීය.
- 2.2.1 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (ඇ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට සමාගම සම්බන්ධවී යම් ගිවිසුමක් සම්බන්ධයෙන් සෘජුව හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්ත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.
- 2.2.2 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණය හැර යම් අදාළ ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.

නීතිරීති / විධානයට යොමුව

නිරීක්ෂණ

2003 ජුනි 3 දිනැති පීඊඩී 12 දරණ රාජ්‍ය ව්‍යාපාර චක්‍රලේඛය 6.5.3 වගන්තිය

2015 සිට 2019 දක්වා වන වර්ෂයන්ට අදාළ වාර්ෂික වාර්තා පාර්ලිමේන්තුවේ සභාගත කර නොතිබුණි.

- 2.2.3 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ බලතල, කර්තව්‍ය සහ කාර්යයන්ට අනුකූල නොවන ලෙස කටයුතු කර ඇති බව.
- 2.2.4 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (ඌ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර සමාගමේ සම්පත් සකස්සුරුවම් ලෙස, කාර්යක්ෂම ලෙස සහ



ජාතික විගණන කාර්යාලය
ජාතික විගණන කාර්යාලය
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එලදායි ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීති වලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර නොමැති බව

(අ) කළුතර පුලුල්වත් කර්මාන්තපුරයේ පරන්තන් කෙමිකල්ස් ආයතනයට අයත් අක්කර 2 කින් යුත් ඉඩමේ වර්ග අඩි 5250 කින් යුත් කාර්යාලීය දෙමහල් ගොඩනැගිල්ලේ පහළ මහලේ නිලධාරීන් නිදෙනෙකු පමණක් සිටින අතර සියළු පහසුකම් සහිත උඩුමහල ප්‍රයෝජනයට නොගෙන නිශ්කාර්යව පැවතුණි.

(ආ) 1986 වසරේ සිට පරන්තන් නිෂ්පාදනාගාරයේ ක්ලෝරීන් නිෂ්පාදනය නවතා දැමීම හේතුවෙන් මෙරටට අවශ්‍ය කෝස්ටික් සෝඩා හා ක්ලෝරීන් මුළුමනින්ම ආනයනය මගින් සපුරාගෙන තිබුණි. පරන්තන්හි පිහිටා ඇති අක්කර 227 ක භූමියේ ක්ලෝරීන් නිෂ්පාදන කටයුතු සඳහා යන්ත්‍රාගාරයක් ස්ථාපිත කිරීමට 2016 වර්ෂයේ යෝජනා කර තිබූ අතර 2020 වර්ෂයේදී ශක්‍යතා අධ්‍යයනයක් හා පරිසර බලපෑම් තක්සේරුවක් කර ඒ වෙනුවෙන් පිළිවෙලින් රු.7,611,111 ක හා රු.2,116,750 ක වියදම් දරා තිබුණද යන්ත්‍රාගාරය ඉදිකිරීම් කටයුතු මේ දක්වා ආරම්භ කර නොතිබුණි. එසේම 2016 වර්ෂයේ සිට 2019 වර්ෂය දක්වා රු.3,670,855ක් වැයකර ශාක වගාකර තිබුණි.

(ඇ) කෝස්ටික් සෝඩා භාවිතා කරන්නන් බොහෝ දෙනෙක් කෝස්ටික් සෝඩා පතුරු දියකර හැරීමේ දුෂ්කර ස්වභාවයට මුහුණ දෙන බැවින්, දියර ආකාරයෙන් කෝස්ටික් සෝඩා මිලදී ගැනීමට කැමැත්තක් දක්වන බවද, කෝස්ටික් සෝඩා භාවිතා කරන්නන් සියයට 30 සිට සියයට 50 දක්වා විවිධ සාන්ද්‍රණයන්ගෙන් යුත් කෝස්ටික් සෝඩා ලයි භාවිතා කරන කරන බවද දක්වමින් දේශීය වෙළඳපොළේ කෝස්ටික් සෝඩා ලයි සඳහා ඇති ඉල්ලුම සැලකිල්ලට ගනිමින්, කෝස්ටික් සෝඩා වලට වටිනාකමක් එකතු කිරීම හා පරන්තන් කෙමිකල්ස් ආයතනයට දැනට ලබාගත නොහැකි වෙළඳපල වෙත ළඟා වීමේ අරමුණින් කෝස්ටික් සෝඩා දියර සෑදීමේ ව්‍යාපෘතිය 2015 දෙසැම්බර් 30 දින කළුතර නාගොඩ කර්මාන්තපුරයේ ආරම්භ කර 2016 අප්‍රේල් 25 දින වැඩ අවසන් කර තිබුණි.

එසේ වුවද මෙම කෝස්ටික් සෝඩා දියර සකසන යන්ත්‍රය යකඩ වලින් සාදා තිබීම නිසා යකඩ හා කෝස්ටික් සෝඩා දියර ප්‍රතික්‍රියා කර යකඩ කෝස්ටික් සෝඩා ලයි සමඟ මිශ්‍ර වී ඒවා අලෙවි කිරීමට නොහැකි වීමෙන් ව්‍යාපෘතිය අතහැර දමා තිබුණි. මෙම කෝස්ටික් සෝඩා දියර යන්ත්‍රය සැකසීමට පෙර කෝස්ටික් සෝඩා පතුරු සමඟ යකඩ මිශ්‍ර වන බව අධ්‍යයනයකින් තොරව කටයුතු කිරීම නිසා ආයතනයට රු. 2,089,000 ක අලාභයක් සිදු වී තිබුණි. මෙම යන්ත්‍රය භාවිතා නොකිරීම හේතුවෙන් මළ බැඳීම් වලට ලක් වී තිබූ අතර සමහර කොටස් එම භූමියේ තැන තැන දමා දිරාපත්ව වල් බිහි වී තිබුණි. එසේම එම



ජාතික විගණන කාර්යාලය
ජී.එම්.සී. සංරක්ෂණය වූ ආයතනයක්
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යන්ත්‍රය ගබඩා කර ඇති ගොඩනැගිල්ලේදී කිසිදු කාර්යයකට යොදා නොගෙන නිශ්කාර්යව පැවතුණි.

2.3 වෙනත් කරුණු

- (අ) වසා දමා ඇති ආයතන 5කින් අයවිය යුතු රු.4,579,926ක් වූ ණය ශේෂ අයකර ගැනීමට හෝ අවශ්‍ය අනුමැතීන් ලබාගෙන පොත්වලින් ඉවත් කිරීමට කටයුතු කර නොතිබුණි.
- (ආ) තවමත් ක්‍රියාත්මක තත්ත්වයේ පවතින ආයතන වෙනත් අයවිය යුතු ලෙස ගිණුම්වල දක්වා ඇති වසර 10කට වඩා පැරණි රු.5,052,627 ක් වූ ශේෂයන් අයකර ගැනීමට ආයතනය කටයුතු කර නොතිබුණි.
- (ඇ) සමාලෝචිත වර්ෂයේ ප්‍රගති වාර්තාව (Progress Report) ක්‍රියාකාරී සැලැස්මට අනුකූලව ඉදිරිපත් කර නොතිබුණු අතර ක්‍රියාකාරී සැලැස්ම තුළ ඇතුළත් ව්‍යාපෘති 07 ක් මෙම වර්ෂයේදී ක්‍රියාත්මක කර නොතිබුණි. එසේම පරන්තන්හි පිහිටා ඇති භූමියේ ක්ලෝරීන් නිෂ්පාදන කටයුතු සඳහා කුඩා යන්ත්‍රාගාරයක් ස්ථාපිත කිරීම හා වගවත්ත ක්ලෝරීන් ගබඩා සංකීර්ණ කටයුතු සිදු කිරීම යන ක්‍රියාකාරකම් සමාලෝචිත වර්ෂයේ සිදුකර ඇතත් ඒවා ක්‍රියාකාරී සැලැස්මට ඇතුළත් කර නොතිබුණි.
- (ඈ) පරන්තන් කෙම්කල්ස් සමාගමේ අනුමත කාර්යය මණ්ඩලය 70 ක් වූ අතර තත්‍ය කාර්යය මණ්ඩලය 55 ක් විය. ඒ තුළ ඇතුළත් නියෝජ්‍ය සාමාන්‍යාධිකාරී හා විගණක යන තනතුරු 2019 වර්ෂයේ සිටද, සහකාර සාමාන්‍යාධිකාරී (මූල්‍ය) තනතුර 2013 වර්ෂයේ සිටද, පුරප්පාඩුව පැවතියද 2021 ඔක්තෝබර් 30 දින දක්වා අදාළ තනතුරු පිරවීමට සමාගම කටයුතු කර නොතිබුණි.

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2019 Rs.	2019 Rs.
Revenue	1	306,585,103	287,168,845
Less: Cost of Sales	2	(152,926,005)	(151,904,349)
Gross Profit		153,659,098	135,264,496
Other Operating Income	3	33,032,969	38,477,530
		186,692,066	173,742,026
Expenses			
Selling & Distribution Expenses		(615,044)	(1,494,595)
Administrative & Establishment Expenses		(103,994,475)	(98,614,771)
		(104,609,519)	(100,109,366)
Profit from Operating Activities	4	82,082,547	73,632,660
Less: Finance Costs		(52,808)	(251,933)
Net Profit Before Taxation		82,029,740	73,380,727
Less: Taxation	5	(55,347,595)	(30,192,565)
Net Profit after Taxation		26,682,144	43,188,162
Other Comprehensive Income			
Actuarial Loss		524,120	471,756
Tax on other comprehensive income		(73,377)	(66,046)
Total Comprehensive Income for the year		27,132,887	43,593,872
Earnings per Share	6	6.78	10.90
Dividend per Share	7	-	0.75

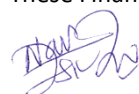
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

	Notes	2020 Rs.	2019 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	8	267,790,774	288,300,442
Pre Paid Lease Land		2,670,950	2,785,739
Capital Work-in-Progress		19,085,178	7,994,545
		289,546,903	299,080,545
Current Assets			
Inventories	9	19,975,939	25,480,229
Trade & Other Receivables		54,128,890	46,820,411
Staff & Other Debtors		19,130,028	20,871,012
Deposits, Prepayments & Advances		5,550,074	5,225,562
Short Term Investments	10	449,346,806	387,807,350
Cash and Cash Equivalents		26,041,673	8,605,086
Total Current Assets		574,173,410	494,809,650
Total Assets		863,720,313	793,890,376
EQUITY & LIABILITIES			
Capital & Reserves			
Stated Capital	11	40,000,000	40,000,000
Retained Earnings		420,024,309	401,364,772
Other Component of Equity	12	219,195,490	220,795,490
		679,219,799	662,160,262
Non Current Liabilities			
Retirement Benefit Obligations	13	12,009,340	11,028,082
Differed Tax	14	103,274,179	61,091,783
		115,283,519	72,119,865
Current Liabilities			
Trade & Other Payables		55,993,823	50,464,039
Current Tax Liability		10,738,576	8,539,837
Bank Overdrafts		2,484,595	606,373
Total Current Liabilities		69,216,994	59,610,248
Total Equity & Liabilities		863,720,313	793,890,376

I certify that these Financial Statements are in compliance with the requirements of the Companies Act. No. 7 of 2007.

Head of Finance

The Board of Directors, is responsible for the preparation of these Financial Statements.
These Financial Statements were approved by the Board of Directors.


Director

Director

The Significant Accounting Policies and Notes on Pages 23 to 35, form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2020

	Stated Capital	Capital Reserves	Other Components of Equity	Accumulated Profit	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2019	40,000,000	-	220,795,490	357,770,900	618,566,390
Dividend Paid	-	-	-	-	-
Adjustment in respect year		-		-	-
Net Profit for the Year	-	-	-	43,593,872	43,593,872
Prior adjustments				-	-
Balance as at 31st December 2019	40,000,000	-	220,795,490	401,364,772	662,160,262
Balance as at 01st January 2020	40,000,000	-	220,795,490	401,364,772	662,160,262
Adjustments in respect of Previous Years	-		-	(73,350)	(73,350)
Dividend Paid	-	-	-	(10,000,000)	(10,000,000)
Net Profit for the Year	-	-	-	27,132,887	27,132,887
Sales of Vehicles			(1,600,000)	1,600,000	-
Balance as at 31st December 2020	40,000,000	-	219,195,490	420,024,309	679,219,799

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 Rs.	2019 Rs.
Net Profit Before Taxation	82,029,740	73,380,727
<u>Adjustment For:</u>		
Depreciation	21,172,167	20,433,802
Amortization	114,788	114,788
Interest income	(29,760,970)	(37,037,498)
Profit on Disposal of Fixed Assets	-	-
Under Provision	-	-
Provision for Gratuity	2,415,494	2,190,511
Staff Loan Interest expenses	706,748	666,253
Operating Profit before Working Capital Changes	76,677,965	59,748,583
(Increase) / Decrease in Inventories	5,504,290	(887,229)
(Increase) / Decrease in Trade & Other Receivables	(7,308,479)	2,125,674
(Increase) / Decrease in Staff & Other Debtors	1,740,984	578,723
(Increase) / Decrease in Deposits, Prepayments & Advances	(324,512)	(1,406,298)
(Increase) / (Decrease) in Trade & Other Payables	5,529,784	8,993,905
	5,142,067	9,404,775
Operating Profit after Working Capital Changes	81,820,032	69,153,358
Income Tax Paid	(9,526,801)	(9,000,000)
Gratuity Paid	(847,116)	(3,623,443)
Cash Generated from Operating Activities	71,446,115	56,529,916
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Interest Income	25,577,836	34,677,447
Purchase of Property, Plant & Equipment	(662,496)	(31,699,548)
Proceeds from Sale of Property, Plant & Equipment	1,827,000	-
Capital Work-in-Progress	(11,090,634)	9,162,321
Cash Used in Investing Activities	15,651,707	12,140,221
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividends Paid	(10,000,000)	-
Cash Used in Financing Activities	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents	77,097,822	68,670,137
Cash & Cash Equivalents at the beginning of the year	395,806,063	327,135,926
Cash & Cash Equivalents at the end of the year	Note A 472,903,885	395,806,063

Note A

	2020 Rs.	2019 Rs.
<u>Cash & Cash Equivalents Balance at the end of the Year is made up of.</u>		
Fixed Deposits - People's Bank	49,199,869	45,808,605
Fixed Deposits - People's Bank	55,941,508	52,203,327
Fixed Deposits - People's Bank	14,508,260	13,508,230
Fixed Deposits - People's Bank	7,561,654	7,016,211
Fixed Deposits - People's Bank	14,840,265	13,769,796
Fixed Deposits - People's Bank	14,882,633	13,856,798
Fixed Deposits - People's Bank	14,539,450	13,476,808
Fixed Deposits - People's Bank	15,426,412	14,314,470
Fixed Deposits - People's Bank	14,838,242	13,768,229
Fixed Deposits - People's Bank	7,570,403	7,023,148
Fixed Deposits - People's Bank	10,000,000	7,871,072
Fixed Deposits - People's Bank	13,675,199	12,701,926
Fixed Deposits - People's Bank	13,721,420	12,775,626
Fixed Deposits - People's Bank	14,051,884	13,067,592
Fixed Deposits - People's Bank	13,224,295	12,335,585
Fixed Deposits - People's Bank	13,404,873	12,302,741
Fixed Deposits - People's Bank	25,609,622	23,475,295
Fixed Deposits - People's Bank	38,094,923	35,115,470
Fixed Deposits - People's Bank	23,709,618	22,088,944
Fixed Deposits – NSB	11,304,798	10,489,332
Fixed Deposits – NSB	11,215,515	10,442,449
Fixed Deposits – NSB	10,968,351	10,197,838
Fixed Deposits – NSB	10,932,613	10,197,838
Fixed Deposits – NSB	10,125,000	-
Fixed Deposits – NSB	10,000,000	-
Fixed Deposits – NSB	10,000,000	-
	449,346,807	387,807,350
People's Bank - Corporate Branch	(2,484,595)	(606,373)
People's Bank – Money Market	25,964,758	8,550,762
Bank of Ceylon- Corporate Branch	-	-
People's Bank –Bomuwala Branch	5,922	5,691
People's Bank –Horana Branch	6,022	5,798
Sampath Bank PLC	-	-
Petty Cash - Horana	31,453	18,828
Petty Cash - Head Office	29,273	17,097
Petty Cash - Kalutara	3,235	5,230
Postage Imprest	1,010	1,680
	23,557,078	7,998,714
	472,903,885	395,806,063

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

1. CORPORATE INFORMATION

1.1. Reporting Entity

Paranthan Chemicals Company Limited is a Limited Liability Company Incorporated and domiciled in Sri Lanka. The Registered Office of the Company and the principal place of business is located at No.100/25, Sri Ramanathan Road, Colombo 13.

1.2. Approval of Financial Statements

The Financial Statements are authorized for issue by the Board of Directors on 11th August 2021

1.3. Number of Employees

The number of employees of the Company at the year end, was 55. (In 2019 - 56)

1.4. Principal Activities and the Nature of Operations

The principal activities of the Company are Imports and Sale of Chemicals. There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

1.5. Responsibility for Financial Statements

Directors acknowledge the responsibility for true and fair presentation of the Financial Statements in accordance with the Books of Accounts and Sri Lanka Accounting Standards (SLFRS)

1.6. Statement of Compliance

The Financial Statements which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with the new Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

For all periods up to and including the Year ended 31st December 2011, the Company had prepared its Financial Statements in accordance with the Sri Lanka Accounting Standards (SLAS) which were effective up to 31st December 2011. These Financial Statements for the Year ended 31st December 2012, are the first the Company has prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) immediately effective from 01st January 2012. These SLFRS/LKASs have materially converged with the International Financial Reporting Standards (IFRS) as issued, by the International Accounting Standards Board (IASB).

2. BASIS OF PREPARATION

2.1. Basis of Measurement

The Financial Statements have been prepared on an accrual basis under the historical cost convention, except for revalued Assets.

2.2. Presentation and Functional Currency

The Financial Statements are presented in Sri Lankan Rupees, the Company's functional and presentation currency, which is the primary economic environment in which the Company operates.

3. ACCOUNTING POLICIES

3.1. CHANGES IN ACCOUNTING POLICIES

The changes to accounting policies set out below have been applied consistently to all financial periods presented in these Financial Statements and in preparing the opening SLFRS/LKAS Statement of Financial Position as at 01st January 2011 for the purpose of the transition to SLFRS/LKAS, unless otherwise indicated.

Comparative information

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant, for better presentation and to be comparable with those of the current year.

3.2. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements of the Company requires the management to make judgments, estimates and assumptions, which may affect the amount of income, expenditure, assets, liabilities, at the end of the reporting period. In the process of applying the Company's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Revaluation of Property, Plant and Equipment

The Company measures Property, Plant and Equipment at revalued amounts with changes in fair value being recognized in the Statement of equity. The Company engaged independent valuation specialists to determine fair value and certain identified Property, Plant and Equipment as at 31st December 2010.

Taxes

The Company is subject to Income Tax and other taxes including VAT and NBT. Significant judgment was required to determine the total provision for current, deferred and other taxes pending the issue of tax guidelines on the treatment of the adoption of SLFRS in the Financial Statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these Financial Statements.

Impairment of Tangible Assets

The assessment of impairment in tangible assets includes the estimation of the value in use of the asset computed as the present value of the best estimates of future cash flows generated by the asset adjusted for associated risks. This estimation has inherent uncertainties. Impairment losses if any, are charged to income statement immediately.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Foreign Currency Translation

Transactions in overseas currencies are translated into Sri Lankan Rupees at the exchange rate ruling at the date of the transaction. All monetary assets and liabilities in foreign currency at year end, are translated at the rate prevailing at the balance sheet date. Non-monetary items which are carried in terms of historical cost or fair value denominated in foreign currency are translated using the exchange rate prevalent at the date of transaction. The resulting gains or losses on transactions are dealt with, in the Income Statement.

4.2. Tax

Current Tax

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act. No. 10 of 2006 and amendments thereto.

Deferred Tax

Deferred Taxation is provided, based on the liability method, on the temporary differences at the balance sheet date between the carrying amount of the assets and liabilities for financial reporting purposes and the amounts used for the tax purposes. The balance in the deferred taxation account represents income tax applicable to the difference between the written down values for tax purposes of the assets on which tax depreciation has been claimed and the net book value of such assets, offset by the provision for retirement benefit which is deductible for income tax purposes only on payment.

Deferred assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

4.3. Property, Plant and Equipment

Basis of Recognition

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured in accordance with LKAS 16

Basis of Measurement

Property, Plant and Equipment are stated at Cost / Revalued value less accumulated depreciation and any accumulated impairment loss to the date of revaluation. The carrying values of Property, Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation.

Any revaluation surplus is recognized in other Comprehensive Income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the Income Statement, in which case the increase is recognized in the Income Statement. A revaluation deficit is recognized in the Income Statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

De Recognition

Items of Property, Plant and Equipment are de-recognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Income Statement in the year the asset is de-recognized.

Depreciation

Depreciation is calculated by using the straight-line method on the cost or valuation of all Property, Plant and Equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets.

The depreciation of the re-valued Assets, is been done, item by item on the basis of remaining useful economic lifetime of Assets.

The depreciation is been done on new Assets additions, as per details shown below.

Assets	Rate % per annum
Buildings	05.00
Motor Vehicles	25.00
Cylinder/ Containers	12.50
Tools & Equipment	12.50
Office Equipment	12.50
Furniture & Fittings	12.50
Plant & Machinery	12.50
Computer Accessories	33.33
Communication & Media Equipment	33.33
Bicycle	12.50

4.4. Financial Instruments - Initial Recognition and Subsequent Measurement

i) Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition. The Company's financial assets include cash and short-term deposits, trade and other receivables, and loans and other receivables.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost, using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Income Statement. The losses arising from impairment is recognized in the Income Statement in finance costs.

ii) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

4.5. Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

4.6. Trade and Other Receivables

Debtors and Other Receivables are stated at the amounts estimated to be realized net of provision for doubtful receivables.

Provision for Bad and Doubtful Debts are made as follows;

1-2 Years	25%
2-3 Years	50%
More than 3 Years	100%

4.7. Cash and Cash Equivalents

Cash & Cash Equivalents in the Statement of Financial Position comprise cash at banks and in hand for the purpose of the cash flow Statement, cash and cash equivalents consist of cash and short-term deposits also.

4.8. Defined Benefit Plan - Gratuity

Defined Benefit Plan portrays the amount of benefit an employee will receive at his retirement, usually dependent on his service at retirement. The Company is liable to pay gratuity to an employee relevant to the statute and such gratuity is an acknowledged Defined Benefit Plan. Provision is provided to meet this liability and it is reflected in the Statement of Financial Position of the Company. The cost of providing benefits under such Benefit Plan, is computed separately for each plan and calculated in line with the Projected Unit Credit method. Gains and Losses occurring during the period are charged or credited against such gratuity.

Defined Contribution Plan – Employees' Provident Fund and Trust Fund

Obligation for contributions to a Defined Contribution Plan is recognized as expense in the Statement of Comprehensive Income as incurred.

4.9. Liabilities and Provisions

Liabilities and provisions are recognized in the Statement of Financial Position when there is a present obligation as a result of a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the Creditors or within one year of the Balance Sheet date, are treated as Current Liabilities in the Balance Sheet. Liabilities payable after one year from the Balance Sheet date are treated as Non-Current Liabilities in the Balance Sheet.

4.10. Events Occurring after the Reporting Period

Events after the reporting period are those events favourable and unfavourable that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The materiality of the events occurring after the reporting period, is considered and appropriate adjustments to or disclosures are made in the financial statements, where necessary.

4.11. Deposits on Returnable Cylinders

Deposit on Returnable Cylinders represent the cash deposits collected from distributors when issuing Returnable Cylinders by the Company. At the time of termination of a distributor the deposit is refunded

in case the Returnable Cylinders were returned to the Company or the deposit was forfeited to the extent that the returnable cylinders were not returned to the Company.

4.12. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and value added taxes, after eliminating sales within the Company.

The following specific criteria are used for recognition of revenue:

Sale of Goods

Revenue from the sale of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer with the Group retaining neither a continuing managerial involvement to the degree usually associated with ownership, nor an effective control over the goods sold.

Turnover Based Taxes

Turnover Based Taxes include Value Added Tax, Nation Building Tax. Company pays such taxes in accordance with the respective statutes.

Interest Income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Income Statement.

Gains and Losses

Net Gains and Losses of a revenue nature arising from the disposal of Property, Plant and Equipment and other non-current assets, including investments, are accounted for in the Statement of Comprehensive Income, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Other Income

Other income is recognized on an accrual basis.

4.13. Expenditure Recognition

Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency, has been charged to the Statement of Comprehensive Income.

5. SRI LANKA ACCOUNTING STANDARDS (SLFRS/LKAS) ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Company's Financial Statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

- a. SLFRS 9-Financial Instruments: Classification and Measurement SLFRS 9 as issued reflects the replacement of LKAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in LKAS 39. The standard is effective for annual periods beginning on or after 01st January 2015. The adoption of SLFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

- b. SLFRS 13-Fair Value Measurement SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 does not state when an entity is required to use fair value, but rather provides guidance on how to measure fair value under SLFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 01st January 2014.

6. FIRST-TIME ADOPTION OF SLFRS/LKAS

These Financial Statements, for the year ended 31st December 2012, are the first the Company has prepared in accordance with SLFRS/LKAS. For periods up to and including the year ended 31st December 2011, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards which were effective up to 31st December 2011.

Accordingly, the Company has prepared Financial Statements which comply with SLFRS/LKAS applicable for periods ending on or after 31st December 2012, together with the comparative period data as at and for the year ended 31st December 2011, as described in the accounting policies. In preparing these Financial Statements, the Company's opening Statement of Financial Position was prepared as at 01st January 2011, the Company's date of transition to SLFRS/LKAS. This note explains the principal adjustments made by the Company in restating its SLAS Statement of Financial Position as at 01st January 2011, and its previously published SLAS Financial Statements as at and for the year ended 31st December 2011.

7. DIRECTORS' INTEREST IN CONTRACTS

Mr.R.K.U.Ranaweera,Mr.W.U.Perera,Mr.A.D.S.K.Nandasiri,Mr.L.U.P.Wickramasighe,Mr.S.Amaraweera,Mr.D.K.Sumanadasa and Mrs.J.P.Priyangani were the Directors of the Company as at 31st December 2020. They have confirmed that they did not have any interest in contracts with the Company.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2020

		2020 Rs.	2019 Rs.
1	REVENUE		
	Sales	306,585,103	289,083,702
	Less: Nation Building Tax	-	(1,914,857)
		306,585,103	287,168,845
2	COST OF SALES		
	Opening Inventories	13,456,986	13,194,446
	Add: Purchases	146,426,023	152,166,888
		159,883,009	165,361,334
	Less: Closing Inventories	(6,957,004)	(13,456,985)
		152,926,005	151,904,349
3	OTHER OPERATING INCOME		
	Interest on Staff Loans	1,148,761	1,220,756
	Interest on Fixed Deposits & Call Deposits	28,612,210	35,816,742
	Other Income	1,445,000	1,440,033
	Profit on Sale of Fixed Assets	1,827,000	-
		33,032,969	38,477,530
4	PROFIT FROM OPERATING ACTIVITIES		
	Profit from operation is stated after charging the following expenses.		
	Depreciation	21,172,167	20,433,802
	Auditors' Remuneration	300,000	250,000
	Personnel Costs	Note 4.1	-
4.1	PERSONNEL COSTS		
	Salaries, Wages and other related expenses	44,203,997	42,256,621
	Terminal Gratuity	2,415,494	2,190,511
	Employees' Provident Fund & Employees' Trust Fund	5,538,462	5,289,517
		52,157,953	49,736,649
	The above included: -		
	Directors' Emoluments (Chairman Salary)	880,000	-
	Directors' Fees	612,000	-
5	TAXATION		
	Current Tax	Note 5.1	13,238,576
	Deferred Tax Charge / (Release)	Note 5.2	42,109,019
			55,347,595
			30,192,565

	Rs.	Rs.
5.1 RECONCILIATION OF ACCOUNTING PROFIT & TAX PROFIT		
Net Profit as per Accounts	82,029,740	73,380,727
Aggregate Disallowable Expenses	25,682,366	23,195,152
	107,712,106	96,575,879
Aggregate Allowable Expenses	(42,911,457)	(52,212,748)
Business Profit	64,800,649	44,363,131
Interest Income	29,760,611	36,371,245
Total Statutory Income	94,561,260	80,734,376
Tax profit	13,238,576	11,302,813
	13,238,576	11,930,470
5.2 DEFERRED TAX EXPENSES / (INCOME)		
Deferred Tax Expenses / (Income) arising due to Timing Differences	42,182,396	18,955,798
Tax on other comprehensive income	(73,377)	(66,046)
	42,109,019	18,889,752

6 EARNINGS PER SHARE

- 6.1** Basic Earnings per Share is calculated by dividing the net profit for a respective year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during that year. The weighted average number of ordinary shares outstanding during the year and previous years are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources, such as bonus issue.
- 6.2** The following reflects the income and share data used in the Basic Earnings per Share computations, for the year ended 31st December 2020.

Amount used as Numerators:

Net Profit / (Loss)	27,132,887	43,593,872
Net Profit attributable to Ordinary Shareholders	27,132,887	43,593,872

	2020 Rs.	2019 Rs.
Number of Ordinary Shares Used as Denominators:		
Weighted Average number of Ordinary Shares in issue		
Applicable to Basic Earnings Per Share	4,000,000	4,000,000
	4,000,000	4,000,000
Earnings Per Share	6.78	10.90

7 DIVIDEND PER SHARE**Amount used as Numerators**

Dividend for the Year	-	3,000,000
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Number of Ordinary Shares Used as the Denominators

Ordinary Shares in issue applicable to Dividend Per Share	4,000,000	4,000,000
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Dividend Per Share	-	0.75
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8 PROPERTY, PLANT & EQUIPMENT

Description of Assets	Cost / Valuation			Depreciation			W.D.V	W.D.V		
	Balance as at 01/01/2020	Additions During the Year	Disposal	Balance as at 31/12/2020	Balance as at 01/01/2020	For the year	On disposal	Balance as at 31/12/2020	Balance as at 01/01/2020	Balance as at 31/12/2020
Lands	70,000,000	-	-	70,000,000	-	-	-	-	70,000,000	70,000,000
Buildings	64,275,514	-	-	64,275,514	10,136,641	2,438,936	-	12,575,577	54,138,873	51,699,937
Plant & Machinery	15,284,291	-	-	15,284,291	8,162,571	1,792,372	-	9,954,943	7,121,720	5,329,348
Furniture & Fittings	3,052,176	-	-	3,052,176	2,062,144	171,035	-	2,233,179	990,032	818,997
Office Equipment	5,378,433	230,546	-	5,608,979	2,683,253	528,037	-	3,211,290	2,695,180	2,397,689
Computers	4,739,233	408,050	-	5,147,283	3,955,543	485,919	-	4,441,462	783,690	705,821
Motor Vehicles	34,935,915	-	(1,600,000)	33,335,915	34,630,335	305,580	(1,600,000)	33,335,915	305,580	-
Containers & cylinders	244,277,033	-	-	244,277,033	92,753,359	15,295,715	-	108,049,074	151,523,674	136,227,959
Tools & Equipment	1,332,188	-	-	1,332,188	611,916	134,578	-	746,494	720,272	585,694
Communication & Medical Equipment	456,598	23,900	-	480,498	435,175	19,993	-	455,168	21,423	25,330
	443,731,381	662,496	(1,600,000)	442,793,877	155,430,937	21,172,166	(1,600,000)	175,003,103	288,300,444	267,790,774

	2020 Rs.	2019 Rs.
9 INVENTORIES		
<u>Trade Inventories</u>		
Liquid Chlorine - 900 Kg	5,231,474	9,698,778
Liquid Chlorine - 68 Kg	410,865	218,374
Caustic Soda Flakes	1,213,165	2,200,716
Hydrochloric Acid	-	1,339,118
Sanitizer	101,500	-
	6,957,004	13,456,986
<u>Other Inventories</u>		
Chlorine Valves, Spindles, Washers, Protectors, Spanners & Valves Complete	13,018,935	12,023,243
Protective Hoods	-	-
Emergency Kit	-	-
Stationery	-	-
	13,018,935	12,023,243
	19,975,939	25,480,229
10 SHORT TERM INVESTMENTS		
Fixed Deposit – People's Bank	49,199,869	45,808,605
Fixed Deposit - People's Bank	55,941,508	52,203,327
Fixed Deposit - People's Bank	14,508,260	13,508,230
Fixed Deposit - People's Bank	7,561,654	7,016,211
Fixed Deposit - People's Bank	14,840,265	13,769,796
Fixed Deposit - People's Bank	14,882,633	13,856,798
Fixed Deposit - People's Bank	14,539,450	13,476,808
Fixed Deposit - People's Bank	15,426,412	14,314,470
Fixed Deposit - People's Bank	14,838,242	13,768,229
Fixed Deposit - People's Bank	7,570,403	7,023,148
Fixed Deposit - People's Bank	10,000,000	7,871,072
Fixed Deposit - People's Bank	13,675,199	12,701,926
Fixed Deposit - People's Bank	13,721,420	12,775,626
Fixed Deposit - People's Bank	14,051,884	13,067,592
Fixed Deposit - People's Bank	13,224,295	12,335,585
Fixed Deposit - People's Bank	13,404,873	12,302,741
Fixed Deposit - People's Bank	25,609,622	23,475,295
Fixed Deposit - People's Bank	38,094,923	35,115,470
Fixed Deposit - People's Bank	23,709,618	22,088,944
Fixed Deposit - People's Bank	11,304,798	10,489,352
Fixed Deposit - People's Bank	11,215,515	10,442,449
Fixed Deposit - NSB	10,968,351	10,197,838
Fixed Deposit - NSB	10,932,613	10,197,838
Fixed Deposit - NSB	10,125,000	-
Fixed Deposit - NSB	10,000,000	-
Fixed Deposit - NSB	10,000,000	-
	449,346,806	387,807,350

11 STATED CAPITAL**Represented By**

Capital Reserve		
Nos. 4,000,000 Ordinary Shares Note 11.1	40,000,000	40,000,000
	40,000,000	40,000,000

12 OTHER COMPONENTS OF EQUITY**Re Valuation Reserves on Property, Plant and Equipment**

Balance as at the beginning of the Year	219,195,490	220,795,490
Revaluation Surplus during the Year		-
Reversal of Revaluation		
Balance at the end of the Year	219,195,490	220,795,490

A Revaluation was carried out by the Government Valuation Department to ascertain the Fair Value of its Property, Plant and Equipment as at 31st December 2010. The results of such revaluation were incorporated in the Financial Statement with effect from 31st December 2010, which is a revaluation based on the valuation made by the Government Valuation Department.

Class of Asset	Net Carrying Amount as at 31-12-2010 Rs.	Revalued Amount as at 31-12-2010 Rs.	Revaluation Reserves Rs.
Lands	538,000	70,000,000	69,462,000
Plant & Machinery	181,790	1,138,000	956,210
Furniture & Fittings	1,208,140	1,925,000	716,860
Office Equipment	461,909	1,511,700	1,049,791
Computer Accessories	741,648	916,850	175,202
Motor Vehicles	192,128	12,195,037	12,002,909
Bicycle	1	2,500	2,499
Cylinders	36,892,075	173,033,000	136,140,925
Tools & Equipment	30,216	319,310	289,094
	40,245,907	261,041,397	220,795,490

13 RETIREMENT BENEFIT OBLIGATIONS

Balance at the Beginning of the Year	11,028,082	12,932,769
Under Provision	-	-
Charge for the year	945,259	955,425
Interest for the year	1,407,235	1,235,087
Provision from Comprehensive Income statement	13,380,576	15,123,281
Provision from Other Comprehensive Income statement		
Actuarial Loss	(524,120)	(471,756)
Less: Payments made during the Year	(847,116)	(3,623,443)
Balance at the End of the Year	12,009,340	11,028,082

Defined Benefit Liability is valued as of 31st December 2015 and the principal assumption used in the valuation is as follows.

	2020	2019
Discount Rate	12%	12%

Annual Salary Increment Rate	10%	10%
Staff Turnover	5%	5%

14 DIFFERED TAX

	2020 Rs.	2019 Rs.
	Rs.	Rs.
Balance at the Beginning of the Year	61,091,783	42,135,985
Deferred Tax Charge/(Income) for the Year	42,182,396	18,955,798
Balance at the End of the Year	103,274,179	61,091,783

15 CONTINGENT LIABILITIES

There were no material contingent liabilities as at the Balance Sheet date.

16 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the date of Balance Sheet, no circumstances have arisen which would require adjustments to or disclosures in the Financial Statement.

17 DISCLOSURES**Refilling Process**

Due to the leakage of chlorine, the environment of the plant located at Kalutara, Nagoda was affected. Thereby it became necessary to shift to a new site at Wagawatte. The cost for the event was Rs. 7.2million (approximately) for this change of location. This has brought a reduction of profit for the Year 2015.

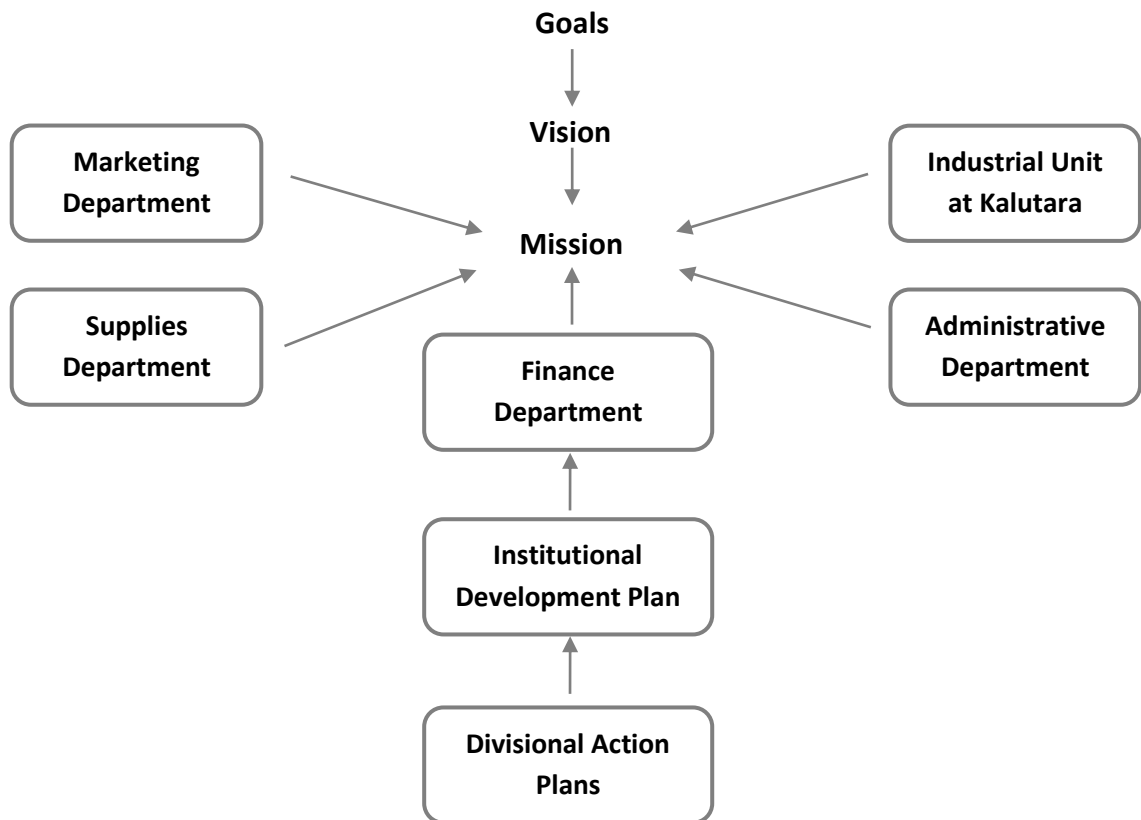
18 DIVIDEND PER SHARE

For the Year Ended 31st December

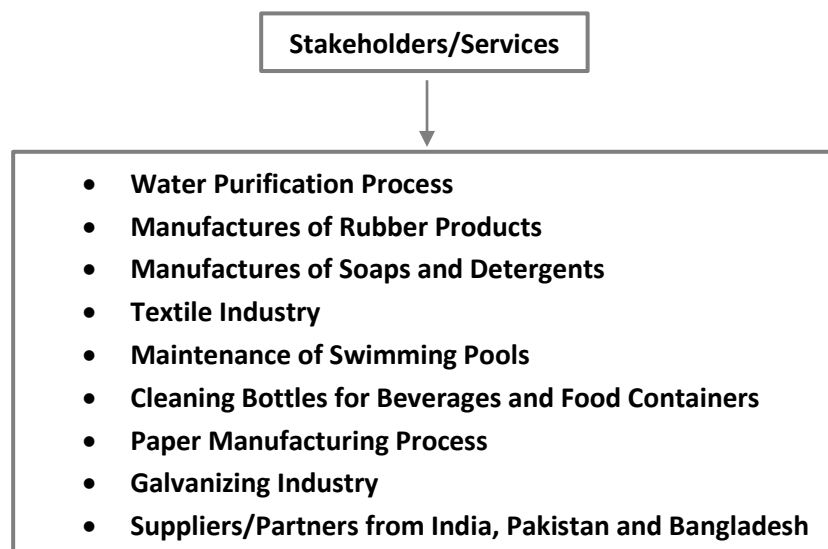
	2020 Rs.	2019 Rs.
Final Dividends Declared	-	3,000,000
No. of Ordinary Shares	4,000,000	4,000,000
Dividend Per Share		0.75

ORGANIZATION STRUCTURE – STRATEGIC BUSINESS UNITS

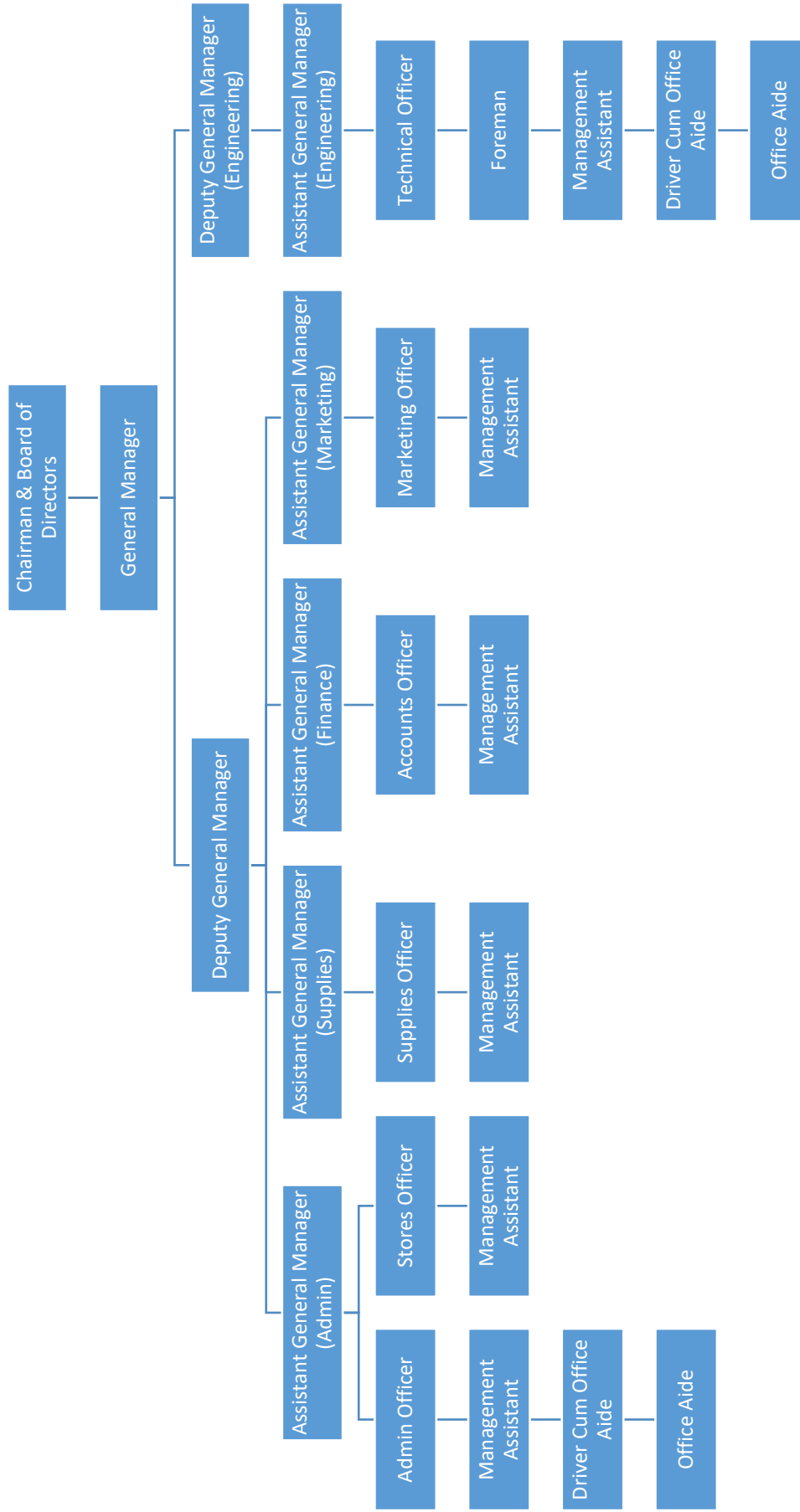
Strategic Business Units



Strategic Targets



ORGANIZATION STRUCTURE



HIGHLIGHTS / ACHIEVEMENTS IN 2019, 2020 AND BUDGETED FOR 2021**PARANTHAN CHEMICALS COMPANY LIMITED
OPERATIONAL FINANCIAL HIGHLIGHTS OF 2019, 2020 AND BUDGETED FOR 2021**

	2019 Actual Rs.'000	2020 Actual Rs.'000	2021 Budgeted Rs.'000
NON CURRENT ASSETS	299,081	289,547	549,030
CURRENT ASSETS	494,810	574,173	375,000
TOTAL ASSETS	793,890	863,720	924,030
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share Holders Fund	662,160	679,220	711,030
NON CURRENT LIABILITIES	72,120	115,284	100,000
CURRENT LIABILITIES	59,610	69,217	113,000
Total Equity & Liabilities	793,890	863,720	924,030
Revenue	287,169	306,585	338,630
Cost of Sales	(151,904)	(152,926)	(141,658)
Gross Profit	135,264	153,659	196,972
Other Operating Income	38,478	33,033	33,750
	173,742	186,692	230,722
Profit from Operation	73,633	82,083	115,800
Profit before Tax	73,381	82,030	115,500
Profit after Tax	43,188	26,682	92,500
Earnings per Share (Rs.)	10.80	6.67	23.13
Dividends per Share (Rs.)	0.75	-	5.00

PERFORMANCE REVIEW OF THE COMPANY

From the year 1975, premises situated at Sri Ramanathan Mawatha, Colombo 13, has been released to Paranthan Chemicals Company Ltd. by Sri Lanka Port Authority, on a rental basis. The Head Office of this Company is maintained at this place. The main activities done here are to import and sale of Chlorine, Caustic Soda and Hydrochloric Acid appropriate to country's requirement and market requirements. The main countries of import are India, Pakistan and Bangladesh.

As the storing of imported Chlorine in Colombo suburbs is highly complicated, Chlorine Stores Complex was maintained in Horana Industrial Zone in Kalutara District. Initially, refilling of Chlorine from 900 Kg cylinders in to 68Kg was carried out.

Cylinders were done at this place and Paranthan Chemicals Company after paying a big cost to a private institution. Therefore, according to a request made by the Company, Cabinet paper was forwarded by the then Hon. Minister of Industries, Wimal Weerawansa and the cabinet decision was effected making a reality of Saubagaya Dekma Programme of His Excellency the President, Gotabaya Rajapaksha. It was approved by the Cabinet of Ministers on 22nd November 2020 and the land to the extent of 2 acres (lot No.558 1/2 and 558 2/2) had been granted to Paranthan Chemicals Company from Fullertan Industrial Estate at Kalutara on a long term rental basis and is operative from 29th November 2009.

Refilling of chlorine from imported 900kg capacity cylinders into 68kg capacity cylinders was launched on 01st May 2008 by the Refilling Unit of Paranthan Chemicals Company located in Fullertan Industrial Estate, Kalutara. Through this process a large amount of money that was to have gone to a private institution was retained with the Company. It has provided an especial contribution to enhance the profits of the institution. Distinctively, the Company has earned Rs.32.015 Million as profit before tax for the year 2012 and the profit before tax for the year 2013 is 37.16 Million.

After the chlorine leak at Kalutara site in the year 2012, the company could not find suitable place to set up the refilling and other operation with adequate space. The new chemicals which had been planned in the year 2013 had to be postponed due to this reason and impacted on the profitability. But in the latter part of the year, the company could manage to get a 2 ½ acres land in the Board of Investment Industrial state in Horana. It is expected to commence the new products once the unit is set up in the new location.

Considerable number of employment opportunities have been generated in association with this facility, which contributes to the development process of the country.

CORPORATE GOVERNANCE

Paranthan Chemicals Company Ltd is committed to best practices in the area of Corporate Governance. Corporate Governance is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders. Good governance facilitates effective management and control of the business, while maintaining a high level of business ethics and optimizing the value for all stakeholders. Sound Corporate Governance is reliant on external market place commitment and legislation plus a healthy Board culture which safeguards policies and processes. Further, an important element of Corporate Governance is to ensure the accountability of those who engaged in services in an organization.

The Corporate Governance Report, together with the Audit Committee Report & the Directors Report, provides a description of the manner and extent to which Paranthan Chemicals Company Ltd complies with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and Code of Best Practice in Corporate Governance for Public Enterprises in Sri Lanka, Companies ACT No. 07 of 2007 and Financial Regulation of Socialist Republic of Sri Lanka.

THE BOARD OF DIRECTORS

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance. It also sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met. Specific responsibilities reserved to the Board include:

- Enhance shareholder value.
- Reviewing of corporate objectives, budgets and forecasts.
- Reviewing of operational and functional performances.
- Initiating capital investment options.
- Ensuring the implementation of an effective internal control system.
- Ensuring compliance with highest ethical and legal standards.
- Approval of the Annual Financial Statements prior to publication.
- Recommending Dividends for approval by shareholder.

The Board comprises of Seven Directors out of whom five are Non-Executive Directors. The names and status of the Directors are given.

BOARD MEETINGS

The company conducts monthly board meetings and, where necessary special board meetings are convened in order to transact special business. During the year ended 31st December 2020, 12 meetings of board were held.

Board Meeting attendance – 2020

Name of Director		Number of Meeting Attended
Mr.R.K.U.Ranaweera	(Chairman & Director - Executive)	12
Mr.W.U.Perera	(Non-Executive Director)	11
Mr.A.D.S.K.Nandasiri	(Non-Executive Director)	12
Mr.L.U.P.Wickramasighe	(Non-Executive Director)	12
Mr.S.Amaraweera	(Non-Executive Director)	11
Mr.D.K.Sumanadasa	(Non-Executive Director)	12
Mrs.C.H.Ranatunga	(Non-Executive Director)	09
Mrs.J.P.Priyangani	(Non-Executive Director)	03

Management Committee Meetings

The Executive Directors of the Board have regular meetings with the Management in each month to facilitate discussion of operational issues and finding solutions. The Management Committee at its meeting carefully pursue all policy matters and also implementation of decisions taken before they were referred to the Board of Directors for approval and ratification.

Tenure, Retirement and Re- Election of Directors

At each Annual General Meeting one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to (but not less than) one-third, retire and seek re-election by the shareholders. At the Annual General Meeting in every subsequent year one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

Audit Committee Meetings

The Audit Committee plays a key role in reviewing the Internal Control and Check Systems that will guarantee the prevalence of effective internal controls. The Committee is comprised three non-executive members of the board and chaired by a Non-Executive Director nominated by the Treasury being the only share holder of the company. The Committee invites the representatives of the Internal Auditors, General Manager and the Members of the Corporate Management to attend meetings. The Committee constantly reviews Quarterly Internal Audit Reports, monthly progress reports, sales reports, the system and controls and makes recommendation for improvements where necessary, in addition to the introduction of new features.

The committee is responsible and report to the board regularly to strengthen the present system and procedures in relation to financial and operational activities in order to improve the efficiency and to enhance the productivity of resources for the benefit of the employees.

Audit Committee Meeting attendance – 2020

Name of Director		No. of Meeting Attended
Mrs.J.P.Priyangani	(Non-Executive Director)	02
Mrs.C.H.Ranatunga	(Non-Executive Director)	02
Mr.A.D.S.K.Nandasiri	(Non-Executive Director)	04
Mr.L.U.P.Wickramasinghe	(Non-Executive Director)	04

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard stakeholders' investments value and the Company's assets. The Board's policy is to have systems in place which optimize the Company's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the company and for deciding how these are to be managed.

Presentation of Financial Statements and Related Transparency & Accountability

The financial statements are prepared in compliance with Sri Lanka Financial Reporting Standards (SLFRS). The external auditors are Auditor General Department. to whom the all required information and records have been furnished. They were provided an environment by the senior management in which they could carry out the audit independently and enabling them to express an opinion on accounts.

Rules of Discipline

The rules of discipline are in place to guide all employees on acceptable conduct. The key elements of the Rules of Discipline are;

- Fairness, honesty and impartiality of all actions.
- Being aware of the rules and regulations and obey it.
- Confidentiality in all matters dealt with.

- Avoid conduct that is likely to reflect or affect badly on the company.

Financial Disclosures and Transparency

Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards, the requirements of companies Act no 7 of 2007. M/s Auditor General Department acts as External Auditors of the Company. Auditors are allowed to act independently and without intervention from the Management or the Board of the Company, to express an opinion on the financial statements of the Company. All the required information is provided for examination to the Auditors.

Ethical Standards

The Directors believe that the maintenance of highest level of ethical conduct from employees is essential as part of practices of good governance and expects employees to act fairly, honestly and with loyalty. All employees are expected to provide the best for customers, shareholders and to the community at maximum in conducting business operations.

Statutory Payments

All Statutory Payments fallen due to the Government, have been made or where relevant provided. Retirement gratuities have been provided for in accordance with Sri Lanka Accounting Standards No.16, Employee Benefits (Revised 2006).

Accountability and Disclosure

In the year ended 31st December 2020, the members of the Board of Directors have reviewed in detail the Annual Financial Statements in order to satisfy themselves that they present a true and fair view of the Company's affairs. A summary of Director's Responsibilities in respect of Financial Statements is given on page 19.

**By Order of the Board,
Paranthan Chemicals Company Ltd**

**H.L. Vipula Silva
Secretary to the Board**

AUDIT COMMITTEE REPORT

Role of the Audit Committee

The primary role of the Audit Committee, which reports its findings to the Board of Directors, is to ensure the integrity of the financial reporting and audit processes and the maintenance of sound internal controls and risk management system. The Committees` responsibilities include monitoring and reviewing the following:

- Reliability and integrity of financial statements.
- Adequacy and effectiveness of internal controls.
- Effectiveness and performance of external and internal audit functions.
- Compliance with statutory and regulatory requirement.

Composition of the Audit Committee

The Audit Committee comprises of three Non-Executive Directors and chaired by a Non-Executive Director nominated by the treasury the only share holder of the company and the board secretary as the convener. The composition of the Audit Committee is as follows;

Mrs.J.P.Priyangani - Chairman of the Audit Committee
Mr. A.K.D.Nandasiri - Member
Mr. L.U.P.Wickramasighe - Member

Meetings and Attendance

The Committee met on 4 occasions during the year 2020 and discussed the matters referred by the board of directors at their meeting. Members` attendance at these meetings is set out in the Corporate Governance Report. The Managerial officers of the company, the Internal Auditors and the inviter of the Ministry of State Resources and Enterprises Development are invited to attend meetings whenever required.

Activities

The Audit Committee discharged its duties by reviewing and discussing the Draft Accounts and External Audit Reports, the Internal Audit Reports submitted by outsourced internal auditor, Progress Reports, Sales Reports, Financial Management, Risk of Fraud and Errors and Systems Security. The Audit Committee has reviewed these reports, recommended additional controls and risk mitigation strategies that could be implemented to strengthen the existing internal control system thus minimizing the possibility of occurrence and impact of fraud, errors, operational and financial risks faced by the Company.

Internal Control System

In 2014 the Committee reviewed the results of the audits undertaken by Internal Auditors, M/S Jayathilaka & Co., Chartered Accountants. The Internal Auditor (for the year 2016), considered the adequacy of management`s response to the matters raised, including the implementation of any recommendations made.

Compliance

The Audit Committee assisted the Board in ensuring compliance with the statutory provisions prior to publication of timely and reliable financial reports, which were also in line with the requirements of Sri Lanka Accounting Standards, Companies ACT no. 7 of 2007, Guidelines of Department of Public Enterprises, Ministry of State Resources & Enterprise Development, Department of Inland Revenue, Employees Provident fund, Employees Trust Fund, NPA Guidelines and Government Circulars issued from time to time.

On behalf of the Committee,

J.P.Priyangani
Member of the Audit Committee
03rd March 2022

L.U.P.Wickramasighe
Member of the Audit Committee

FIVE YEAR SUMMARY OF THE FINANCIAL HIGHLIGHTS YEAR ENDED 31ST DECEMBER

	2020 Rs.	2019 Rs.	2018 Rs.	2017 Rs.	2016 Rs.
Revenue	306,585,103	287,168,845	302,627,105	334,330,049	257,567,095
Cost of sales	(152,926,005)	(151,904,349)	(157,924,310)	(164,351,617)	(121,547,124)
Gross profit	153,659,098	135,264,496	144,702,795	169,978,432	136,019,971
Other operating income	33,032,969	38,477,530	33,279,066	28,576,511	19,875,872
	186,692,066	173,742,026	177,981,861	198,554,944	155,895,543
Selling & Distribution expenses	(615,044)	(1,494,595)	(1,066,646)	(1,379,430)	(74,207)
Administration & Establishment exp.	(103,994,475)	(98,614,771)	(102,402,002)	(97,143,590)	(93,983,932)
Finance expenses	(52,808)	(251,933)	(249,297)	(132,586)	(134,915)
Profit before tax	82,029,740	73,380,727	74,263,916	99,899,337	61,029,489
Taxation	(55,347,595)	(30,192,565)	(14,390,221)	(25,405,403)	(11,242,218)
Net profit for the period	26,682,144	43,188,162	59,873,695	74,493,934	49,787,271
Dividend to Shareholder	-	3,000,000	10,000,000	11,000,000	7,000,000
ASSETS					
NON CURRENT ASSETS					
Property plant & Equipment	267,790,774	288,300,442	277,034,696	295,358,631	291,162,747
Work in Progress	19,085,178	7,994,545	17,156,866	7,705,010	6,006,192
Current Assets	574,173,410	497,595,389	428,844,185	378,048,948	298,183,249
Total Assets	863,720,313	793,890,376	723,035,747	681,112,590	595,352,188
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Stated capital	40,000,000	40,000,000	40,000,000	40,000,000	108,500,000
Retained profit	629,219,799	622,160,262	578,566,390	529,697,079	464,899,318
Shareholder's fund	679,219,799	662,160,262	618,566,390	569,697,079	504,899,318
Non-current liabilities	115,283,519	72,119,865	55,068,753	51,205,107	45,440,962
Current liabilities	69,216,994	59,610,248	49,400,604	60,210,404	45,011,908
Total equity and liabilities	863,720,313	793,890,376	723,035,747	681,112,590	595,352,188

NOTICE OF THE MEETING

Notice is hereby given that the 30th Annual General Meeting of the Company will be held on 28th March 2022 at 2.00 p.m. at the Head Office of the Paranthan Chemicals Company Ltd., at 446, Galle Road, Rathmalana.

Agenda

1. To receive and adopt the Annual Report of the Directors and Financial Statements for the year ended 31st December 2020, together with the Report of the Auditors thereon.
2. To declare a Dividend as recommended by the Directors.
3. To re-elect two Directors who retire in terms of Articles 87 & 88 of the Articles of Association of the Company.

By order of the Board

H.L. Vipula Silva

Secretary

03rd March 2022

Notes:

1. A member is entitled to attend and vote at the meeting and is also entitled to appoint a person to attend and vote on his behalf.
2. A proxy need not be a member of the Company.
3. A form of proxy accompanies this report.