

**MILCO (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER, 2017**

		<b>As at 31st December, 2017 Rs.</b>	<b>As at 31st December, 2016 Rs.</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	<b>3</b>	6,883,830,329	1,460,028,918
Capital Work-In-Progress	<b>4</b>	9,458,612,172	11,132,551,197
Financial Instrument - Amortised cost	<b>5</b>	608,415,927	413,952,000
Long-term Advances	<b>6</b>	560,536,942	1,757,139,993
<b>Total Non-Current Assets</b>		<u>17,511,395,370</u>	<u>14,763,672,108</u>
<b>Current Assets</b>			
Inventories	<b>7</b>	1,744,363,882	849,112,507
Trade and Other Receivables	<b>8</b>	1,327,902,471	1,157,290,197
Income Tax Receivable	<b>9</b>	115,524,339	40,063,729
Financial Instrument - Held to Maturity	<b>5</b>	-	555,450,659
Cash and Cash Equivalents	<b>10</b>	24,748,174	32,075,368
<b>Total Current Assets</b>		<u>3,212,538,865</u>	<u>2,633,992,459</u>
<b>Total Assets</b>		<u>20,723,934,234</u>	<u>17,397,664,567</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Stated Capital and Reserves</b>			
Stated Capital	<b>11</b>	319,454,060	319,454,060
Capital Reserve	<b>12</b>	25,000,000	25,000,000
Revaluation Reserve		336,454,463	336,454,463
Sinking Fund	<b>13</b>	1,689,978	1,689,978
Retained Earnings		1,028,693,238	1,665,982,437
<b>Shareholders' Fund</b>		<u>1,711,291,738</u>	<u>2,348,580,937</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	<b>14</b>	190,386,471	31,663,933
Non-interest Bearing Borrowings	<b>15</b>	2,108,063	2,108,063
Interest Bearing Borrowings - Long-Term	<b>15</b>	16,085,402,450	13,500,039,587
Retirement Benefit Obligations - Gratuity	<b>16</b>	559,394,914	477,636,427
Deferred Income - Government Grant	<b>17</b>	56,896,504	74,511,519
<b>Total Non-Current Liabilities</b>		<u>16,894,188,401</u>	<u>14,085,959,529</u>
<b>Current Liabilities</b>			
Trade and Other Payables	<b>18</b>	877,336,031	698,308,209
Interest Bearing Borrowings - Short Term	<b>15</b>	123,944,715	89,806,681
Bank Overdrafts	<b>19</b>	1,117,173,348	175,009,212
<b>Total Current Liabilities</b>		<u>2,118,454,095</u>	<u>963,124,102</u>
<b>Total Equity and Liabilities</b>		<u>20,723,934,234</u>	<u>17,397,664,567</u>

Figures in brackets indicate deductions.

The accounting policies and notes on pages 06 to 37 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

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**Mr. M. G. P. Premathilaka**  
**Manager- Finance**

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board on .....

.....  
**Mr. K P P H Mihiripenna**  
**Chairman**

.....  
**Ms. Biyanka Gamage**  
**Director**

**MILCO (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017**

		<b>For the Year Ended 31<sup>st</sup> December, 2017 Rs.</b>	<b>For the Year Ended 31<sup>st</sup> December, 2016 Rs.</b>
Revenue	<b>20</b>	10,161,297,363	8,679,465,305
Cost of Sales		(9,816,602,389)	(7,843,867,888)
<b>Gross Profit</b>		344,694,974	835,597,417
Other Operating Income	<b>21</b>	363,516,040	264,680,098
		708,211,015	1,100,277,515
Administrative Expenses		(675,736,219)	(533,369,403)
Distribution Expenses		(351,383,353)	(233,496,881)
Other Expenses		(84,960,167)	(4,482,684)
<b>Profit/ (Loss) from Operations</b>		(403,868,724)	328,928,548
Finance Income	<b>22</b>	68,268,545	62,078,442
Finance Expenses	<b>23</b>	(99,332,951)	(51,675,441)
<b>Net Profit/ (Loss) Before Taxation</b>		(434,933,130)	339,331,549
Income Tax Expenses	<b>24</b>	(171,265,774)	(12,246,918)
<b>Net Profit/(Loss) for the Year after Taxation</b>		(606,198,904)	327,084,631
<b>Other Comprehensive Income</b>			
Item that will not be reclassified subsequently to profit or loss:			
Remessurement of Defined Benefit Plan, Net of Taxes		(31,090,295)	81,105,874
<b>Total Other Comprehensive Income Net of Tax</b>		(31,090,295)	81,105,874
<b>Total Comprehensive Income</b>		(637,289,198)	408,190,505
Basic Earning/(Loss) Per Share	<b>25</b>	(18.98)	10.24

Figures in brackets indicate deductions.

The accounting policies and notes on pages 06 to 37 form an integral part of these Financial Statements.

**MILCO (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<b>Stated Capital Rs.</b>	<b>Capital Reserve Rs.</b>	<b>Revaluation Reserve Rs.</b>	<b>Sinking Fund Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Rs.</b>
<b>Balance as at 01st January 2016</b>	319,454,060	25,000,000	336,454,463	1,689,978	1,257,791,931	1,940,390,432
Net Loss for the Year	-	-	-	-	327,084,631	327,084,631
Other Comprehensive Income	-	-	-	-	81,105,874	81,105,874
<b>Balance as at 31st December 2016</b>	319,454,060	25,000,000	336,454,463	1,689,978	1,665,982,437	2,348,580,937
Net Profit for the Year	-	-	-	-	(606,198,904)	(606,198,904)
Other Comprehensive Income	-	-	-	-	(31,090,295)	(31,090,295)
<b>Balance as at 31st December 2017</b>	<u>319,454,060</u>	<u>25,000,000</u>	<u>336,454,463</u>	<u>1,689,978</u>	<u>1,028,693,238</u>	<u>1,711,291,738</u>

Figures in brackets indicate deductions.

The accounting policies and notes on pages 06 to 37 form an integral part of these Financial Statements.

Audited Financial Statements

**MILCO (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<b>As at 31st December, 2017 Rs.</b>	<b>As at 31st December, 2016 Rs.</b>
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Taxation	(434,933,130)	339,331,549
Adjustments for ;		
Depreciation on Property, Plant and Equipment	409,914,031	268,073,500
Income from Investment	(68,268,545)	(62,078,442)
Interest Expense	92,475,371	48,225,450
Lease Interest	8,503,419	3,387,156
Recognized Income on Deferred Grants	(38,614,634)	(21,697,268)
Provision for Bad and Doubtful Debts	(777,885)	2,599,134
Exchange Gain	(9,683,424)	(14,190,678)
Provision for Defined Benefit Plans - Gratuity	90,080,655	82,436,290
Disposal Gain	(9,348,044)	-
Provision for non moving inventory	-	743,577
<b>Operating Profit Before Working Capital Changes</b>	<b>39,347,814</b>	<b>646,830,267</b>
(Increase)/Decrease in Inventories	(895,251,375)	(199,886,350)
(Increase)/Decrease in Trade and Other Receivables	(155,051,768)	(245,501,545)
Increase/(Decrease) in Trade and Other Payables	179,027,822	210,045,700
<b>Cash Generated from Operations</b>	<b>(831,927,507)</b>	<b>411,488,072</b>
Interest Paid	(92,475,371)	(48,225,450)
Tax Paid - ESC and Income Tax	(51,881,194)	(39,468,879)
Payment of Defined Benefit Plans - Gratuity	(42,866,940)	(31,573,226)
<b>Net Cash Flow From Operating Activities</b>	<b>(1,019,151,012)</b>	<b>292,220,517</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(151,058,361)	(235,075,959)
Investments in Property, Plant and Equipment in the Course of Construction	(2,812,115,004)	(3,072,931,068)
Proceeds from disposal of Assets	9,348,044	-
Interest Received	68,268,545	62,078,442
Withdrawal/(New) Short-Term and Long-Term Investment (Net)	370,670,156	181,596,914
<b>Net Cash From/(Used In) Investing Activities</b>	<b>(2,514,886,620)</b>	<b>(3,064,331,670)</b>
<b>Cash Flow from Financing Activities</b>		
Government Grant Received	20,999,619	35,546,751
Lease Rental Paid	(31,021,689)	(21,648,426)
During the Year Loan Granted	2,688,148,110	3,082,050,144
Loans and Borrowings Repayments	(93,579,736)	(79,785,177)
<b>Net Cash From/(Used In) Financing Activities</b>	<b>2,584,546,303</b>	<b>3,016,163,292</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(949,491,329)</b>	<b>244,052,139</b>
<b>Cash and Cash Equivalents at the Beginning of the Year (Note A)</b>	<b>(142,933,845)</b>	<b>(386,985,984)</b>
<b>Cash and Cash Equivalents at the End of the Year (Note B)</b>	<b>(1,092,425,174)</b>	<b>(142,933,845)</b>

**MILCO (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT - (Contd..)**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<b>As at 31<sup>st</sup> December, 2017 Rs.</b>	<b>As at 31<sup>st</sup> December, 2016 Rs.</b>
		k Director
<b>At the Beginning of the Year</b>		
Balances at Banks	31,668,018	27,273,015
Petty Cash in Hand	407,350	5,980,692
	<u>32,075,368</u>	<u>33,253,707</u>
Bank Overdrafts	(175,009,212)	(420,239,691)
	<u>(142,933,845)</u>	<u>(386,985,984)</u>
<b>At the End of the Year</b>		
Balances at Banks	20,487,923	31,668,018
Petty Cash in Hand	4,260,251	407,350
	<u>24,748,174</u>	<u>32,075,368</u>
Bank Overdrafts	(1,117,173,348)	(175,009,212)
	<u>(1,092,425,174)</u>	<u>(142,933,845)</u>

Figures in brackets indicate deductions.

The accounting policies and notes on pages 06 to 37 form an integral part of these Financial Statements.

Audited Financial Statements

MILCO (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 AS AT 31ST DECEMBER, 2017

3. PROPERTY, PLANT AND EQUIPMENT

a) Tangible assets

Description of Assets	Cost/Valuation				Depreciation				Written Down Value		
	Balance As At 01.01.2017	Additions	Disposals	Transfers	Balance As At 31.12.2017	Balance As At 01.01.2017	Charge for the Year	On Disposals	Balance As At 31.12.2017	As At 01.01.2017	As At 31.12.2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Freehold</b>											
Land	3,250,000	-			3,250,000	-	-	-	-	3,250,000	3,250,000
Buildings	150,438,024	5,733,531		346,206,590	502,378,146	62,324,732	24,647,822	-	86,972,555	88,113,292	415,405,591
Plant and Machinery	1,994,381,030	32,366,676		5,326,840,490	7,353,588,196	838,172,942	293,849,215	-	1,132,022,157	1,156,208,089	6,221,566,039
Furniture and Fittings	39,034,839	4,324,149			43,358,988	31,651,200	2,834,083	-	34,485,283	7,383,639	8,873,705
Laboratory Equipment	61,019,438	8,302,762			69,322,199	39,299,919	6,640,744	-	45,940,662	21,719,519	23,381,537
Motor Vehicles	108,978,752	201,830	(7,515,000)	-	101,665,582	106,087,412	3,528,490	(7,515,000)	102,100,902	2,891,340	(435,320)
Tools and Equipment	270,402,978	31,615,859			302,018,837	201,100,601	19,030,562	-	220,131,163	69,302,377	81,887,674
Bottles and Crates	296,215,795	37,238,599	(38,921)		333,415,474	264,970,525	18,551,397	(38,921)	283,483,001	31,245,270	49,932,473
Computer Equipment	29,540,155	3,985,535			33,525,690	23,776,754	2,920,198	-	26,696,952	5,763,401	6,828,738
Bottle Coolers	138,460,009	1,283,398			139,743,407	106,505,447	19,053,393	-	125,558,840	31,954,561	14,184,566
Office Equipment	6,826,516	2,372,105			9,198,620	5,912,988	691,751	-	6,604,738	913,528	2,593,882
Milk Cans	56,542,886	23,633,918			80,176,804	49,345,481	2,507,915	-	51,853,396	7,197,405	28,323,408
	<u>3,155,090,421</u>	<u>151,058,361</u>	<u>(7,553,921)</u>	<u>5,673,047,080</u>	<u>8,971,641,942</u>	<u>1,729,148,000</u>	<u>394,255,569</u>	<u>(7,553,921)</u>	<u>2,115,849,649</u>	<u>1,425,942,421</u>	<u>6,855,792,294</u>
<b>b) Intangible Assets</b>											
Computer Software	2,587,209	-	-	-	2,587,209	2,587,209	-	-	2,587,209	-	-
<b>c) Leasehold Assets</b>											
Motor Vehicles	61,040,958	-	-	9,610,000	70,650,958	26,954,461	15,658,462	-	42,612,923	34,086,497	28,038,035
<b>Total</b>	<u>3,218,718,588</u>	<u>151,058,361</u>	<u>(7,553,921)</u>	<u>5,682,657,080</u>	<u>9,044,880,109</u>	<u>1,758,689,670</u>	<u>409,914,031</u>	<u>(7,553,921)</u>	<u>2,161,049,781</u>	<u>1,460,028,918</u>	<u>6,883,830,329</u>

**MILCO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31ST DECEMBER, 2017**

	<b>Balance As At 01.01.2017 Rs.</b>	<b>Incurred During the Period Rs.</b>	<b>Capitalized During the Period Rs.</b>	<b>Balance As At 31.12.2017 Rs.</b>
<b>4. CAPITAL WORK-IN-PROGRESS</b>				
Construction of Waste Water Treatment Plant	16,345,529	-	16,345,529	-
Construction of New Milk Factory - Badalgama (Refer Note 15 & 26) *	4,831,791,167	3,773,538,866	-	8,605,330,033
Construction of Gatabe Sales Outlet	150,000	-	-	150,000
Installation of Cup & Cone Filler - DMF	15,445,587	-	-	15,445,587
Modernization of Factories- Polonnaruwa,Ambewela and Digana (Refer Note 15) *	6,189,574,828	46,335,549	5,445,645,816	790,264,562
Development Projects - SDMF	68,895,393	176,898,002	211,055,735	34,737,659
Lorry Chassis Under Development- PMF	6,965,000	2,645,000	9,610,000	0
Establishment of Generators at Chilling Centres	3,383,693	-	388,500	2,995,192
Construction of Cool Room at Polonnaruwa Milk Factory	-	8,991,714	-	8,991,714
Pro- Fit Management Information System Implementation	-	697,425	-	697,425
	<u>11,132,551,197</u>	<u>4,009,106,556</u>	<u>5,683,045,580</u>	<u>9,458,612,172</u>

**4.1** As detailed in note no 15 & 26 to these financial statements, modernization of the above factories and construction of New Milk Factory - Badalgama have been financed by loans granted by the Treasury of the Government of Sri Lanka.

Additionally, during the year company had incurred Rs.8,826,136 and Rs.46,335,549 with respect to Construction of New Milk Factory - Badalgama and Modernization of Factories- Polonnaruwa,Ambewela and Digana respectively.

**4.2** Developments carried at Ambewela milk factory including "Power Expansion System, Construction of Water Tank and Refrigeration plant, Construction of Equilization tank, Establishment of new generators" , which was previously categorised under "Power Upgration Project- SDMF", was re-categorised as "Development Projects - SDMF".

**MILCO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31ST DECEMBER, 2017**

	<b>As at 31<sup>st</sup> December, 2017 Rs.</b>	<b>As at 31<sup>st</sup> December, 2016 Rs.</b>
<b>5 FINANCIAL INSTRUMENT - CARRIED AT AMORTISED COST</b>		
<b>5.1 Long-Term Fixed Deposits</b>		
Fixed Deposits - BOC - US \$	450,713,349	413,952,000
Fixed Deposits - PB	157,702,578	-
	<u>608,415,927</u>	<u>413,952,000</u>

Investments pledged as collaterals to obtain various financial assistance from the financial institutions are disclosed in note no. 30 to these financial statements.

<b>5.2 Short-Term Fixed Deposits</b>		
Fixed Deposits - People's Bank	-	555,450,659
	<u>-</u>	<u>555,450,659</u>

<b>6 LONG TERM ADVANCES</b>		
<b>Advance to DESMI - Relocate CMF to Badalgama</b>		
Balance at the beginning of the year	1,757,139,993	3,077,925,645
Transferred to Capital Work in Progress	(1,196,603,051)	(1,320,785,652)
Balance at the end of the year	<u>560,536,942</u>	<u>1,757,139,993</u>

As detailed in note no 26 to these financial statements, establishment of a diary processing plant at Badalgama has been financed by a loan granted by the Treasury of the Government of Sri Lanka. On 22/10/2015, Treasury of Government of Sri Lanka made advance payment of an amount equivalent to EURO 19,180,692 (30% of the contract value)

<b>7 INVENTORIES</b>		
Raw and Packing Materials	<b>7.1</b>	295,998,200
Work-in-Progress		3,573,094
Finished Goods		1,001,950,179
Consumables	<b>7.2</b>	422,502,449
Goods in Transit	<b>7.3</b>	32,436,322
Provision for Inventory	<b>7.4</b>	(12,096,362)
		<u>1,744,363,882</u>

<b>7.1 Raw and Packing Materials</b>		
Raw Materials - Dairy Production		59,506,743
Packing Material		207,123,703
Raw Milk Stock		22,331,251
Bottle Cooler Stock		3,496,313
Drugs and Other Stock		3,540,190
		<u>295,998,200</u>



**MILCO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31ST DECEMBER, 2017**

		As at 31 <sup>st</sup> December, 2017 Rs.	As at 31 <sup>st</sup> December, 2016 Rs.
<b>7.2 Consumables</b>			
General Stores		49,306,886	37,901,761
Engineering Stores		327,250,702	254,807,537
Motor Stores		13,233,088	13,667,472
Fuel and Lubricant Stores		23,682,902	15,218,496
Milk Can Stock		9,028,871	7,061,307
		<u>422,502,449</u>	<u>328,656,572</u>
<b>7.3 Goods In Transit</b>			
Finished Goods in Transit		27,098,611	6,295,715
Goods in Transit Lab Equipment		157,789	157,789
Raw Milk In Transit		4,310,023	9,484,572
Yogurt Culture		869,899	1,819,251
		<u>32,436,322</u>	<u>17,757,327</u>
<b>7.4 Provision For Inventory</b>			
Packing Material		(10,163,806)	(10,163,806)
General Stores		(332,731)	(332,731)
Engineering Stores		(1,523,655)	(1,523,655)
Fuel Stores		(76,170)	(76,170)
		<u>(12,096,362)</u>	<u>(12,096,362)</u>
<b>7.5</b>	Inventories pledged as collaterals to obtain various financial assistance from the financial institutions are disclosed in Note No. 30 to these financial statements.		
<b>8 TRADE AND OTHER RECEIVABLES</b>			
Trade Receivables	<b>8.1</b>	768,218,016	639,445,005
Receivable from the Government of Sri Lanka	<b>8.2</b>	70,481,699	53,986,998
Other Debtors		113,981,755	39,177,172
Advances, Deposits and Prepayments		162,998,941	229,213,111
Staff Debtors		159,157,724	155,953,668
Import Control		53,064,336	39,514,242
		<u>1,327,902,471</u>	<u>1,157,290,197</u>

**MILCO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31ST DECEMBER, 2017**

	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> December,</b>	<b>31<sup>st</sup> December,</b>
	<b>2017</b>	<b>2016</b>
	<b>Rs.</b>	<b>Rs.</b>
	<u>                    </u>	<u>                    </u>
<b>8.1 Trade Receivables</b>		
Total Debtors	819,131,640	691,136,515
Less: Provision for Impairment	(50,913,625)	(51,691,510)
	<u>768,218,016</u>	<u>639,445,005</u>
<b>8.2 Receivable from the Government of Sri Lanka</b>		
Receivable from the Ministry of Livestock and Development	6,879,542	6,879,542
Receivable from Government of Sri Lanka - Milk Subsidiary	512,037,806	495,543,106
Receivable from Parliament Affairs	94,333	94,333
	<u>519,011,681</u>	<u>502,516,981</u>
Less: Provision for Impairment	(448,529,982)	(448,529,982)
	<u>70,481,699</u>	<u>53,986,998</u>
<b>9 INCOME TAX RECEIVABLE</b>		
WHT Receivables	4,985,326	-
ESC Receivables	119,627,771	52,597,380
Payable to Department of Inland Revenue	(9,088,758)	(12,533,651)
	<u>115,524,339</u>	<u>40,063,729</u>
<b>10 CASH AND CASH EQUIVALENTS</b>		
Balances at Banks	20,487,923	31,668,018
Petty Cash in Hand	4,260,251	407,350
	<u>24,748,174</u>	<u>32,075,368</u>
<b>11 STATED CAPITAL</b>		
Issued and fully paid	No of Shares 31,945,406	319,454,060
		<u>319,454,060</u>
<b>12 CAPITAL RESERVE</b>		
<b>12.1</b> Acquisition and Upgrading of Plant and Machinery	25,000,000	25,000,000
		<u>25,000,000</u>

The above Reserve is created from the Revenue Reserve during the year of 2008/2009 which would be utilized for acquisition of heavy plant and machinery such as power plant, sterilizer etc.

**MILCO (PRIVATE) LIMITED**  
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<b>As at</b>	<b>As at</b>
<b>31<sup>st</sup> December</b>	<b>31<sup>st</sup> December</b>
<b>2017</b>	<b>2016</b>
<b>Rs.</b>	<b>Rs.</b>

**13 SINKING FUND**

Transferred from Retained Earnings	1,689,978	1,689,978
	<u>1,689,978</u>	<u>1,689,978</u>

The Sinking Fund created from the proceeds of the cans sold to the farmers. The said fund will be utilized to meet the financial requirement of purchases intended to issue on recovery basis to farmers in the future.

**14 DEFERRED TAX LIABILITY**

At the Beginning of the Year	31,663,933	28,214,500
Charge (to)/from Statement of Comprehensive Income	158,722,538	3,449,433
At the End of the Year	<u>190,386,471</u>	<u>31,663,933</u>

<b>14.1</b> Tax effect on Temporary Difference on Property, Plant and Equipment	271,489,594	96,477,386
Tax effect on Temporary Difference on Retirement Benefit Obligations	(55,939,491)	(47,763,643)
<b>Less:</b> Tax effect on Temporary Differences on Tax Losses	(25,163,632)	(17,049,810)
Probable Deferred Tax Liability	<u>190,386,471</u>	<u>31,663,933</u>

The deferred tax assets arising from carry forward of unused tax losses have been recognized only to the extent of 35% of the net taxable temporary difference available against which the unused tax losses can be utilized.

## Audited Financial Statements

**15 LOANS AND BORROWINGS**

**15.1 Interest Bearing Borrowings**

Payable within One Year	<b>15.1.1, 15.1.2 and 15.1.3</b>	123,944,715	89,806,681
Payable after One Year	<b>15.1.1, 15.1.2 and 15.1.3</b>	16,085,402,450	13,500,039,587
		<u>16,209,347,165</u>	<u>13,589,846,268</u>

**15.1.1 Gross Lease Creditor**

Balance at the Beginning of the Year	47,486,937	48,763,107
During the Year Additions	60,808,143	20,372,256
During the Year Payments	(31,021,689)	(21,648,426)
Balance at the end of the Year	<u>77,273,391</u>	<u>47,486,937</u>

**Interest in Suspense**

Balance at the Beginning of the Year	7,736,698	6,844,598
On Lease Facility Obtained During the Year	13,357,349	4,279,256
Amount Transferred to Statement of Comprehensive Income	(8,503,419)	(3,387,156)
Balance at the End of the Year	<u>12,590,628</u>	<u>7,736,698</u>
Net Liability	<u>64,682,763</u>	<u>39,750,240</u>

Current Maturity Portion	21,771,032	11,481,220
Long-Term Maturity Portion	42,911,731	28,269,020
	<u>64,682,763</u>	<u>39,750,240</u>

**MILCO (PRIVATE) LIMITED**  
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	As at 31 <sup>st</sup> December 2017 Rs.	As at 31 <sup>st</sup> December 2016 Rs.
<b>15.1.2 Bank Loans and Borrowings</b>		
Balance at the Beginning of the Year	337,125,429	416,910,606
Received During the Year	120,000,000	-
<b>Less:</b> During the Year Payments	(93,579,736)	(79,785,177)
Balance at the End of the Year	<u>363,545,693</u>	<u>337,125,429</u>
Current Maturity Portion	102,173,684	78,325,461
Long-Term Maturity Portion	<u>261,372,009</u>	<u>258,799,968</u>
	<u>363,545,693</u>	<u>337,125,429</u>

Assets pledged as collaterals to above loans and borrowings are disclosed in note no. 30 to these financial statements.

**15.1.3 Borrowings From Treasury of The Government of Sri Lanka**

Balance at the Beginning of the Year	13,212,970,600	6,331,853,343
Granted During the Year	<u>2,568,148,110</u>	<u>6,881,117,257</u>
Balance at the End of the Year	15,781,118,709	13,212,970,600
Current Maturity Portion	-	-
Long-Term Maturity Portion	<u>15,781,118,709</u>	<u>13,212,970,600</u>
	<u>15,781,118,709</u>	<u>13,212,970,600</u>

- (a) Milco (Pvt) Limited, on 31st December 2009, entered into an agreement with Desmi Contracting A/S, a company incorporated in Denmark, for the modernization of processing factories (The Project) of the company at a cost of Euro 33.7mn.

Cabinet paper No.12/1141/504/104 (Revision of original cabinet decision dated 23rd November 2011) presented by the Minister of Finance and Planning on “Modernization of processing Factories of Milco (Private) Limited” had been approved by the Cabinet on 18th August 2012 and accordingly, it was authorized to the Department of External Resources to Borrow Euro 33.7mn from Export Credit Fund (EKF) of Denmark on the terms agreed upon by the Ministry of Finance and Planning. It also authorized the Treasury of Government of Sri Lanka to sign an on-lending agreement with Milco (Private) Limited.

Subsequently, the Government of Sri Lanka entered into an on-lending agreement with Milco (Private) Limited for the borrowings of Euro 33.7mn from the aforesaid party under the following conditions.

- a) Repayment of principal, interest, commitment fee, structuring fee and other costs shall be made in Rupees to the Treasury of Government of Sri Lanka.
- b) An amount equivalent to Euro 2,274,016.40 is payable up-front as EKF Premium.
- c) Overdue charges at 2% per annum, in the event of default of payments.

**MILCO (PRIVATE) LIMITED**  
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<b>As at</b>	<b>As at</b>
<b>31st December</b>	<b>31st December</b>
<b>2017</b>	<b>2016</b>
<b>Rs.</b>	<b>Rs.</b>

**15.2 Non-Interest Bearing Borrowings**

**Long-Term Portion**

National Milk Board	2,108,063	2,108,063
	<u>2,108,063</u>	<u>2,108,063</u>

**16 RETIREMENT BENEFIT OBLIGATION - GRATUITY**

Balance at the Beginning of the Year	477,636,427	516,891,001
Current Service Cost	32,238,884	25,578,280
Interest Cost	57,841,771	56,858,010
(Gain)/ Loss from Changes in Assumption	34,544,772	(90,117,638)
Payment Made During the Year	(42,866,940)	(31,573,226)
Balance at the End of the Year	<u>559,394,914</u>	<u>477,636,427</u>

Messrs. Actuarial & Management Consultants (Private) Limited Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity using the projected unit credit method as at 31<sup>st</sup> December, 2017. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

**The Principal Assumptions Used were as Follows:**

Expected Salary Increment	10% p.a	10% p.a
Discount Rate	10.36% p.a	12.11% p.a
Staff Turnover Factor	5% p.a	5% p.a
Maximum Retirement Age	60 Years	60 Years

**Sensitivity of Assumptions Employed in Actuarial Valuation**

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employee benefits liability measurement.

The sensitivity of the statement of comprehensive income and statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

<b>Increase/ (Decrease) in Discount Rate</b>	<b>Increase/ (Decrease) in Salary Increment Rate</b>	<b>Effect on Change to Statement of Comprehensive Income Rs.</b>	<b>Effect on Employee Benefit Obligation Rs.</b>
1%	*	(37,802,206)	521,592,708
-1%	*	42,760,751	602,155,665
**	1%	45,054,197	604,449,111
**	-1%	(40,472,372)	518,922,542

\* Salary Increment Rate 10% for the Company

\*\* Discount Rate 10.36%

**MILCO (PRIVATE) LIMITED**  
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	<b>As at 31st December 2017 Rs.</b>	<b>As at 31st December 2016 Rs.</b>
<b>17 GOVERNMENT GRANT</b>		
<b>17.1</b> Balance at the Beginning of the Year	74,511,519	60,662,036
Grant Received During the Year	20,999,619	35,546,751
Grant Recognized to the Statement of Comprehensive Income During the Year	(38,614,634)	(21,697,268)
Balance at the End of the Year	<u>56,896,504</u>	<u>74,511,519</u>
<b>17.2 Deferred Government Grant</b>		
Grant of Samanthurai	1,055,600	1,201,200
Grant of Thimilathive	1,305,000	1,485,000
Grant of Milk Cans	114,392	114,392
Grant of Assets	-	-
Grant of 14 Sales Outlets	693,750	768,750
Grant of LCRD	25,796,073	42,225,919
Grant of Cooling tanks	27,878,913	28,716,258
Grant of Electric Grass Cutters	52,776	-
	<u>56,896,504</u>	<u>74,511,519</u>
<b>18 TRADE AND OTHER PAYABLES</b>		
Trade Creditors	231,428,134	203,927,587
Expense Creditors	221,904,432	168,150,583
Other Payables	424,003,465	326,230,039
	<u>877,336,031</u>	<u>698,308,209</u>
<b>19 BANK OVERDRAFTS</b>		
Bank of Ceylon - 1758	740,585,869	103,910,921
Bank of Ceylon - 1766	29,994,721	36,446,915
People's Bank - 41180210331	134,847,090	-
People's Bank - 41120210937	37,625,440	17,170,905
Bank of Ceylon - 1471	2,062,198	2,254,782
People's Bank - Polgahawela	94,117	-
BOC - Kandy City Branch - 9326	7,156,213	-
Bank of Ceylon - Nuwara Eliya	11,395,285	772,119
People's Bank - 210332	-	12,067,820
Bank of Ceylon	93,622	2,385,750
Pan Asia 100311007597	153,318,794	-
	<u>1,117,173,348</u>	<u>175,009,212</u>

**MILCO (PRIVATE) LIMITED**  
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	<b>For the Year Ended 31st December, 2017 Rs.</b>	<b>For the Year Ended 31st December, 2016 Rs.</b>
<b>20 REVENUE</b>		
Gross Sales	10,368,822,141	8,856,788,872
Nation Building Tax	(207,524,778)	(177,323,567)
	<u>10,161,297,363</u>	<u>8,679,465,305</u>
<b>21 OTHER INCOME</b>		
Redundant Sales	-	800,235
Rent Income	1,177,920	72,202
Registration of Suppliers	2,399,371	2,328,000
Fines and Surcharges	737,050	356,326
Subsidy on Milk Powder Sales	293,934,010	222,910,700
Non-Refundable Deposit	114,800	254,500
Non-Refundable Tender Deposit	1,135,426	546,000
Deferred Income	38,614,634	21,697,268
Exchange Gain	9,683,424	14,190,678
Sale of Stud Bulls	1,175,798	-
Sundry Income	370,665	196,277
Surcharges on Returned Cheques	2,715,597	1,123,986
Write Back of Overprovision	1,868,455	-
Disposal gain	9,348,044	-
Outlet Income	123,000	-
Margin on Liquid Milk Sale	117,848	203,925
	<u>363,516,040</u>	<u>264,680,098</u>
<b>22 FINANCE INCOME</b>		
Interest on Call/Fixed Deposit - Local	43,164,271	33,685,575
Interest on Fixed Deposit - Foreign Currency (USD)	18,330,314	21,915,550
Interest on Staff Loans	6,773,960	6,477,317
	<u>68,268,545</u>	<u>62,078,442</u>
<b>23 FINANCE COSTS</b>		
Interest on Finance Lease	6,857,580	3,449,991
Interest on Loans	46,581,345	36,791,050
Interest on Bank Overdrafts	45,894,026	11,434,400
	<u>99,332,951</u>	<u>51,675,441</u>

**MILCO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

		<b>For the Year Ended 31st December, 2017 Rs.</b>	<b>For the Year Ended 31st December, 2016 Rs.</b>
<b>24 INCOME TAX EXPENSES</b>			
Current Income Tax Provision	<b>24.1</b>	9,088,758	17,809,248
Deferred Tax Charge for the Year	<b>14</b>	158,722,538	3,449,433
Deferred Tax Charge against other comprehensive income		3,454,477	(9,011,764)
		<u>171,265,774</u>	<u>12,246,918</u>
<b>24.1 Accounting Profit Before Taxation</b>		(434,933,130)	339,331,549
<b>Less:</b> Income Considered Separately		(68,268,545)	(62,078,442)
Profit from Trade or Business		(503,201,675)	277,253,107
<b>Less:</b> Net allowable and Disallowable Expenses for Tax Purpose		(2,185,945,259)	(43,427,564)
Business (Loss)/Profit Applicable Taxation		-	233,825,542
Tax Rate		10%	10%
Exempt Other Income		18,330,314	21,915,550
Liable Other Income		49,938,231	40,162,892
Tax Rate		28%	10%
Tax on Chargeable Profit or Income		13,982,705	27,398,843
Tax Effect on Deduction Under Section 32		(4,893,947)	(9,589,595)
Provision for the Year (Tax on Adjusted Income)		<u>9,088,758</u>	<u>17,809,248</u>

**25 EARNINGS/(LOSS) PER ORDINARY SHARE**

Basic Earning Per Share is calculated by dividing the net profit/(loss) attributable to equity holders of the company by the weighted average number of ordinary shares in issue.

	<b>2017 Rs.</b>	<b>2016 Rs.</b>
Net Profit/(loss) Attributable to Ordinary Shares	(606,198,904)	327,084,631
Weighted Average Number of Ordinary Share	31,945,406	31,945,406
	<u>(18.98)</u>	<u>10.24</u>

**25.1 Diluted Earnings Per Share**

There is no potentially diluted ordinary share of the company and as a result, the diluted earnings per share is the same as basic earnings (loss) per share as shown above.



**MILCO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**26 UNRECOGNIZED CONTRACTUAL COMMITMENTS**

There have been no capital commitments contracted but not provided for, or authorized by the board but not contracted for, outstanding as at the reporting date except as detailed below.

- (b) Milco (Pvt) Limited, on 15<sup>th</sup> May 2015, entered into an agreement with Desmi Contracting A/S, a company incorporated in Denmark, for establishment of a diary processing plant at Badalgama (The Project) of the company at a cost of Euro 63.9Mn.

Cabinet paper No.14/1399/511/001-i (Dated 9th October 2014) presented by the Ministry of Livestock and Rural Community Development on “Establishment of a Dairy Processing Plant at Badalgama” was approved by the Cabinet on 17<sup>th</sup> December 2014 and accordingly, authorized to the Department of External Resources to Borrow Euro 63.9mn from Export Credit Fund (EKF) of Denmark on the terms agreed upon by the Ministry of Livestock and Rural Community Development (Ref:MLRCD/03/15).

Subsequently, the Government of Sri Lanka entered in to an on-lending agreement behalf of the Milco (Private) Limited with Hongkong and Shanghai Banking Limited (HSBC) for the borrowings of Euro 63.9mn from the aforesaid party under the following conditions.

- i. Repayment of principal, interest, commitment fee, structuring fee and other costs shall be made in Rupees to the Treasury of Government of Sri Lanka.
- ii. An amount equivalent to Euro 2,234,919 is payable up-front as (Eksport Kredit Fonden/Export Credit Fund) EKF Premium.
- iii. An amount equivalent to Euro 19,180,692.30 (30% of the contract value) has been paid to Desmi Contracting A/S by Milco (Pvt) Ltd as an advance payment in 2015 pursuant to the terms of contract
- iv. Overdue charges at 2% per annum, in the event of default of payments.

As at 31st December 2017, the project was in progress, 34 shipments were arrived to the location for a value of EURO 33,842,930.76 (100% of the shipment value) and 8 milestone payments were released to the contractor amounting to EURO 15,010,797.00.

Milco (Private) Limited has not signed the subsidiary loan agreement with General Treasury to the Government of Sri Lanka as yet.

**27 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**27.1 Contingent Liabilities**

There are no contingent liabilities as at the reporting date.

**27.2 Contingent Assets**

There are no contingent assets as at the reporting date.

**MILCO (PRIVATE) LIMITED**  
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**AS AT 31ST DECEMBER, 2017**

**28 RELATED PARTY DISCLOSURE**

**28.1 Substantial Shareholding and Ultimate Ownership**

The company is a wholly owned government enterprise, which holds 100% ordinary shares of the company.

**28.2 Key Management Personnel Information**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company as well as its related parties, directly or indirectly, including any director (whether executive or otherwise) of the company.

The remuneration of directors and other members of key management during the year were as follows:

	<b>For the Year Ended 31st December, 2017</b>	<b>For the Year Ended 31st December, 2016</b>
Short-term employee benefits	3,934,250	3,456,500

**28.3 Related Party Transactions**

As per the declaration made by the directors of the company, there were no significant related party transactions taken place throughout the period which would require to be disclosed as per Sri Lanka Accounting Standards.

Audited Financial Statements

**29 COMPARATIVE INFORMATION**

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current year.

**MILCO (PRIVATE) LIMITED**  
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**30 ASSETS PLEDGED AS COLLATERALS**

Following assets have been pledged as security against loans

<b>Nature of Liabilities The Name of Bank</b>	<b>Loan / Facility Granted Rs.</b>	<b>Balance Outstanding As At 31.12.2017 Rs.</b>	<b>Balance Outstanding As At 31.12.2016 Rs.</b>	<b>Repayment</b>	<b>Assets Pledged</b>
Loan granted by Bank of Ceylon	700,000,000	256,666,540	326,666,560	Repayable in 120 equal monthly instalments of Rs.5,833,335/-	Fixed Deposits Amounting US\$ 2,920,652.78 of Bank of Ceylon.
Loan granted by Bank of Ceylon	120,000,000	105,000,000	-	Repayable in 48 equal monthly instalments of Rs.2,500,000/-	Fixed Deposits Amounting US\$ 2,920,652.78 of Bank of Ceylon.
Loan granted by Central Finance	12,484,000	1,305,155	4,796,518	Repayable in 60 monthly instalments of Rs.319,586/- at the frist 48 months and Rs. 4,998/- per month for the rest.	Linear ice cream cup and cone filler with accessories
Loan granted by Central Finance	16,834,500	28,832	2,675,423	Repayable in 60 monthly instalments of Rs.454,512/- at the frist 48 months and Rs. 5,000/- per month for the rest.	Yoghurt cup filler Fill matic 8000 - YS302 - 8
Loan granted by Central Finance	7,528,750	800,551	2,988,039	Repayable in 48 equal monthly instalments of Rs.205,735/-	Toyota Vangurd Jeep
Bank Overdraft facility provided by Bank of Ceylon	600,000,000	596,431,527	103,910,921	On Demand	Stock in trade movables and effect of the obligation including stocks of packing materials and finished goods and other moveable property lying in and upon or stored at No. 45, Nawala Road, Narahenpita in the district of Colombo, Western Province and present and or future book debts of the company.
Bank Overdraft facility provided by People's Bank	139,500,000	125,829,779	2,248,975	On Demand	Fixed deposit amounting to Rs. 155,000,000 of People's Bank.
Post Dated Cheque discounting facility provided by Bank of Ceylon	75,000,000	29,994,721	-	On Demand	Lodgment of Trade related Post dated Cheques.
Post Dated Cheque discounting facility provid by Pan Asia Bank	150,000,000	15,501,637	-	On Demand	Lodgment of Trade related Post dated Cheques.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**31 EVENTS AFTER THE REPORTING DATE**

There have been no material events that occurred between the reporting date and the date on which the financial statements are authorized for issue that require adjustments to, or disclosures in the Financial Statements.

**32 FAIR VALUE OF FINANCIAL INSTRUMENTS**

**32.1 Fair Value of the Financial Instrument Carried at Amortized Cost**

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and liabilities.

	<b>Carrying Amount Rs.</b>	<b>Fair Value Rs.</b>
	<u>Rs.</u>	<u>Rs.</u>
<b>Financial Assets</b>		
Financial Instrument - Amortised cost	608,415,927	608,415,927
Trade and Other Receivables	1,111,839,194	1,111,839,194
Cash and Cash Equivalents	24,748,174	24,748,174
<b>Total Financial Assets</b>	<u>1,745,003,294</u>	<u>1,745,003,294</u>
<b>Financial Liabilities</b>		
Trade and Other Payables	877,336,031	877,336,031
Interest Bearing Loans and Borrowings	363,545,693	363,545,693
Payable to the Treasury of Government of Sri Lanka	15,781,118,709	15,781,118,709
Bank Overdraft	1,117,173,348	1,117,173,348
<b>Total Financial Liabilities</b>	<u>18,139,173,781</u>	<u>18,139,173,781</u>

**Fair Value of Financial Assets and Liabilities Not Carried at Fair Value**

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements.

**Assets for which fair Value Approximate Carrying Value**

For the financial assets and financial liabilities that have a short-term maturity, it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits and call deposits without a specific maturity period.

**MILCO (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**33.1 Introduction**

Risk is inherent in the company's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the company's continuing profitability and each individual within the company is accountable for the risk exposures relating to his or her responsibilities.

**Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has delegated its authority to its key management personnel who are responsible for developing and monitoring company's risk management policies.

**Principal Financial Instruments**

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

**Instrument**

- Trade Receivables
- Cash and Cash Equivalents
- Trade and Other Payables
- Bank Overdrafts
- Bank Loans

**33.2 Credit Risk – Default Risk**

Credit risk is risk arising due to the uncertainty in counterparty's ability to meet its obligations. The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meets a contractual obligation.

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**33.3 Liquidity Risk and Funding Management**

Liquidity risk refers to the possibility of company not having sufficient cash to meet its payment obligations. This arises primarily due to mismatches in the maturity profile of company's assets and liabilities. Adequate liquidity is critical to meet the company's financial commitment and to accommodate additional funding needs of the growing business volumes.

The company's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles.

**33.3.1 Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities**

<b>Company</b>	<b>On Demand</b>	<b>Less than 2 Months</b>	<b>2 to 12 Months</b>	<b>1 to 5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Financial Instrument - Held to Maturity	-	-	-	608,415,927	-	608,415,927
Trade and Other Receivables	-	1,111,839,194	-	-	-	1,111,839,194
Cash and Cash Equivalents	24,748,174	-	-	-	-	24,748,174
<b>Total Financial Assets</b>	<u>24,748,174</u>	<u>1,111,839,194</u>	<u>-</u>	<u>608,415,927</u>	<u>-</u>	<u>1,745,003,294</u>
<b>Financial Liabilities</b>						
Trade and Other Payables	-	877,336,031	-	-	-	877,336,031
Interest Bearing Loans and Borrowings	-	13,081,909	89,091,774	261,372,009	-	363,545,693
Payable to the Treasury of Government of Sri Lanka	-	-	-	-	15,781,118,709	15,781,118,709
Bank Overdraft	1,117,173,348	-	-	-	-	1,117,173,348
<b>Total Financial Liabilities</b>	<u>1,117,173,348</u>	<u>890,417,940</u>	<u>89,091,774</u>	<u>261,372,009</u>	<u>15,781,118,709</u>	<u>18,139,173,781</u>
<b>Total Net Financial Assets/ (Liabilities)</b>	<u>(1,092,425,175)</u>	<u>221,421,254</u>	<u>(89,091,774)</u>	<u>347,043,918</u>	<u>(15,781,118,709)</u>	<u>(16,394,170,487)</u>

**33.4 Interest Rate Risk**

Interest rate risk is a key constitute of the market risk exposure of the company due to adverse and unanticipated movements in future interest rate which arises from core business activities; granting of credit facilities, accepting deposits and issuing debt instruments.

As of the reporting date, the company has no interest rate sensitive financial assets or financial liabilities.

**34 ERROR CORRECTION**

The company had recognised margin on liquid milk sales amounting to Rs.203,925 (Income) under other expenses, as Loss on Liquid Milk Sale in year ended 31st December 2016. In accordance with the criteria set out in LKAS 01- Presentation of Financial Statements, the amount has been reclassified under other income to provide a better presentation;

	<b>As disclosed in 31.12.2016</b>	<b>Re-classified in 31.12.2016</b>	<b>Adjustment</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
Other Expenses	4,278,759	4,482,684	(203,925)
Other Income	264,476,173	264,680,098	203,925

**MILCO (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017**

	Note	For the Year Ended 31 <sup>st</sup> December, 2017 Rs.	For the Year Ended 31 <sup>st</sup> December, 2016 Rs.
Revenue		10,161,297,363	8,679,465,305
Cost of Sales	<b>I</b>	<u>(9,816,602,389)</u>	<u>(7,843,867,888)</u>
<b>Gross Profit</b>		344,694,974	835,597,417
Other Operating Income	<b>II</b>	<u>363,516,040</u>	<u>264,680,098</u>
		708,211,015	1,100,277,515
Administrative Expenses	<b>III</b>	(675,736,219)	(533,369,403)
Distribution Expenses	<b>IV</b>	(351,383,353)	(233,496,881)
Other Expenses	<b>V</b>	<u>(84,960,167)</u>	<u>(4,482,684)</u>
<b>Profit/ (Loss) from Operations</b>		<u>(403,868,724)</u>	<u>328,928,548</u>
Finance Income	<b>VI</b>	68,268,545	62,078,442
Finance Expenses	<b>VII</b>	<u>(99,332,951)</u>	<u>(51,675,441)</u>
<b>Net Profit/ (Loss) Before Taxation</b>		<u>(434,933,130)</u>	<u>339,331,549</u>
Income Tax Expenses		(171,265,774)	(12,246,918)
<b>Net Profit/(Loss) for the Year after Taxation</b>		<u><u>(606,198,904)</u></u>	<u><u>327,084,631</u></u>

**MILCO (PVT) LTD**  
**DETAIL NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017**

	<b>For the Year Ended 31<sup>st</sup> December, 2017 Rs.</b>	<b>For the Year Ended 31<sup>st</sup> December, 2016 Rs.</b>
<b>I. COST OF SALES</b>		
Cost of Purchase of Raw Milk	6,337,508,675	4,529,907,111
Chilling Cost	433,807,487	330,702,103
Development Cost	245,314,955	203,487,923
Bowser Cost	242,105,632	188,250,469
Concentrated Milk Cost	-	64,367,923
Net Stock Adjustments on Raw Materials	(916,412)	(769,787)
Cost of Other Raw Materials	905,256,658	790,051,039
<b>Total Cost of Raw Materials</b>	<b>8,163,076,994</b>	<b>6,105,996,781</b>
Cost of Packing Materials	992,639,946	764,073,843
Cost of Processing and Packing Labor	436,930,435	397,223,350
<b>Prime Cost</b>	<b>9,592,647,376</b>	<b>7,267,293,973</b>
Energy Cost		
Furnace Oil	357,587,138	297,092,714
Electricity	134,147,733	146,391,052
Diesel	74,229,267	9,056,725
Water	18,300,164	18,361,680
Other Energy Cost	34,587	27,651
<b>Total Energy Cost</b>	<b>584,298,889</b>	<b>470,929,822</b>
Other Consumables		
Lab Chemicals	17,654,989	8,955,957
Detergent & Cleaning Material	39,229,898	22,771,557
Wages and Staff Welfare of Factory Staff	307,752,465	212,431,819
<b>Marginal Cost</b>	<b>10,541,583,617</b>	<b>7,982,383,129</b>
Factory Overheads		
Depreciation of Plant and Machinery	333,646,110	201,660,366
Repairs and Maintenance of Plant and Machinery	165,412,895	87,884,418
Repairs and Maintenance of Buildings	21,700,335	3,229,983
Transport	620,869	-
Insurance	24,361,620	18,383,763
<b>Total Factory Overheads</b>	<b>545,741,829</b>	<b>311,158,531</b>
<b>Total Cost of Production</b>	<b>11,087,325,446</b>	<b>8,293,541,660</b>
Net Stock/ Transfer Adjustments on Finish Goods	(1,270,686,661)	(449,673,771)
Unrealised profit adjustment	(36,396)	-
	<b>9,816,602,389</b>	<b>7,843,867,888</b>



	<b>For the Year Ended 31<sup>st</sup> December, 2017 Rs.</b>	<b>For the Year Ended 31<sup>st</sup> December, 2016 Rs.</b>
<b>II. OTHER INCOME</b>		
Surcharges on Returned Cheques	2,715,597	1,123,986
Non Refundable Deposit	114,800	254,500
Non Refundable tender Deposit	1,135,426	546,000
Subsidy on Milk Powder Sales	293,934,010	222,910,700
Differed Income	38,614,634	21,697,268
Registration of Suppliers	2,399,371	2,328,000
Sundry Income	370,665	196,277
Exchange Gain	9,683,424	14,190,678
Fines & Surcharges	737,050	356,326
House Rent	1,177,920	72,202
Sale of Stud Bulls	1,175,798	-
Sale of Unserviceable Items	1,868,455	-
Redundant Sales	-	800,235
Disposal gain	9,348,044	-
Outlet Income	123,000	-
Margin on Liquid Milk Sale	117,848	203,925
	<u>363,516,040</u>	<u>264,680,098</u>
<b>III. PERSONNEL EXPENSES</b>		
Staff Salaries	233,680,496	210,157,687
Staff Allowances	19,106,941	16,051,235
Contributions to Employees' Provident Fund	22,596,727	19,489,584
Contributions to Employees' Trust Fund	5,648,295	4,874,292
Provision for Defined Benefit Plans - Gratuity	32,092,921	3,441,938
Overtime	13,027,471	9,298,473
Staff Bonus	8,950,045	6,056,069
Casual Wages	1,000,698	116,725
Overtime	46,716	10,904
E.P.F.	21,287	4,260
E.T.F.	5,322	1,065
Incentives	1,465,341	1,285,577
Leave Payment	13,675,630	10,082,142
Transport Allowance	383,450	769,790
Special Allowances	-	515,370
Fuel Allowances	1,145,012	1,147,185
Staff Training	1,171,763	1,635,231
Medical expenses	1,653,814	1,947,106
Death Donation	755,895	478,000
Gift Vouchers	362,985	562,887
Staff Welfare	14,139,460	12,409,846
Mid day Allowance	298,626	320,452
Field Allowance	285,250	-
Uniform	13,370	804,254
Telephone Allowances	185,670	131,547
	<u>371,713,182</u>	<u>301,591,619</u>

		<b>For the Year Ended 31<sup>st</sup> December, 2017 Rs.</b>	<b>For the Year Ended 31<sup>st</sup> December, 2016 Rs.</b>
<b>III.I ADMINISTRATION AND ESTABLISHMENT EXPENSES</b>			
Repairs and Maintenance	(39,022,676.32)	39,022,676	31,783,468
Directors Expense	(10,909,647.99)	10,909,648	8,615,482
Travelling	(10,316,844.23)	10,316,844	8,366,494
Garden Maintains	(19,080,546.16)	19,080,546	7,785,737
Bank Charges	(5,127,934.38)	5,127,934	1,429,818
Bungalow Expenses	(1,527,090.19)	1,527,090	1,726,579
Quality Control Expenses	(1,638,449.02)	1,638,449	3,716,093
Depreciation on Property, Plant and Equipment	(39,256,803.50)	39,256,804	47,584,979
Legal Charges	(3,928,197.98)	3,928,198	2,249,738
Printing and Stationary	(9,362,508.84)	9,362,509	8,030,632
Security Charges	(40,567,643.70)	40,567,644	38,543,572
PEST control	(230,591.00)	230,591	152,633
Sundry Expenses	(7,140,585.69)	7,140,586	-
Electricity expenses	(12,686,182.46)	12,686,182	9,642,399
Water expenses	(734,133.69)	734,134	688,715
Rent & Rates	(19,060,419.01)	19,060,419	18,076,318
Stamp Expenses	(6,196.00)	6,196	257,723
Postage Expenses	(375,427.00)	375,427	363,820
Advertisement	(3,102,182.50)	3,102,183	1,991,621
News Papers & Periodicals	(577,934.00)	577,934	516,850
Vehicle License	(224,962.50)	224,963	319,043
Vehicle Hiring	(1,623,201.60)	1,623,202	1,255,552
Accounting & Auditing expenses	(8,786,021.02)	8,786,021	3,987,005
Consultancy Charges	(3,925,577.96)	3,925,578	3,707,692
Insurance	(13,066,792.10)	13,066,792	11,560,244
Fuel Expenses	(28,492,412.30)	28,492,412	27,721,646
DESMI Project Expenses	(6,379,265.66)	6,379,266	164,192
Telephones Expenses	(6,192,896.13)	6,192,896	5,334,340
Inventory write off/ Free issues	(1,991,519.00)	1,991,519	(4,087,346)
ESC - Write Off	-	-	8,954,343
Other Expense	(4,522.36)	4,522	90,163
Entertainment Expenses	(3,249,171.08)	3,249,171	1,336,729
Stud Bull Project	(5,434,701.00)	5,434,701	-
Apportioned Procurement Expenses		-	(20,088,488)
		304,023,036	231,777,784
Total Administration Expenses		675,736,219	533,369,403

	<b>For the Year Ended 31<sup>st</sup> December, 2017 Rs.</b>	<b>For the Year Ended 31<sup>st</sup> December, 2016 Rs.</b>
<b>IV. SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisements and Sales Promotion	95,223,334	50,361,081
Transport Expenses	85,093,147	65,607,124
Sales Commission	5,097,774	3,135,734
Warehousing Chargers	5,340,939	3,633,500
Vehicle hiring chargers	23,699,678	17,758,224
Out Let Expense	112,497,860	88,455,614
Repair & Maintanance of Motor Vehicle	42,990	-
Repairs & Maintenance of Bottle Coolers	94,718	84,646
Fuel	1,365,483	1,374,646
Free issues and write off of Finish Goods	22,927,430	487,178
Bad and Doubt Full Debts	-	2,599,134
	<u>351,383,353</u>	<u>233,496,881</u>
<b>V. OTHER EXPENSES</b>		
Loss on Milk Transfers	33,019,922	4,482,684
Stock write-off	20,672,957	-
Discarded Milk	31,267,288	-
	<u>84,960,167</u>	<u>4,482,684</u>
<b>VI. FINANCE INCOME</b>		
Interest on call/fixed deposit	43,164,271	33,685,575
Interest on Fixed Deposit - Foreign Currency (USD)	18,330,314	21,915,550
Interest on Distress Loan	6,475,326	6,234,297
Interest on Motor Cycle Loan	168,898	70,489
Interest on Flood Loans	13,475	30,597
Interest on Special Loan	116,261	141,935
	<u>68,268,545</u>	<u>62,078,442</u>
<b>VII. FINANCE COSTS</b>		
Interest on Bank Overdrafts	45,894,026	11,434,400
Lease Interest	6,857,580	3,449,991
Loan Interest	41,581,345	36,791,050
Interest on Desmi Loan	5,000,000	-
	<u>99,332,951</u>	<u>51,675,441</u>



# ජාතික විගණන කාර්යාලය

## தேசிய கணக்காய்வு அலுவலகம்

### NATIONAL AUDIT OFFICE



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திகதி  
Date

} 2020 ඔක්තෝබර් 13 දින

කොටස් හිමියන් වෙත

සීමාසහිත මිල්කෝ (පුද්ගලික) සමාගම

සීමාසහිත මිල්කෝ (පුද්ගලික) සමාගමේ 2017 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව විගණකාධිපති වාර්තාව.

සීමා සහිත මිල්කෝ (පුද්ගලික) සමාගමේ 2017 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ විස්තීරණ ආදායම් ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය, මුදල් ප්‍රවාහ ප්‍රකාශනය සහ වැදගත් ගිණුම්කරණ ප්‍රතිපත්ති හා අනෙකුත් පැහැදිලි කිරීමේ තොරතුරුවල සාරාංශයකින් සමන්විත 2017 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාවෙහි ඇතුළත් විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී.

මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් අධ්‍යක්ෂ මණ්ඩලයේ වගකීම

මෙම මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට අනුකූලව පිළියෙල කිරීම හා සාධාරණ ලෙස ඉදිරිපත් කිරීම සහ වංචා හෝ වැරදි හේතුවෙන් ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොරවූ මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකි වනු පිණිස අවශ්‍යවන අභ්‍යන්තර පාලනය තීරණය කිරීම අධ්‍යක්ෂ මණ්ඩලයේ වගකීම වේ.

විගණකගේ වගකීම

ශ්‍රී ලංකා විගණන ප්‍රමිතීන්ට අනුකූලව පවත්වනු ලබන විගණනය මත පදනම්ව මෙම මූල්‍ය ප්‍රකාශන පිළිබඳ මතයක් ප්‍රකාශ කිරීම මාගේ වගකීම වේ.





මතය ව්‍යාචනය සඳහා පදනම

- (1) අවශ්‍යතාවය නිසි පරිදි හඳුනාගැනීමෙන් තොරව කොළඹ කර්මාන්තශාලාවේ සවි කිරීම සඳහා 2011 ජනවාරි 20 දින කල් බදු පදනම මත මිලදීගත් රු. 104,177,779 ක් වටිනා යෝගට් මිශ්‍ර කිරීමේ යන්ත්‍රයක් 2013 අගෝස්තු 30 දින පොළොන්නරුව කර්මාන්තශාලාවේ සවිකර තිබුණු අතර මෙම යන්ත්‍රයේ පැවති තාක්ෂණික දෝෂ හේතුවෙන් එය මිලදී ගත් දින සිට විගණන දිනය වූ 2019 දෙසැම්බර් මාසය දක්වාම භාවිතයට ගෙන නොතිබීම නිසා අදාළ යන්ත්‍රයේ වටිනාකම වෙනුවෙන් ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 36 අනුව භානිකරණ ගැලපීම් සිදුකළ යුතු වුවද ඒ අනුව කටයුතු කර නොතිබුණි. ඒ හේතුවෙන් 2017 දෙසැම්බර් 31 දිනට මූල්‍ය ප්‍රකාශනයේ දක්වා ඇති අදාළ යන්ත්‍රයේ වටිනාකම සම්බන්ධව විගණනයට සෑහීමකට පත් විය නොහැකි විය. තවද මෙම කරුණ මත පදනම්ව පෙර වර්ෂයේ මූල්‍ය ප්‍රකාශන සඳහා තත්වාගණනය කරන ලද මතයක් ප්‍රකාශ කරන ලදී.
- (2) සමාගම විසින් ස්ථාවර වත්කම් සම්බන්ධයෙන් භෞතික සත්‍යාපනයක් පසුගිය වර්ෂ කීපයක සිට සිදු කර නොතිබූ අතර 2017 දෙසැම්බර් 31 දිනට මූල්‍ය ප්‍රකාශන අනුව ස්ථාවර වත්කම් වටිනාකම රු.මිලියන 6,698.63ක් විය. ස්ථාවර වත්කම් සම්බන්ධයෙන් එක්සෙල් මෘදු පිටපත් පවත්වාගෙන ගොස් තිබුණ ද, එමගින් වත්කම් පිහිටි ස්ථානය හඳුනාගත නොහැකි වූයෙන් මූල්‍ය ප්‍රකාශනවල වාර්තා කර ඇති ස්ථාවර වත්කම්වල පැවත්ම සම්බන්ධයෙන් විගණනයේදී පාරික්ෂා කිරීමට නොහැකි වීම හේතුවෙන් අදාළ වත්කම්වල පැවැත්ම සම්බන්ධයෙන් සෑහීමකට පත්විය නොහැකි විය.
- (3) 2017 දෙසැම්බර් 31 දිනට සමාගමේ කර්මාන්තශාලා නවීකරණය සඳහා රු.5,854,655,885ක් වැයකර කර්මාන්තශාලා නවීකරණ ව්‍යාපෘතිය නිම කර තිබූ අතර බඩල්ගම කිරි සැකසුම් පිරියත ස්ථාපිත කිරීම සඳහා රු. 9,932,709,286 ක කොන්ත්‍රාත් වටිනාකමකට ගිවිසුම්ගතවී 2017 දෙසැම්බර් 31 දිනට රු.8,083,216,612 ක් වැය කර ව්‍යාපෘතිය ක්‍රියාත්මක කරමින් පැවතුණි. සමාගමේ කළමණාකරණ හා කාර්යය සාධන වාර්තා අනුව නවීකරණ ව්‍යාපෘතිය යටතේ ඉදිකිරීම් නිමකර ඇති අඹේවෙල කර්මාන්තශාලාවට 2018 හා 2019 වර්ෂවලදී දියර කිරි ලැබී තිබුණේ යන්ත්‍ර ධාරිතාවයෙන් පිළිවෙලින් සියයට 26 කට හා සියයට 25 කට ප්‍රමාණවත් දියර කිරි පමණි. වර්තමානයේ ඉදිවෙමින් පවතින බඩල්ගම කර්මාන්තශාලාව නිමවීමෙන් පසු අදාළ කර්මාන්තශාලාවේ යන්ත්‍ර ධාරිතාවයට අනුව දිනකට සමාගමට දියර කිරි ලීටර් 600,000 ක් අවශ්‍ය බවට වාර්තා කර ඇතත් වාර්තානයේ ආයතනයට එකතු කළ හැකි දෛනික දියර කිරි ප්‍රමාණය ලීටර් 200,000 ක් පමණ වන බැවින් මෙම යන්ත්‍ර සම්පූර්ණ ධාරිතාවයෙන් භාවිතා නොවන බව නිරීක්ෂණය විය. ඒ අනුව මෙම යන්ත්‍ර සඳහා ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 36 අනුව භානිකරණ ගැලපීම් සිදුකළ යුතු වුවත් එසේ සිදුකර නොතිබුණි.



(4) 2013 වර්ෂයේ සිට 2017 වර්ෂය දක්වා මූල්‍ය ප්‍රකාශන පරීක්ෂා කිරීමේදී කර්මාන්තශාලා නවීකරණ ව්‍යාපෘතිය හා බඩල්ගම ව්‍යාපෘතිය යන ව්‍යාපෘති දෙකම එකතුවක් ලෙස මූල්‍ය ප්‍රකාශන වල දක්වා ඇත. සමාලෝචිත වර්ෂයේ සමාගමෙහි මූල්‍ය ප්‍රකාශනයෙහි සටහන් අංක 15.1.3 යටතේ ශ්‍රී ලංකා රජයේ මහා භාණ්ඩාගාරයෙන් ලබාගත් ණය ලෙස රු.15,781,118,709 ක් දක්වා තිබුණි. ඒ සඳහා ලබාදුන් උපලේඛණයට අනුව කර්මාන්තශාලා නවීකරණ ව්‍යාපෘතිය සඳහා ලබා දී තිබූ ණය ශේෂය රු.6,632,493,444 ක් ද බඩල්ගම ව්‍යාපෘතිය සඳහා ලබා දී තිබූ ණය ශේෂය රු.9,148,369,878 ක් ද ලෙස දක්වා තිබුණි. ඒ අනුව මූල්‍ය ප්‍රකාශනයේ ශේෂය සමග හඳුනානොගත් රු.255,386 ක වෙනසක් පැවතුණි. ඉහත ශේෂ සම්බන්ධයෙන් පහත කරුණු වැඩිදුරටත් නිරීක්ෂණය විය.

(i) කර්මාන්තශාලා නවීකරණ ව්‍යාපෘතියට අදාළව සමාගම හා භාණ්ඩාගාරය අතර ප්‍රතිණය ගිවිසුමකට 2013 සැප්තැම්බර් 09 දින එළඹ තිබුණි. සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට මුදල් අමාත්‍යාංශයේ මූල්‍ය ප්‍රකාශන අනුව එම ව්‍යාපෘතිය යටතේ ණය ශේෂය (විදේශ විනිමය විචලන බලපෑම රහිතව) රු.2,185,414,618ක් විය. ඊට අමතරව මුදල් අමාත්‍යාංශයේ භාණ්ඩාගාර මෙහෙයුම් දෙපාර්තමේන්තුවේ වාර්තාවලට අනුව සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට භාණ්ඩාගාරය විසින් බැංකුවට ගෙවූ නමුත් සමාගම විසින් නැවත භාණ්ඩාගාරය වෙත ප්‍රතිපූරණය නොකළ රු.3,010,404,156 ක ණය ශේෂයක් හා ඒ මත ගෙවිය යුතු රු.544,357,013 ක පොලී ශේෂයක්ද විය. ඉහත කරුණු අනුව සමාගමේ මූල්‍ය ප්‍රකාශන තුළ ජංගම නොවන වගකීම් යටතේ රු.2,185,414,618ක් හා එදිනට මහා භාණ්ඩාගාරයට ගෙවිය යුතු ණය ශේෂය ලෙස රු.3,010,404,156 ක් ජංගම වගකීම් යටතේ දැක්විය යුතු වුවද සමාගමේ මූල්‍ය ප්‍රකාශනයේ මෙම ව්‍යාපෘතියට අදාළව රු.6,632,493,444ක් දිගු කාලීන ණය යටතේ දක්වා තිබීම හේතුවෙන් ණය ශේෂය රු. 1,436,674,670 කින් වැඩියෙන් දක්වා තිබුණි. තවද ගෙවිය යුතු පොලීය ලෙස දැක්විය යුතු රු.544,357,013 ක් ද ගිණුම්ගත කර නොතිබුණි.

(ii) ඉහත ප්‍රතිණය ගිවිසුම අනුව, භාණ්ඩාගාරය විසින් ගෙවනු ලබන ණය වාරිකය හා පොලීය නියමිත කාලය තුළ සමාගම විසින් භාණ්ඩාගාරයට ගෙවීම් පැහැර හරිනු ලැබුවහොත් සමාගම විසින් භාණ්ඩාගාරයට සියයට 2ක පොලියක් ගෙවිය යුතුය. ඒ අනුව 2017 දෙසැම්බර් 31 දිනට භාණ්ඩාගාරයට ගෙවිය යුතු රු. මිලියන 3,010.4 ක් වූ ණය වාරික හා රු. මිලියන 544,36 ක් වූ ගෙවිය යුතු පොලීය වෙනුවෙන් 2013 වර්ෂයේ සිට 2017 දෙසැම්බර් 31 දින දක්වා ගෙවිය යුතු සියයට 2 පොලීය වූ රු.මිලියන 137.2 ක් සඳහා 2017 දෙසැම්බර් 31 දිනට මූල්‍ය ප්‍රකාශන තුළ වෙන්කිරීම් කර නොතිබුණි. ඒ අනුව එදිනට සමාගමේ වගකීම ආසන්න වශයෙන් රු.මිලියන 137.2 කින් අවගණනය



වී තිබූ අතර එම වටිනාකමට සමාන ප්‍රමාණයකින් සමාගමෙහි සමුච්චිත ලාභය අධිගණනය වී තිබුණි.

- (iii) කර්මාන්තශාලා නවීකරණ ව්‍යාපෘතිය සඳහා සමාගම හා විදේශ සම්පත් දෙපාර්තමේන්තුව අතර ඇති කරගෙන තිබූ ගිවිසුමේ 2.04 ඡේදය අනුව ව්‍යාපෘතිය සම්බන්ධ විදේශ සම්පත් දෙපාර්තමේන්තුව විසින් දරන සියලු වියදම්, හා විනිමය විචලනයද සමාගම විසින් දැරිය යුතුය. ඒ අනුව ඉහත ව්‍යාපෘතියට අදාළව 2017 දෙසැම්බර් 31 දිනට ගෙවිය යුතු ණය ශේෂය ශ්‍රී ලංකා ගිණුම් කරණ ප්‍රමිත 21 හි 23 ඡේදය ප්‍රකාරව වර්ෂය අවසානයේ විදේශ විනිමය අනුපාතයට අගය කර ගිණුම්ගත කළ යුතුය. නමුත් 2013 සිට 2017 වර්ෂය දක්වා ගිණුම් ගත කළ යුතු විදේශ විනිම අනුපාත විචලනයේ අහිතකර බලපෑම වන රු.753,021,056 ක් ගිණුම් ගත කර නොමැති බව නිරීක්ෂණය විය. ඒ හේතුවෙන් එම වටිනාකමට සමාන ප්‍රමාණයකින් සමාගමෙහි වගකීම් අවගණනය වී සමුච්චිත ලාභය අධිගණනය වී තිබුණි.
- (iv) බඩල්ගම ව්‍යාපෘතිය සඳහා අංක. අමප/15/0205/631/012 හා 2015 අප්‍රේල් 08 දිනැති අමාත්‍ය මණ්ඩල තීරණය අනුව සමාගම හා ශ්‍රී ලංකා භාණ්ඩාගාරය ප්‍රතිණය ගිවිසුමකට එළඹිය යුතු වුවත් 2019 දෙසැම්බර් 31 දින දක්වාම එසේ ගිවිසුමකට එළඹ නොතිබුණි. ඒසේම මෙම ව්‍යාපෘතිය ප්‍රදානයක් බවටද සාක්ෂි නොතිබුණි. නමුත් 2017 දෙසැම්බර් 31 දිනට මුදල් අමාත්‍යාංශයේ විදේශ සම්පත් දෙපාර්තමේන්තුවේ 814 වාර්තාවට අනුව මෙම ව්‍යාපෘතිය වෙනුවෙන් කොන්ත්‍රාත්කරුට ගෙවන ලද අගය රු. 8,072,223,622 ක් විය. සමාලෝචිත වර්ෂයේ දෙසැම්බර් 31 දිනට ආයතනයේ මූල්‍ය ප්‍රකාශනයේ දිගු කාලීන ණය යටතේ දක්වා තිබූ රු.9,148,369,878 ක ණය ශේෂය, විදේශ සම්පත් දෙපාර්තමේන්තුවේ 814 වාර්තාවට අනුව දැක්වෙන ණය ශේෂයට වඩා රු.1,076,146,256 කින් වැඩියෙන් දක්වා තිබුණි. තවද, එදිනට මුදල් අමාත්‍යාංශයේ මූල්‍ය ප්‍රකාශණයේ එම ව්‍යාපෘතිය යටතේ ගෙවිය යුතු ණය ශේෂය ලෙස රු.7,842,369,066 ක් දක්වා තිබුණි.
- (5) 2011 ජුනි 27 දින සමාගමේ ටෙන්ඩර් මණ්ඩලය මගින් මිල කැඳවීම් කර 2012 ජනවාරි 31 දිනැති අධ්‍යක්ෂක මණ්ඩල අනුමැතියට අනුව ප්‍රධාන කාර්යාලය විසින් රු.12,685,478ක් වැය කර අයිස් ක්‍රීම් යන්ත්‍රයක් 2013 ජනවාරි 17 දින මිලදී ගෙන තිබුණු අතර එය 2014 අප්‍රේල් මස අවසාන සතියේදී දිගන පිහිටි කිරි කර්මාන්තශාලාව වෙත භාරදී තිබුණි. එහෙත් එම යන්ත්‍රය විගණන දිනය වූ 2019 දෙසැම්බර් 31 දින වන විට ද භාවිතයන්ට නොගෙන ගබඩාවේ තබා තිබුණි. නමුත් මේ සඳහා ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 36 අනුව භානිකරණ ගැලපීම් සිදුකළ යුතු වුවද ඒ සඳහා අවශ්‍ය ගැලපීම් කර නොතිබුණි.



(6) සමාගමේ අවසන් මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී වෙන වෙනම පිළියෙල කරන ලද කර්මාන්තශාලා 4 ක ගිණුම්, ගව ආහාර ව්‍යාපෘතියේ ගිණුම් හා ප්‍රධාන කාර්යාලයේ ගිණුම් ඒකාබද්ධ කරනු ලබයි. මෙහිදී අවසන් තොග අගය කිරීම ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 02 හි 9 පරිච්ඡේදයට අනුව පිරිවැය හෝ ශුද්ධ උපලබ්ධි අගය යන දෙකින් අඩු අගයට සිදුකිරීමට කටයුතු නොකොට විවිධ පදනමින් තොග අගය කර ගිණුම් පිළියෙල කර තිබුණි. විගණනය විසින් පරීක්ෂා කල නියැදියට අනුව තොගය රු. 133,273,441 කින් අඩුවෙන් දක්වා තිබීම හේතුවෙන් ඒකාබද්ධ අවසන් මූල්‍ය ප්‍රකාශනයේ ලාභය එම ප්‍රමාණයෙන් වැඩියෙන් දැක්වීමක් පෙන්නුම් කරන බව නිරීක්ෂණය විය.

(7) 2017 දෙසැම්බර් 31 දිනට අධ්‍යක්ෂක මණ්ඩලය වෙත නිකුත් කල නමුත් වර්ෂ 05 සිට වර්ෂ 10 ක් දක්වා කාලයක් ඉක්මවා තිබියදීත් පියවා නොමැති අත්තිකාරම් ශේෂය රු.4,699,558 ක් වන අතර විගණනයට ඉදිරිපත් කරන ලද විස්තරාත්මක උප ලේඛණය අනුව අධ්‍යක්ෂක මණ්ඩලය වෙත නිකුත් කල අත්තිකාරම් ශේෂය රු.4,661,019 ක් විය. ඒ අනුව රු. 38,539ක වෙනසක් නිරීක්ෂණය විය. තවද ඉහත නිකුත් කල අත්තිකාරම් ශේෂයට අදාළව තොරතුරු හා සාක්ෂි විගණනයට ඉදිරිපත් නොවුණි. එම ශේෂ සම්බන්ධයෙන් ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 24 අනුව මූල්‍ය ප්‍රකාශනයේ අනාවරණය කළ යුතු වුවද එලෙස අනාවරණය කර නොතිබුණි.

(8) පහත සඳහන් අයිතමයන්ට අදාළ සාක්ෂි විගණනය වෙත ඉදිරිපත් නොවීම හේතුවෙන් ඒවා විගණනයේදී සතුටුදායක ලෙස සත්‍යාපනය කිරීම හෝ සන්නිරීක්ෂණය කිරීමට නොහැකි විය.

- (i) රු. 3,407,812 ක් වූ කලින් කල ගෙවීම් සඳහා වවුචර හා ලදුපත් සහ රු.4,676,233 ක් වූ අත්තිකාරම් (Milk Can) සඳහා භාරදීමේ තුණ්ඩු හා අධ්‍යක්ෂක මණ්ඩල වාර්තා.
- (ii) රු.3,099,816 ක් වූ වෙළඳ ණයගැතියෝ සම්බන්ධයෙන් විස්තරාත්මක උපලේඛණය, වයස් විශ්ලේෂණය, විකුණුම් ඉන්වොයිසි හා භාරදීමේ තුණ්ඩු සහ රු.1,458,589 ක් වූ විවිධ ණයගැතියෝ සම්බන්ධයෙන් විකුණුම් ඉන්වොයිසි හා භාරදීමේ තුණ්ඩු.
- (iii) රු. 4,228,888ක් වූ ඇප තැන්පතු හා රු. 1,603,212 ක් වූ ලංකා විදුලි බල මණ්ඩලයේ සුරක්ෂිත තැන්පතු සඳහා පිළිවෙලින් තැන්පතු සහතික සහ ලංකා විදුලි බල මණ්ඩලය විසින් නිකුත් කල ලදුපත හෝ ඇප සහතික.
- (iv) රු. 5,695,377 ක් වූ ණය හිමියෝ සම්බන්ධයෙන් ඉන්වොයිසි හා භාණ්ඩ ලැබීම් තුණ්ඩු සහ රු.3,940,651 ක් වූ අතුරු අග්‍රිම සම්බන්ධයෙන් විස්තරාත්මක උපලේඛණ.
- (v) රු.6,809,759 ක් වූ පශු සම්පත් සංවර්ධන අමාත්‍යාංශයෙන් හා අනෙකුත් රාජ්‍ය ආයතන වලින් ලැබිය යුතු ශේෂ සම්බන්ධයෙන් ශේෂ සනාථන.





**මතය ව්‍යාචනා**

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මෙම වාර්තාවේ මතය ව්‍යාචනා සඳහා පදනම ජේදයේ දක්වා ඇති කරුණු හේතුවෙන් විගණන මතයක් සඳහා පදනමක් සැපයීමට ප්‍රමාණවත් සහ උචිත විගණන සාක්ෂි ලබාගැනීමට මට නොහැකි විය. ඒ හේතුකොට ගෙන මෙම මූල්‍ය ප්‍රකාශන පිළිබඳව මම මතයක් ප්‍රකාශ නොකරමි.

**වෙනත් නීතිමය හා නියාමන අවශ්‍යතාවයන් පිළිබඳ වාර්තාව**

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2007 අංක 07 දරන සමාගම් පනතේ 163(2) වගන්තිය මගින් නියමකරන පරිදි මම පහත සඳහන් කරුණු ප්‍රකාශ කරමි.


- (අ) මතය සඳහා පදනම හා විෂය පථය සහ සීමාවන් ඉහතින් ප්‍රකාශ කළ පරිදිවේ.
- (ආ) විගණනය සඳහා අවශ්‍ය සියළු තොරතුරු හා පැහැදිලි කිරීම් මා විසින් ලබා ගන්නා ලද බවත් මාගේ පරීක්ෂණයෙන් පෙනී යන අන්දමට සමාගම විසින් විධිමත් ගිණුම්කරණ වාර්තා පවත්වාගෙන නොමැති බවත්,

සමාගමේ මූල්‍ය ප්‍රකාශන 2007 අංක 07 දරන සමාගම් පනතේ 151 වගන්තියේ දැක්වෙන අවශ්‍යතාවයන් හා අනුකූල බවත් මා දරන්නා වූ මතය වේ.

**වාර්ෂික වාර්තා සභාගත කිරීම.**

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ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථා ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

  
 ඩබ්ලිව්.පී.සී. වික්‍රමරත්න  
 විගණකාධිපති