

Lanka Sugar Company (Private) Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2021

	Note	2021 Rs.	2020 Rs.
Revenue	4	12,284,072,648	8,977,744,960
Cost of Sales		(8,980,766,415)	(6,577,434,793)
Gross Profit		3,303,306,233	2,400,310,167
Other Income and Gains	5	131,844,225	75,470,299
Administrative Expenses		(2,225,033,118)	(1,606,748,697)
Finance Cost	6	(99,383,026)	(136,967,380)
Finance Income	6	139,852,967	205,442,274
Profit/(Loss) before tax	7	1,250,587,280	937,506,663
Income Tax Expense	8	-	234,394,951
Profit/(Loss) for the year		1,250,587,280	1,171,901,614
Other Comprehensive Income for the period, net of tax		11,065,754	(73,528,006)
Total Comprehensive Income/ (Expense) for the period, net of tax		1,261,653,034	1,098,373,608
Earnings/(Loss) Per Share	9	12,505,873	11,719,016

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.

Lanka Sugar Company (Private) Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

ASSETS	Note	2021 Rs.	2020 Rs.
Non-Current Assets			
Property, Plant and Equipment	10	1,949,129,618	1,779,607,272
Non Current Investments	8	143,544,918	143,544,918
		2,092,674,536	1,923,152,190
Current Assets			
Inventories	11	2,615,688,812	2,289,521,389
Biological Assets	12	789,488,289	514,470,308
Trade and Other Receivables	13	278,508,110	304,115,965
Advances and Prepayments		144,086,904	107,304,297
Loans Due from Farmers	14	1,009,793,648	988,648,933
Amounts due from Related Parties	25.1	-	-
Investments	15	2,391,929,343	1,845,697,714
Cash and Cash Equivalents	21	915,068,381	207,959,927
		8,144,563,488	6,257,718,533
		10,237,238,024	8,180,870,724
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	16	1,000	1,000
Government Grant	17	4,674,488,363	4,047,853,339
Accumulated Profits		1,966,741,550	732,431,689
Total Equity		6,641,230,913	4,780,286,028
Non-Current Liabilities			
Deferred Tax Liability	- 8	118,023,965	118,023,964
Retirement Benefit Liability	19	590,997,522	551,830,851
Interest Bearing Loans and Borrowings	18	292,250,498	91,172,712
		1,001,271,985	761,027,527
Current Liabilities			
Interest Bearing Loans and Borrowings	18	76,703,396	385,216,363
Trade and Other Payables	20	2,276,903,487	1,626,740,143
Income Tax Payable		138,137,218	138,137,217
Amounts due to Related Parties		(22,187,951)	1,220,220
Bank Overdraft		125,178,975	488,243,226
		2,594,735,124	2,639,557,169
Total Equity and Liabilities		10,237,238,024	8,180,870,724

.....
Deputy General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by:

.....
Director

.....
Director

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.

29th March 2022
Colombo

Lanka Sugar Company (Private) Limited
STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2021

	Stated Capital Rs.	Government Grant Rs.	Accumulated Profits Rs.	Total Rs.
As at 1 January 2020		4,047,853,339	(436,688,828)	3,611,164,511
Repayment of Government Grant	-	-	-	-
Revaluation of Plant and Machinery	-	-	-	-
Correction of Income Tax Liability -2018	-	-	70,746,906	70,746,906
Dividends Paid	-	-	g -	-
Profit/(Loss) for the year	-	-	1,171,901,614	1,171,901,614
Other Comprehensive Income	-	-	(73,528,006)	(73,528,006)
Total comprehensive income	-	-	1,098,373,608	1,098,373,608
As at 31 December 2020	-	4,047,853,339	732,431,686	4,780,285,025
Repayment of Government Grant	-	390,000,000	-	390,000,000
Adjustment Entry NBT Reversal	-	-	2,229,383	2,229,383
Prior Year Adjustments	-	-	(382,556)	(382,556)
Profit for the year	-	-	1,250,587,280	1,250,587,280
Funds Received from the Ministry -2020/21	-	236,635,024	(29,190,000)	207,445,024
Other Comprehensive Income	-	-	11,065,754	11,065,754
Total comprehensive income	-	236,635,024	1,232,463,034	1,469,098,058
As at 31 December 2021	-	4,674,488,363	1,966,741,547	6,641,229,910

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.

Lanka Sugar Company (Private) Limited

STATEMENT OF CASH FLOWS

Year ended 31 December 2021

Cash flows From / (Used in) Operating Activities	Note	2021 Rs.	2020 Rs.
Profit/(Loss) before Taxation		1,250,587,280	937,506,663
Adjustments for,			
Depreciation	10	312,283,141	328,433,756
Loss on sale of property, plant and equipment			-
Finance Income	6	(139,852,967)	(205,442,274)
Finance Cost	6	99,383,026	136,967,380
Provision for Retirement Benefit Liability	19	77,131,418	76,763,005
Provision for farmer loans	11	17,959,364	31,181,775
Prior Year Adjustments		1,824,419	
Bad Debts		-	19,498,293
Operating Profit before Working Capital Changes		1,619,315,682	1,324,908,598
(Increase)/Decrease in Inventories		(326,167,423)	(627,991,913)
Increase in Trade and Other Receivables		(11,174,753)	(815,372)
Decrease in Loans Due from Farmers		(39,104,079)	(270,246,830)
Increase/(Decrease) in Related Party Payables		(23,408,171)	(13,042,238)
Increase/(Decrease) in Trade and Other Payables		650,163,344	263,874,419
Net Cash From Operating Activities		1,869,624,599	676,686,664
Income Tax Paid			(80,086,509)
Retirement Benefit Liability Paid	19	(26,837,579)	(24,294,404)
Net Cash Flows From Operating Activities		1,842,787,020	572,305,751
Cash Flows From/(Used in) Investing Activities			
Acquisition of Property, Plant and Equipment		(481,844,490)	(236,110,169)
Net (increase)/decrease in investments in Fixed Deposits		(546,231,629)	(349,114,920)
Investment in Biological Assets		(275,017,981)	(96,473,295)
Proceeds from the sale of Property, Plant and Equipment		-	-
Finance Income Received	6	139,852,967	205,442,274
Net Cash Flows Used in Investing Activities		(1,163,241,133)	(476,256,110)
Cash Flows From / (Used in) Financing Activities			
Loans/Finance Leases obtained		-	500,000,000
Loans settlements	18	(360,971,447)	(170,905,116)
Government Grants Received		597,445,024	
Principle payments under finance lease obligation	18	253,536,265	27,718,425
Interest paid	6	(99,383,026)	(136,967,380)
Dividends paid		-	-
Net Cash Flows Used in Financing Activities		390,626,816	219,845,929
Net Increase/(Decrease) in Cash and Cash Equivalents		1,070,172,703	315,895,570
Cash and Cash Equivalents at the beginning of the year	21	(280,283,300)	(596,178,873)
Cash and Cash Equivalents at the end of the year	21	789,889,406	(280,283,300)

The Accounting Policies and Notes on pages 8 to 33 form an integral part of these financial statements.

789,889,406

(0)

Lanka Sugar Company (Private) Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

4. REVENUE				2021	2020
				Rs.	Rs.
4.1 Summary					
Sales of Goods				12,284,072,648	8,977,744,960
				<u>12,284,072,648</u>	<u>8,977,744,960</u>
4.2 Revenue is derived from the following:					
Sugar				5,994,971,448	3,882,000,885
Molasses				14,958,000	343,431,900
ENA				6,272,051,300	4,739,495,500
Hand Sanitizer				2,091,900	12,816,675
				<u>12,284,072,648</u>	<u>8,977,744,960</u>
4.3 Segment Information					
	Head Office	Pelwatte Division	Sevanagala Division	Elimination	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Segment Revenue	44,400,000	8,097,899,243	4,186,173,406	(44,400,000)	12,284,072,649
Segment Results					
Gross Profit /(Loss)	44,400,000	1,533,706,763	1,769,599,470	(44,400,000)	3,303,306,233
Other					
Capital Expenditure	37,250	336,271,787	208,980,576	-	545,289,613
Depreciation	948,524	223,190,379	103,029,567	-	327,168,470
Segment Assets					
Non Current Assets	1,240,004	1,593,608,997	497,825,532	-	2,092,674,533
Current Assets	419,650,088	3,797,596,704	4,881,322,879	(954,006,184)	8,144,563,487
Segment Liabilities					
Non Current Liabilities	545,997	795,181,200	205,544,788	-	1,001,271,985
Current Liabilities	76,235,612	2,008,541,441	1,463,964,256	(954,006,184)	2,594,735,124
5. OTHER INCOME AND GAINS				2021	2020
				Rs.	Rs.
Other Service Income				50,653,823	58,418,875
Sundry Income				81,190,402	17,051,424
				<u>131,844,225</u>	<u>75,470,299</u>
6. FINANCE COST AND INCOME				2021	2020
				Rs.	Rs.
6.1 Finance Cost					
Interest Expenses on Bank Loans				25,967,942	54,654,458
Interest Expenses on Bank Overdrafts				47,562,905	75,724,810
Finance Charges on Lease Liabilities				25,852,179	6,588,112
				<u>99,383,026</u>	<u>136,967,380</u>
6.2 Finance Income					
Interest Income on Loans Due from Farmers				-	36,993,335
Interest Income on Fixed Deposits				139,851,794	168,440,540
Other Interest Income				1,173	8,399
				<u>139,852,967</u>	<u>205,442,274</u>

Lanka Sugar Company (Private) Limited
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

7. PROFIT BEFORE TAX

Stated after Charging

Included in Cost of Sales

Employee Benefits including the following
- Defined Contribution Plan Costs - EPF and ETF
Depreciation

2021 Rs.	2020 Rs.
311,399,444	222,482,004
277,885,068	280,579,802

Included in Administrative Expenses

Employee Benefits including the following
- Defined Benefit Plan Costs - Gratuity
- Defined Contribution Plan Costs - EPF and ETF
Depreciation
Bad Debts on Farmers Loans

77,131,418	89,410,650
42,117,463	57,592,324
49,283,272	47,863,250
-	31,181,775

8. INCOME TAX EXPENSE/(REVERSAL)

Current Income Tax
Deferred Tax Charge/ (Reversal) (Note 8.2)

2021 Rs.	2020 Rs.
-	63,281,353
-	(297,676,304)
-	(234,394,951)

8.1 Reconciliation between Current Tax Expense/(Income) and the product of Accounting Profit/(Loss)

Accounting profit /(loss) before tax
Interest Income
Adjusted accounting profit/(loss) before tax

1,250,587,280	937,506,663
	(168,440,540)
1,250,587,280	769,066,123

Aggregate disallowed items
Aggregate allowed items
Adjustment for previous year profit
Business profit/(Loss) for tax purpose
Less : Losses from business
Total Assessable Income from business income

	1,030,794,017
	(742,639,204)
	-
1,250,587,280	1,057,220,936
	(999,656,644)
1,250,587,280	57,564,292

Total Assessable Income from investment income

	168,440,540
--	-------------

Total Assessable Income

Tax losses utilized during the year

1,250,587,280	226,004,832
	-

Taxable Income

1,250,587,280	226,004,832
---------------	-------------

Income Tax at @ 28%

350,164,438	63,281,353
-------------	------------

Tax losses brought forward
Tax losses incurred during the year
Tax losses utilized during the year
Tax losses carried forward

	48,253,666
-	-
	(48,253,666)
-	-

8.2 Deferred Tax Assets

Statement of Financial Position

Statement of Profit and Loss

Deferred Tax Liability

On Property, Plant & Equipment

2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
-	(566,630,601)	566,630,601	19,318,883
-	(566,630,601)	566,630,601	19,318,883

Deferred Tax Asset

On Property, Plant & Equipment
On Retirement Benefit Obligation
On Tax Loss /Provisions

-	-	-	-
-	154,512,638	(154,512,638)	35,382,185
-	294,094,279	(294,094,279)	242,975,236
-	448,606,917	(448,606,917)	278,357,421
		118,023,684	297,676,304

Deferred Income Tax reversal
Net Deferred Tax Asset/(Liability)

-	-
-	(118,023,684)

9. EARNINGS/(LOSS) PER SHARE

9.2 Amounts Used as Numerator:

Net Profit/(Loss) Attributable to Ordinary Shareholders for
Earnings Per Share

2021 Rs.	2020 Rs.
1,250,587,280	1,171,901,614

Numbers of Ordinary Shares Used as Denominator:

Weighted average Number of Ordinary Shares Applicable to
Basic Earnings/(Loss) Per Share

2020 Number	2019 Number
100	100

10. PROPERTY, PLANT AND EQUIPMENT

10.1	Gross Carrying Amounts	Balance As at 01.01.2021 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2021 Rs.
	Land	44,149,728	-	-	44,149,728
	Land Development	165,206,052	16,924,488	-	182,130,540
	Factory Buildings	244,364,780	-	-	244,364,780
	Buildings Others	229,935,241	1,865,925	-	231,801,166
	Field Machinery and Equipment	523,521,867	56,186,490	-	579,708,357
	Irrigation and Miscellaneous Equipment	219,250,178	29,579,638	-	248,829,816
	Factory Plant and Equipment	3,101,931,441	81,503,256	(42,529,511)	3,140,905,186
	Other Plant and Machinery	153,158,403	-	-	153,158,403
	Storage Tank	63,398,475	-	-	63,398,475
	Roads and Bridges	111,179,516	676,000	-	111,855,516
	Laboratory Equipment	49,291,526	-	-	49,291,526
	Motor Vehicles	192,121,056	16,535,850	-	208,656,906
	Furniture, Fittings and Equipment	170,870,824	24,723,413	-	195,594,237
	Settler Zone Infrastructure	73,193,739	-	-	73,193,739
		<u>5,341,572,826</u>	<u>227,995,060</u>	<u>(42,529,511)</u>	<u>5,527,038,375</u>
	Assets on Finance Leases				
	Motor Vehicles	53,645,000	-	-	53,645,000
	New Holland Tractor	-	-	-	-
	Tractors	92,460,000	105,877,000	-	198,337,000
	Cane Loaders	-	69,552,000	-	69,552,000
	Field Machinery and Equipment	86,100,920	48,216,240	-	134,317,160
		<u>232,205,920</u>	<u>223,645,240</u>	<u>-</u>	<u>455,851,160</u>
	In the Course of Construction				
	Land Development	26,904,233	5,875,922	(16,924,488)	15,855,667
	Building - Others	25,789,770	76,489,350	(586,388)	101,692,732
	Roads and Bridges	-	-	-	-
	Factory Plant and Equipment	24,819,952	8,612,830	(3,404,736)	30,028,046
	Hotel Project	37,410,797	-	-	37,410,797
	Compost Plant	571,362	-	-	571,362
	Irrigation Project / Tube Well	2,864,444	2,363,224	-	5,227,668
	Power Generation Project	2,008,690	-	-	2,008,690
	Water Treatment Plant	27,067,812	307,987	-	27,375,799
		<u>147,437,060</u>	<u>93,649,313</u>	<u>(20,915,612)</u>	<u>220,170,761</u>
	In the Course of Construction - On Finance Leases				
	Factory Plant and Equipment	120,750,000	-	-	120,750,000
		<u>120,750,000</u>	<u>-</u>	<u>-</u>	<u>120,750,000</u>
	Total Gross Carrying Amount	<u>5,841,965,806</u>	<u>545,289,613</u>	<u>(63,445,123)</u>	<u>6,323,810,296</u>

10.2	Depreciation	Balance As at 01.01.2021 Rs.	Charge for the year Rs.	Disposals Rs.	Balance As at 31.12.2021 Rs.
	Land Development	77,987,152	3,500,012	-	81,487,164
	Factory Buildings	163,298,259	5,476,710	-	168,774,969
	Buildings Others	136,776,594	4,841,747	-	141,618,341
	Field Machinery and Equipment	461,096,966	4,915,725	-	466,012,691
	Irrigation and Miscellaneous Equipment	224,896,982	20,799,102	-	245,696,084
	Factory Plant and Equipment	2,169,050,818	220,957,201	(14,885,329)	2,375,122,690
	Other Plant and Machinery	103,271,008	13,390,437	-	116,661,445
	Storage Tank	34,645,695	2,967,660	-	37,613,355
	Roads and Bridges	107,194,729	1,535,275	-	108,730,004
	Laboratory Equipment	49,291,526	-	-	49,291,526
	Motor Vehicles	184,083,366	7,329,970	-	191,413,336
	Furniture, Fittings and Equipment	151,675,365	8,496,684	-	160,172,049
	Settler Zone Infrastructure	71,008,274	167,747	-	71,176,021
		<u>3,934,276,734</u>	<u>294,378,270</u>	<u>(14,885,329)</u>	<u>4,213,769,675</u>
	Assets on Finance Leases				
	Motor Vehicles	49,805,500	1,544,833	-	51,350,333
	New Holland Tractor	-	-	-	-
	Tractors	19,853,716	19,350,701	-	39,204,417
	Cane Loaders	-	3,477,600	-	3,477,600
	Field Machinery and Equipment	58,461,587	8,417,066	-	66,878,653
		<u>128,120,803</u>	<u>32,790,200</u>	<u>-</u>	<u>160,911,003</u>
	Total Depreciation	<u>4,062,397,537</u>	<u>327,168,470</u>	<u>(14,885,329)</u>	<u>4,374,680,678</u>

Lanka Sugar Company (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

10. PROPERTY, PLANT AND EQUIPMENT (Contd....)

10.3 Net Book Values	2021 Rs.	2020 Rs.
Land	44,149,728	44,149,728
Land Development	100,643,376	87,218,900
Factory Buildings	75,589,811	81,066,521
Buildings Others	90,182,825	93,158,648
Field Machinery and Equipment	113,695,666	2,841,810
Irrigation and Miscellaneous Equipment	3,133,732	31,227,534
Factory Plant and Equipment	765,782,496	932,880,625
Other Plant and Machinery	36,496,958	49,887,395
Storage Tank	25,785,120	28,752,780
Roads and Bridges	3,125,512	3,984,788
Laboratory Equipment	-	-
Motor Vehicles	17,243,570	8,037,690
Furniture, Fittings and Equipment	35,422,188	36,347,141
Settler Zone Infrastructure	2,017,718	2,185,466
	<u>1,313,268,700</u>	<u>1,401,739,026</u>
Assets on Finance Lease		
Motor Vehicles	2,294,667	3,839,500
New Holland Tractor	-	5,596,068
Mahindra Tractors	159,132,583	30,559,583
	<u>66,074,400</u>	
Field Machinery and Equipment	67,438,507	69,686,034
	<u>294,940,157</u>	<u>109,681,185</u>
In the Course of Construction		
Land Development	15,855,667	26,904,234
Building - Others	101,692,732	25,789,770
Factory Plant and Equipment	30,028,046	24,819,952
Hotel Project	37,410,797	37,410,797
Compost Plant	571,362	571,362
Irrigation Project	5,227,668	4,873,134
Power Generation Project	2,008,690	-
Water Treatment Plant	27,375,799	27,067,812
	<u>220,170,761</u>	<u>147,437,061</u>
In the Course of Construction - On Finance Leases		
Factory Plant and Equipment	<u>120,750,000</u>	<u>120,750,000</u>
	<u>120,750,000</u>	<u>120,750,000</u>
Total carrying amount of Property, Plant and Equipment	<u>1,949,129,618</u>	<u>1,779,607,272</u>

10.4 During the financial period, the company acquired Property, Plant and Equipment to the aggregate value of Rs. 545,289,613/- (2020 - Rs.306,806,691/-) for cash.

10.5 The useful lives of the assets is estimated as follows;

	2021	2020
Land Development	50 Years	50 Years
Factory Buildings	50 Years	50 Years
Buildings Others	50 Years	50 Years
Field Machinery and Equipment	5 - 6.67 Years	5 - 6.67 Years
Irrigation and Miscellaneous Equipment	16.67 Years	16.67 Years
Factory Plant and Equipment	10-20 Years	10-20 Years
Other Plant and Machinery	5 - 20 Years	5 - 20 Years
Roads and Bridges	20 Years	20 Years
Motor Vehicles	2 - 5 Years	2 - 5 Years
Furniture, Fittings and Equipment	4 - 5 Years	4 - 5 Years
Settler Zone Infrastructure	3 - 50 Years	3 - 50 Years

Lanka Sugar Company (Private) Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

10 PROPERTY, PLANT AND EQUIPMENT (Contd....)

10.6 Reference to the letters from the Department of Valuation dated 07 May 2013 and 26 May 2014, Pelwatte and Sevanagala Divisions did receive valuation reports for its buildings, plant and machinery, agri equipment and motor vehicles. However only the value relating to Plant and Machinery of Sevanagala Division has been incorporated into these financial statements due to several inconsistencies identified by the management in the information contained in such reports.

Whilst the provisions of the Revival of Underperforming Enterprises or Underutilised Assets Act No.43 of 2011 relate only to the transfer of immovable assets to the respective divisions, Pelwatte and Sevanagala Divisions in substance continues to use the assets transferred from the previous owners. However, in accounting for the assets acquired prior to the Act, the Property, Plant and Equipment of Pelwatte Division includes the continuing book balances of previous owners to their books on which depreciation rates have applied, whilst the Property, Plant and Equipment of Sevanagala Division only contains the value of Plant and Machinery based on the valuations carried out.

The value of those revalued amounts which have not been incorporated to these financial statements are as follows.

	Pelwatte Division Rs.	Sevanagala Division Rs.
Buildings	766,250,000	3,757,500,000
Plant and Machinery	1,399,000,000	769,500,000
Motor Vehicles	390,600,000	-
Agri Equipment	72,000,000	330,700,000

11. INVENTORIES	2021 Rs.	2020 Rs.
Produced Inventory (11.1)	1,146,616,820	1,240,657,564
Other Inventory (11.2)	1,469,071,991	1,048,863,824
	<u>2,615,688,811</u>	<u>2,289,521,388</u>
11.1 Produced Inventory		
Sugar	721,031,520	921,292,750
Molasses	174,643,989	277,370,400
ENA	250,941,311	41,453,390
Hand Sanitizer	-	541,024
	<u>1,146,616,820</u>	<u>1,240,657,564</u>
11.2 Other Inventory		
Fuel and Lubricants	59,940,358	65,318,952
Factory Chemicals	10,112,160	6,209,151
Production Items Distillery	2,196,948	1,214,266
Bags and Liners	11,445,340	2,555,006
Fertilizers	410,897,759	163,848,896
General	36,392,873	29,487,948
Agriculture Spares	249,366,506	208,102,086
Stationery	2,059,661	2,506,078
Factory Spares	535,823,616	445,948,875
Other Inventory	-	1,275,000
Tires and Tubes	102,346,448	92,884,133
Other Inventory	1,275,000	1,275,000
	<u>1,421,856,669</u>	<u>1,020,625,391</u>
Less: Provision for Obsolete Stocks	<u>(9,251,437)</u>	<u>(9,251,437)</u>
	<u>1,412,605,232</u>	<u>1,011,373,954</u>
Goods-in-Transit	56,466,759	38,764,870
	<u>1,469,071,991</u>	<u>1,050,138,824</u>

12. BIOLOGICAL ASSETS	2021 Rs.	2020 Rs.
Standing Cane	789,488,289	514,470,308
	<u>789,488,289</u>	<u>514,470,308</u>

13. TRADE AND OTHER RECEIVABLES	2021 Rs.	2020 Rs.
Trade Receivables	1,230,455	609,080
Other Receivables	248,518,213	272,225,072
Staff Loans (13.1)	28,759,442	31,281,813
	<u>278,508,110</u>	<u>304,115,965</u>
13.1 Staff Loans		
Balance at the beginning of the year	31,277,011	32,475,003
Loans granted during the year	82,154,794	66,741,600
Repayments made during the year	<u>(84,672,363)</u>	<u>(69,553,944)</u>
Balance at the end of the year	<u>28,759,442</u>	<u>29,662,659</u>

Lanka Sugar Company (Private) Limited
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. LOANS DUE FROM FARMERS	113,950,484 650,726,628		2021 Rs.	2020 Rs.
Balance at the beginning of the year	611184178		1,528,373,069	1,258,126,239
Loans granted during the year	231127945		1,124,727,805	1,121,824,093
Loans recovered during the year	(320,052,615)		(1,085,623,725)	(851,577,257)
Total Loans Granted	522259508	1,567,477,149	1,567,477,148	1,528,373,069
Less: Provision for Doubtful Recoveries	-635864		(557,683,500)	(539,724,136)
Balance at the end of the year	521623644		1,009,793,648	988,648,933

15. INVESTMENTS			2021 Rs.	2020 Rs.
Current				
Fixed Deposits			2,391,929,343	1,989,242,632
			2,391,929,343	1,989,242,632

16. STATED CAPITAL	2021 Number	2021 Rs.	2020 Number	2020 Rs.
Fully Paid Ordinary Shares	100	1,000	100	1,000

17. GOVERNMENT GRANT			2021 Rs.	2020 Rs.
As at beginning of the period			4,047,943,334	4,047,943,334
Revaluation of Plant and Machinery				
Repayments			-	-
			4,047,943,334	4,047,943,334

Government acquired the company's land (including any building and fixtures or fittings which are part of such building and any building belonging to and appurtenant thereto or treated as part and parcel thereof) by the revival of Underperforming Enterprises or Underutilized Assets Act, No. 43 of 2011 on 11/11/2011 and appointed a competent Authority to govern the company. Competent authority has governed the company from 11/11/2011 to 30/09/2012. Effective from 01 October 2012 all the assets and liabilities which were vested with the Competent Authority, was transferred to Lanka Sugar Company (Private) Limited.

18. INTEREST BEARING LOANS AND BORROWINGS

	2021			2020		
	Amounts Repayable Within 1 Year Rs.	Amounts Repayable After 1 year Rs.	Total Rs.	Amounts Repayable Within 1 Year Rs.	Amounts Repayable After 1 year Rs.	Total Rs.
Bank Loans (18.1)	8,106,458	-	8,106,458	360,971,447	8,106,458	369,077,905
Finance Leases (18.2)	68,596,938	292,250,498	360,847,436	24,244,916	83,066,254	107,311,170
	76,703,396	292,250,498	368,953,894	385,216,363	91,172,712	476,389,075
18.1 Bank Loan			As at 01.01.2021 Rs.	New Loans Obtained Rs.	Repayments Rs.	As at 31.12.2021 Rs.
Bank of Ceylon	5,330,791		357,425,340		(351,103,566)	6,321,774
Sampath Bank						-
NDB Bank			11,652,565		(9,867,881)	1,784,684
	356,434,357		11,652,565	-	(360,971,447)	8,106,459
18.2 Finance Leases			As at 01.01.2021 Rs.	New Leases Obtained Rs.	Repayments Rs.	As at 31.12.2021 Rs.
Bank of Ceylon		217,229,763	134,584,380	373,271,052	(82,645,383)	425,210,049
Gross Liability			134,584,380	373,271,052	(82,645,383)	425,210,049
Finance Charges Allocated to Future Periods			(27,273,210)	(60,939,336)	23,849,932	(64,362,614)
Net Liability			107,311,170	312,331,716	(58,795,451)	360,847,435

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

19. RETIREMENT BENEFIT LIABILITY	2021	2020
	Rs.	Rs.
As at the beginning of the period	551,830,851	425,834,246
Interest Cost	46,896,838	42,881,669
Current service cost	30,234,580	33,881,336
Benefit Paid	(26,837,579)	(24,294,404)
Actuarial (Gain)/Loss	(11,127,167)	73,528,006
As at the end of the period	590,997,522	551,830,851

19.1 Messers Actuarial and Management Consultation (Private) Limited Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 December 2021. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

The key assumptions used in determining the cost of employee benefits were:

	2021	2020
Pelawatte Division		
Discount Rate	8.50%	10.00%
Rate of Salary Increase	1.50%	1.50%
Retirement Age	60 Years	60 Years
Sevanagala Division		
Discount Rate	11.00%	8.50%
Rate of Salary Increase	Fixed amount	Fixed amount
Retirement Age	60 Years	60 Years

20. TRADE AND OTHER PAYABLES	2021	2020
	Rs.	Rs.
Trade Payables (20.1)	429,261,919	269,932,237
Advances Received from customers	715,201,147	277,129,102
Other Payables (20.2)	142,033,855	144,263,238
Sundry Creditors including Accrued Expenses (20.3)	905,829,411	631,923,051
Incentive Provision for the Employees & Farmers	-	218,915,360
Distilleries Company of Sri Lanka PLC	24,784,659	24,784,659
Recovered from Farmers	59,792,499	59,792,499
	2,276,903,490	1,626,740,146

20.1 Trade Payables		
Trade Creditors	429,261,919	269,932,237
	429,261,919	269,932,237

20.2 Other Payables		
VAT Payable	32,895,599	32,895,599
NBT Payable	109,138,256	111,367,639
	142,033,855	144,263,238

20.3 Sundry Creditors including Accrued Expenses		
Sundry Creditors	270,706,754	248,163,693
Accrued Expenditure	635,122,657	383,759,358
	905,829,411	631,923,051

21. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT		
Components of Cash and Cash Equivalents	2021	2020
	Rs.	Rs.
21.1 Favorable Cash and Cash Equivalents Balances		
Cash and Bank Balances	915,068,381	207,959,927
21.2 Unfavorable Cash and Cash Equivalent Balances		
Bank Overdrafts	(125,178,975)	(488,243,226)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	789,889,406	(280,283,299)

22. COMMITMENTS AND CONTINGENCIES**Capital Expenditure Commitments**

As per the provisions of the Act of Revival of Underperforming Enterprises and Underutilized Assets No.43 of 2011. Government has acquired the immovable assets of Sevanagala Sugar Industries as at 11 November 2011. Previous Management has filed a case against this acquisition. Reference to above stated act, the liabilities should be settled through Labor Tribunal.

At the end of year 2021, Pelwatte Division had 20 legal cases and Sevanagala Division had 15 legal cases in various courts, that were filed by the employees and out side parties against the company. However the Company is unable to confirm any contingency payment that require adjustments or disclosures in the Financial Statements.

			Rs.	
23.	Fixed Deposits	Overdraft facility of A/C No 73947899 Bank Of Ceylon	468,510,609	Investment
	Fixed Deposits	Overdraft facility of A/C No 75751012 Bank Of Ceylon	425,031,161	Investment
	Fixed Deposits	Term Loan - NDB Bank	55,000,000	Investment
	Fixed Deposits	Term Loan - Bank of Ceylon	30,000,000	Investment
	Fixed Deposits	Permanent Overdraft -Peoples Bank	200,000,000	Investment

24. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments or disclosure in the Financial Statements.

25. RELATED PARTY DISCLOSURES**25.1 Amounts due from Related Parties**

	2021 Rs.	2020 Rs.
Receivable from Kanthale Sugar Industries	8,831,204	8,831,204
Receivable from Hingurana Sugar Industries	548,134	548,134
Ministry Of Sugar Industry Receivable	3,453,231	3,453,231
SSP Project - Badulla	6,665,725	6,665,725
	19,498,293	19,498,293
Provision for Bad Debts	(19,498,293)	(19,498,293)
	-	-

25.2 Transactions with Key Management Personnel of the Company

The key management personnel of the Company are the members of its Board of Directors.

Key Management Personnel Compensation

	2021 Rs.	2020 Rs.
Directors Fee	857,500	157,500

Lanka Sugar Company (Private) Limited
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise interest bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's management oversees the management of these risks. The Company's management determine on financial risks and the appropriate financial risk governance framework for the Company. The financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term deposits carrying floating interest rates. The Company manages its risk against fluctuating interest by borrowing on fixed interest rate and maintaining investment in floating interest bearing deposits at a insignificant level.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Trade receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Individual credit limits are defined in accordance with the prior experience with the customers. Outstanding customer receivables are regularly monitored. The amount of trade receivables were insignificant since most of the trading is done after receiving an advance from the customers. However the requirement for an impairment is analysed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are largely unrelated.

The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables and deposits with banks and are disclosed in Note 13 and Note 15 respectively.

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years
Interest-bearing loans and borrowings	125,178,975		76,703,396	292,250,498
Trade and other payables	2,276,903,487			
	<u>2,402,082,462</u>	<u>-</u>	<u>76,703,396</u>	<u>292,250,498</u>

Capital management

Capital includes equity attributable to the equity holders of the company. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Interest Bearing Borrowings	494,132,869
Trade and Other Payables	2,276,903,487
Less: Cash and Cash Equivalents	<u>(915,068,381)</u>
Net Debt	1,855,967,975

Equity	6,641,230,913
Total Capital	<u><u>6,641,230,913</u></u>

Gearing ratio 21.84%

27. FAIR VALUE MEASUREMENT

Financial instruments of the Company reflected at amortised cost in these financial statements included cash, cash equivalents, trade receivables, other receivables, trade and other payables and interest bearing loans and borrowings.

The management assess that the fair value all financial instruments approximate their carrying amount largely due to the short term maturities and market based interest rates of these instruments

Lanka Sugar Company (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

28. EVENTS AFTER THE REPORTING PERIOD

No any circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.

29 RELATED PARTY DISCLOSURE

Related Parties of Lanka Sugar Company (Private) Limited are Ministry of Plantation Industries, General Treasury of Sri Lanka and the Board of Directors. There are no transactions with aforesaid related parties in the reporting financial year, except for the directors' emoluments and fee which already have been declared in the note 25 to this Financial Statements

29 Transactions with Key Management Personnel

29.1. Loans to Directors

No loans have been given to the Directors of the Company.

29.1. Other Transactions With Key Management Personnel

There are no other transactions with the related parties during the reporting financial period.

30. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities and assets reported during the financial year ended 31.12.2021

31. AGRICULTURE

Biological Assets are stated at fair value and shown under current-assets since they realize within a period of one year and is given in the note 12 to this Financial Statements.

Lanka Sugar Company (Private) Limited

DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

COST OF SALES

		2021 Rs.	2020 Rs.
Nucleus Estate Cost	I	440,688,414	526,708,215
Research and Extension	II	226,635,836	104,331,909
Settler Expenditure	III	1,394,230,504	882,528,039
Out grower Expenditure	IV	1,458,118,824	1,119,744,664
ISFO Expenditure	V	247,471,863	141,999,504
Factory Cost	VI	849,037,705	690,357,351
Distilleries Cost	VII	820,361,242	946,473,658
Golf Project			
Agriculture Services	VIII	600,213,507	497,924,395
Sanitizer Production Project		131,900	3,687,638
		<u>6,036,889,795</u>	<u>4,910,067,735</u>
Stock Movements			
(Increase) / Decrease in Sugar Stock		438,934,918	(674,999,230)
(Increase)/ Decrease in Molasses Stock		94,763,500	(31,461,100)
(Increase)/Decrease in ENA Stock		(5,814,791)	98,854,832
(Increase) / Decrease in Sanitizer Stock		(580,943)	(2,286,911)
		<u>6,564,192,479</u>	<u>4,300,175,326</u>
Cost of Sales - Sevanagala	IX	<u>2,416,573,936</u>	<u>2,273,571,829</u>
Total Cost of Sales		<u><u>8,980,766,415</u></u>	<u><u>6,573,747,155</u></u>

DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

STATEMENT I

	2021 Rs.	2020 Rs.
Cost of Cane Harvested - Commercial	67,217,805	287,343,315
Cost of Cane Harvested - Seed	1,713,470	9,798,160
Cane Cutting, Loading & Transport	158,378,124	121,162,417
Estate Supporting Operation	8,168,282	7,508,872
Estate Protection	77,656,137	36,992,369
Agriculture Engineering	40,961,444	4,601,056
Administration and Other Overheads	91,032,854	86,142,473
Valuation Adjustment	(2,061,617)	(1,523,927)
	443,066,499	552,024,735
Seed Cane Recoveries	(2,378,085)	(25,316,520)
	440,688,414	526,708,215

STATEMENT II

	2021 Rs.	2020 Rs.
RESEARCH AND EXTENSION COST		
Cost of Seed Cane Harvested - Seed	138,066,066	147,400,887
Cost of Seed Cane Harvested - Commercial	36,218,397	4,950,884
Cane Cutting, Loading and Transportation	18,627,893	43,731,656
Agronomy Administration & Other Overheads	94,061,798	41,868,940
Agronomy Research	2,856,524	2,757,124
Estate Protection	2,222,571	6,856,425
Engineering Maintenance	1,055,063	552,017
Valuation Adjustment	(667,527)	(100,424)
	292,440,785	248,017,509
Seed Cane Recoveries	(65,804,949)	(143,685,600)
	226,635,836	104,331,909

STATEMENT III

	2021 Rs.	2020 Rs.
SETTLER EXPENDITURE		
Cane Purchases	1,186,573,690	676,374,574
Settler Development Cost	(3,747,558)	41,467,802
Administration and Other Overheads	192,398,882	135,926,103
Settler Engineering Maintenance	11,391,598	11,514,286
Land Preparation Amortization	-	560,117
Cost of cane Nurseries	21,227,370	43,247,839
Cane Cutting, Loading & Transport - Nurseries	2,645,603	3,433,619
Valuation Adjustment	(3,513,514)	(1,397,121)
Settler write off cost	1,406,976,071	911,127,219
Seed Cane Recoveries	(12,745,567)	(28,599,180)
	1,394,230,504	882,528,039

STATEMENT IV

	2021 Rs.	2020 Rs.
OUT GROWER EXPENDITURE		
Cane Purchases	1,170,050,436	846,021,004
Out grower Development Cost	19,035,234	57,513,261
Out grower Administration & Other Overheads	189,226,491	146,099,952
Buying Station Cost	33,699,370	41,973,872
Out grower Engineering Cost	11,020,101	5,315,205
Gomadiyawala Project	43,718,890	12,161,833
Land Preparation Amortization	-	2,829,593
Cost of cane Nurseries & PSIL Plots	1,316,276	13,596,409
Cane Cutting, Loading & Transport - Nurseries & PSIL Plots	1,836,917	3,617,673
Valuation Adjustment	(3,033,755)	(1,659,378)
	1,466,869,960	1,127,469,424
Seed Cane Recoveries	(8,751,136)	(7,724,760)
	1,458,118,824	1,119,744,664

Lanka Sugar Company (Private) Limited

DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

STATEMENT V

	2021 Rs.	2020 Rs.
ISFO EXPENDITURE		
Cane Purchases	239,896,597	122,068,287
Administration Cost	6,098,048	13,884,891
ISFO Development Cost	2,073,636	5,890,733
Land Preparation Amortization	-	353,251
Valuation Adjustment	(596,418)	(197,658)
	<u>247,471,863</u>	<u>141,999,504</u>

STATEMENT VI

	2021 Rs.	2020 Rs.
FACTORY COST		
Process and Packing Cost	223,113,194	178,294,686
Administration and Other Overheads	61,597,563	54,581,081
Engineering Operations	288,006,419	146,135,238
Engineering Maintenance	257,398,010	197,068,781
Depreciation	121,879,732	140,336,850
Valuation Adjustment	(2,689,097)	(1,836,866)
Recovery (Engineering Maintenance)	(5,721,241)	(9,316,169)
Steam Cost Recoveries	(94,546,875)	(14,906,250)
	<u>849,037,705</u>	<u>690,357,351</u>

STATEMENT VII

	2021 Rs.	2020 Rs.
DISTILLERIES COST		
Administration costs	37,247,079	32,392,888
Engineering operations	60,383,052	49,369,580
Production operations	411,547,513	606,581,132
Depreciation	41,829,427	43,470,711
Valuation adjustment	(7,820,580)	(3,285,353)
Molasses Tax	292,300,000	218,290,000
Recoveries	(15,125,249)	(345,300)
	<u>820,361,242</u>	<u>946,473,658</u>

STATEMENT VIII

	2021 Rs.	2020 Rs.
AGRICULTURE SERVICES EXPENDITURE		
Agriculture Administration	69,837,787	79,912,784
HLT Administration	44,195,778	32,086,776
Elephant Drive	4,535,258	3,231,534
Agriculture Engineering	73,461,350	61,922,385
Agriculture Workshop	74,292,497	63,810,432
Service Station	2,598,400	1,618,829
Under / (Over) Recoveries - Fleet	158,513,377	55,527,884
Estate Protection Administration	43,505,920	135,871,499
Fire Unit	43,215,944	36,250,942
Buying Station	107,661,872	90,365,950
Valuation Adjustment	(2,023,624)	(1,542,872)
Recoveries	(19,581,052)	(61,131,748)
	<u>600,213,507</u>	<u>497,924,395</u>

DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

STATEMENT X (Contd....)

ADMINISTRATIVE EXPENSES - SEVANAGALA	2021 Rs.	2020 Rs.
Land Preparation	1,371,210	1,192,938
Planting	4,280,189	7,410,310
Salary & Wages	317,292,438	244,786,479
Overtime	83,340,421	78,261,777
E.P.F.	25,735,932	19,180,575
E.T.F.	6,156,917	4,535,768
Bonus	35,237,388	-
Farmers Incentives	191,283,021	-
Cashier Allowance	138,400	125,400
Traveling & Subsistence	1,832,299	1,881,722
Holiday Payment	4,540,989	4,645,710
Petrol , Diesel & Lubricants	50,734,768	37,763,114
Tyres & Tubes	2,764,605	2,566,053
Stationery	4,265,650	3,585,988
License	2,187,875	1,635,392
Postage & Courier Charges	213,505	254,076
Telephone Charges	4,080,288	2,323,913
Books & Periodicals	896,529	391,989
Bank Charges	293,930	165,140
Legal Expenses	1,335,700	1,367,300
Repairs to Office Equipment	10,150	19,230
Education & Training	466,870	519,250
Medical Facilities	50,201,057	36,616,532
Staff Incentives	90,697,875	218,915,360
Welfare & Sports	11,884,419	12,821,486
Repair & Maintenance - Motor Vehicles	6,733,999	4,929,335
Repair & Maintenance - Buildings	649,486	1,537,166
Other Spares & Maintenance	54,729,461	34,509,571
Electricity	10,319,044	14,642,232
Other Allowances	10,965,075	8,007,928
Meal Expenses	3,848,563	1,490,261
Guest House Expenses	2,077,530	-
Computer Expenses	97,888	532,045
Donations	1,866,749	625,632
Transport & Hiring Charges	2,974,557	793,671
Water Rates	8,230,215	16,695,652
Audit Fees	346,800	-
Depreciation	42,061,551	40,434,960
Other Expenses	1,436,344	787,282
Gratuity	8,269,762	11,862,397
Security Charges	47,000	19,500
Rent & Rates	10,000	10,000
Insurance	3,792,676	8,942,894
Verification Expenses	672,467	454,340
Deyata Kirula Expenses	-	1,611,460
Cess Tax	1,779,605	-
Penalties and Surcharges	5,400	34,052
Road Renovation Expenses	8,324,140	17,294,598
Ceremonial Expenses	1,217,720	233,070
Consultancy Charges	2,307,275	651,474
Farmers Welfare	180,895	415,229
Vehicle & Fuel Allowance	5,135,000	4,420,000
Bad debts	11,664,393	12,668,085
Yield Target Allowance	1,548,750	3,841,950
	<u>1,082,534,770</u>	<u>868,410,286</u>

Lanka Sugar Company (Private) Limited

DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

STATEMENT X (Contd....)

ADMINISTRATIVE EXPENSES - HEAD OFFICE	2021 Rs.
Salaries & Wages	28,634,475
EPF Contribution	1,502,078
ETF Contribution	375,519
Over Time	371,878
Bonus & Incentive	4,155,594
Gratuity	160,419
Bata & Subsistances	76,300
Sick leave payment	-
Staff Medical Expenses	-
Staff Training	-
Traveling & Incidental	963,710
Amortization of Intangible Asst	39,000
Cleaning Expenses	392,142
Depreciation	948,524
Director Fee	857,500
Electricity	319,535
Fuel Expenses	2,539,797
Vehicle Repairs & Maintenance	2,181,989
Insurance	1,665,847
Internet and Email	6,000
Office Maintenance	2,700
Postage, Printing & Stationery	591,192
Rates	174,328
Meal Expenses	113,989
Refreshments - Other	4,690
Repairs and Maintenance	772,650
Security Expenses	944,200
Telephone Expenses	985,662
Water Supply Expenses	83,689
Consultancy Fee	3,090,000
Donation	25,000
Doubtfull Debts Expenses	-
Entertainments	16,771
Legal Fee	333,580
Licence & Rgistration Fee	74,402
Miscellaneous	78,215
Office Rent	360,007
Professional Charges	607,959

Secretary fee	210,071
Tea Expenses	132,818
Tender Fee	5,325,750
Bank Charges	16,800
	<u>59,134,780</u>

DRAFT

2020
Rs.

27,700,902
1,566,507
391,627
593,064
2,298,056
170,803
162,800
153,905
62,134
33,500
174,118
13,000
34,582
1,703,146
157,500
412,032
2,398,625
2,636,116
1,478,977
6,000
17,983
734,281
223,993
67,584
26,323
956,454
922,320
913,511
82,323
1,833,481
50,000
6,830,208
58,911
580,730
20,000
49,566
223,521
202,404

DRAFT

196,080
123,534
3,155,500
15,060
<hr/>
59,431,158
<hr/>

DRAFT

Lanka Sugar Company (Private) Limited

DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

STATEMENT IX

COST OF SALES - SEVANAGALA

	2021 Rs.	2021 Rs.	2020 Rs.	2020 Rs.
<u>Raw Material</u>				
Cane Purchase - Allottees	1,814,762,876		1,400,436,672	
Cane Purchase - Private	4,247,580		9,931,121	
Seed Cane Expenses	1,164,926		498,267	
Packing Materials	23,162,903	1,843,338,285	19,032,053	1,429,898,113
Raw Material Consumed		1,843,338,285		1,429,898,113
<u>Direct Labor</u>				
Salary and Wages	223,686,722		180,301,276	
Overtime	69,562,625		69,223,238	
E.P.F.	18,469,551		14,548,709	
E.T.F.	4,309,508	316,028,406	3,342,643	267,415,866
Prime Cost		2,159,366,691		1,697,313,979
<u>Factory Overheads</u>				
Repair & Maintenance - Plant and Machinery			6,331,528	
Customs Duty on Raw Materials	185,641,500		117,400,000	
Depreciation	60,968,017		55,812,087	
Process Chemicals	12,123,733		15,567,605	
Electricity	38,723,164		23,139,032	
Lubricants	15,635,440		10,601,492	
Spares and Maintenance	64,350,952		62,457,795	
General and Hardware	29,042,875		31,431,439	
Loading and Unloading Charges	93,739		44,289	
Firewood	7,927,172		12,302,495	
Furnace Oil	272,004,826		153,447,888	
Consumable Stores	9,696,236	696,207,654	4,876,020	493,411,670
Total Production Cost		2,855,574,345		2,190,725,649
<u>Stock Movements</u>				
Opening Inventory	287,750,520		370,596,700	
Closing Inventory	726,750,930		287,750,520	
Increase in Finished Goods Stock		(439,000,410)		82,846,180
		<u>2,416,573,935</u>		<u>2,273,571,829</u>

Lanka Sugar Company (Private) Limited

DETAILED COST AND EXPENDITURE STATEMENT

Year ended 31 December 2021

STATEMENT X

	2021 Rs.	2020 Rs.
ADMINISTRATIVE EXPENSES - PELWATTE		
Administration	13,017,988	24,420,000
Financial Accounting Division	11,631,768	10,750,513
Management Accounting Division	2,513,058	1,679,382
Stores and Purchase Division	40,229,784	34,949,194
System Accounting Division	9,025,614	8,484,695
Out grower Accounting Division	2,861,492	2,372,499
Colombo Office	2,937,757	2,439,707
Internal Audit	7,350,336	5,295,676
Depreciation	681,535	372,139
Bank Charges and Debit Taxes	5,192,846	3,591,364
Settler Accounting Division	3,379,775	2,922,852
Audit Fees	500,000	-
Sugar Packeting & Marketing	42,942,220	36,255,743
Social Services	23,595,081	7,464,815
GM (COO) Expenses	-	4,875,940
Operation Department - Admin cost	22,896,202	9,446,021
Cess on Sugar production	3,038,120	2,358,215
Employee and farmer incentives	386,812,679	151,859,646
Valuation Adjustment	(2,652,953)	(566,647)
	<u>575,953,302</u>	<u>308,971,754</u>
PERSONNEL AND TRAINING COST - PELWATTE		
Administration, Recruitment and Other Overheads	102,893,855	94,959,351
Medical and Community Health	47,814,102	36,251,341
Training	6,363,457	5,383,232
Township Expenses	93,296,569	61,762,619
Security	96,447,032	76,344,007
Staff Welfare Facilities	68,209,694	41,339,959
Chairman Bungalow Expenses	4,386,818	3,799,712
Transport and Maintenance	55,933,942	49,849,293
Valuation Adjustment	(1,305,289)	(899,670)
Recoveries	(14,628,091)	(12,924,833)
Cost of Investigation Officer	1,677,303	2,013,388
Legal Division Expenses	2,314,194	1,305,477
Other Projects	29,961,143	-
Golf Ground and Menik Gaga Resort Maintenance	14,045,537	10,751,623
	<u>507,410,266</u>	<u>369,935,499</u>
ADMINISTRATIVE EXPENSES - SEVANAGALA	1,082,534,770	868,410,286
ADMINISTRATIVE EXPENSES - HEAD OFFICE	59,134,780	59,431,158
TOTAL ADMINISTRATIVE EXPENSES	<u><u>2,225,033,118</u></u>	<u><u>1,606,748,697</u></u>