වාර්ෂික වාර්තාව සහ ගිණුම්

ஆண்டறிக்கையும் கணக்குகளும்

ANNUAL REPORT & ACCOUNTS

01-04-2023---31-03-2024

ජාතික ලුණු සමාගම

தேசிய உப்பு நிறுவனம்

NATIONAL SALT LIMITED

ජාතික ලුණු සමාගම
தேசிய உப்பு நிறுவனம்
NATIONAL SALT LIMITED

කර්මාන්ත අමාත්‍යාංශය

கைத்தொழில் அமைச்சு

Ministry of Industries

රජයට අයත් සමාගමකි

அரசுக்குச் சொந்தமான கம்பனி

Government Owned Company

වාර්ෂික වාර්තාව සහ ගිණුම්

ஆண்டறிக்கையும் கணக்குகளும்

ANNUAL REPORT & ACCOUNTS

2023.04.01 – 2024.03.31

CONTENT

1. CHAIRMAN'S STATEMENT – ANNUAL GENERAL MEETING 2023/2024 National Salt Ltd.

As the current Chairman of National Salt Ltd, I am pleased to welcome you to the Annual General Meeting for the financial year 2023/24, to present the Annual Report with Accounts for the year ended 31st March 2024.

During the year under review, National Salt Ltd recorded a turnover of Rs. 502Mn and profit before tax of Rs. 287Mn which is an increase of 48% compared to the profit eanred in 2022/23. Both production and trading activities showed remarkable improvement in the year 2023/24, the company contributed Rs. 89Mn as taxes to the Government of Sri Lanka. I am pleased inform the valued shareholders, the company continues to play a pivotal role as a facilitator in the development and sustainability of a viable salt industry in Sri Lanka. The company recorded earnings per share of Rs. 662 for the financial year, increased of 41% vs previous year.

As of 31st March 2024, the approved cadre was 167 where 63 positions were held by permanent employees and the remaining positions were filled on contractual, casual or seasonal basis, depending on operational needs. I am pleased to note the continued dedication and cooperation received from our employees at all levels for this great success.

National Salt Ltd. aiming to cater the end market with the value-added product "Elephant pass Table Salt", widening its presence in the market with its own value propositions. Further, working on expanding of the production capacity at Elephant pass Saltern and enhancing operational effectiveness in both salterns. We closely monitor the risk elements in saltern operation including changes of weather patterns and market forces to ensure National Salt Ltd continues a sustainable progress in future. The governing board at National Salt Ltd focuses of the renovation of Kurinchattivu Saltern to ensure full capacity driven operation at Table salt plant and consistent supply to Paranthan Chemicals Company Ltd.

I'm grateful for the continuous support and encouragement extended to National Salt by the Ministry of Industries, Department of Public Enterprises, Ministry of Finance, other state authorities, and our loyal customers.

Thank you.

Gayan Wellala
Chairman

2. MESSAGE FROM THE GENERAL MANAGER

It is a great privilege to convey my message on the occasion of the Annual General Meeting. I am pleased to report that National Salt Limited has continued to operate progressively and profitably during the financial year from 1st April 2023 to 31st March 2024.

During this period, we successfully operated both the Mannar Saltern and the Elephant Pass Saltern. The administration of the Elephant Pass Saltern was returned to National Salt Limited in February 2015, as per Extraordinary Gazette Notification No. 1897/15 dated 15th January 2015. I am happy to note that 90% of the renovation work at Elephant Pass has been completed with the financial assistance of the Treasury, along with investments from National Salt Limited's own funds.

In the 2023/2024 financial year, we produced 4099 MT of salt at the Mannar Saltern against a budgeted target of 5,500MT, and 10,676 MT at the Elephant Pass Saltern against a target of 18,000 MT. Production was adversely affected by unfavorable weather conditions. Salt sales amounted to 2,386 MT from Mannar and 9,688 MT from Elephant Pass, which were marketed in various forms including common salt, iodized salt (1kg packets), industrial salt, and crushed salt. The total net turnover for the year was Rs. 502,573,939.00, and the profit before taxation stood at Rs. 287,482,849.00, according to the audited accounts.

We take pride in not only providing quality salt at reasonable prices to our customers but also contributing significantly to national revenue. During the year, we paid Rs. 89.2 million in income tax to the government and will be paying a reasonable dividend to the Treasury.

Our strategic goal is to position National Salt Limited as one of Sri Lanka's key salt producers, targeting a 14% market share by 2026.

We also focused on staff empowerment during the year through various initiatives including training programs, recognition efforts, provision of essential facilities, and performance bonuses.

In conclusion, I extend my heartfelt thanks to the Hon. Minister and Secretary of the Ministry of Industries, the Chairman, the Board of Directors, and all our dedicated staff for their invaluable contributions to the success of National Salt Limited.

M.J. Thuwan Manzil
General Manager

3. CORPORATE INFORMATION

Name of the Company	National Salt Limited (Government Owned Company)
Line Ministry	Ministry of Industries
Head Office	561/3, Elvitigala Mawatha, Colombo 05.
Mannar Saltern	Grand Bazaar, Mannar.
Elephantpass Saltern	A9 Road , Elephantpass, Kilinochchi.
Company Registration No.	[N(PBS)942] New No. PB 1078
Shares Holders	General Treasury
Board of Directors	From 01/04/2023 to 31/03/2024 1. Mr. D.R. Anura Bandara – Chairman 2. Mr. L.P. Wewalage– Treasury Representative 3. Mr. W.M.N. Jayantha Pushpakumara 4. Mr. W.M. Janaka. R. Wickramasinghe 5. Mr. R.M. Srilal. Thilakarathna 6. Mr. Sepala Senevirathne 7. Mr.H.M.Dhammika.K.Premathilaka-Up to 4.12.2023 8. Mr. M.M.N.R.K. Gunathilaka- From 4.12.2023
Observer	Mrs. S.N. Balasubramaniam – Observer- Up to May 2023
Board Secretary	Corporate Affairs (Pvt) Ltd.- Up to Sep. 2023 Mr. W.H.A.W.W. Kulawansa - From September 2023 to January 2024 H.L.Vipula Sliva – From February 2024
Auditor	Government Auditors, National Audit Office SL
Bankers	Bank of Ceylon

4. INTRODUCTION

a. Company Profile

National Salt Limited has a long-standing history in Sri Lanka's salt industry. The company produces a range of salt products including common salt, iodized salt, crushed salt, and industrial salt. Its main production sites are located in the Mannar and Elephant Pass areas (Kilinochchi District), while the administrative office is based in Colombo.

The origins of the salt department trace back to 1938. Over the years, it has operated under various administrative structures and was formally established as *Mantai Salt Ltd.* in 2001. In June 2021, the company was renamed *National Salt Limited* and now operates under the purview of the **Ministry of Industries**.

National Salt Ltd. is recognized for producing high-quality raw salt, with a purity level of 96% sodium chloride (NaCl), considered superior to that of other regions in the country. Currently, the **Mannar Saltern** has a production capacity of 6,000 metric tons annually, while the **Elephant Pass Saltern** currently can produce up to 18,000 metric tons per year.

Beyond salt production, National Salt Ltd. plays a significant socio-economic role by providing employment opportunities to vulnerable communities in the Mannar and Kilinochchi districts. As of now, the company employs 63 permanent staff, 7 contract or casual employees, and approximately 242 seasonal workers.

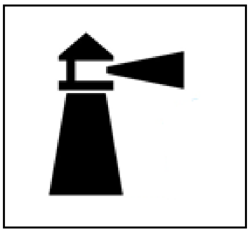
The governance of the company is overseen by a Board of Directors comprising representatives from the Treasury and other government and private institutions. The **Restructuring Division** of the Ministry of Industries monitors and facilitates the company's development, legal, and compliance matters. As a government enterprise, National Salt Ltd. is registered under the **Companies Act No. 7 of 2007**, ensuring adherence to corporate governance standards.

In recognition of its commitment to quality, the company is certified by the **Sri Lanka Standards Institution (SLSI)**. Additionally, financial accountability is maintained through regular audits conducted by the **National Audit Office**.

History profile

Year		Name of Institute
From	**To**	
1938	1965	Salt Department
1966	1990	Sri Lanka National Salt Corporation
1991	1996	Lanka Salt Limited.
1997	Sept./2001	Mannar Saltern under G.A. Mannar
Oct./2001	June 2021	Mantai Salt Limited. (Salterns in Northern Province)
June 2021	Up to date	National Salt Limited (Salterns in Northern Province)

Vision Statement



In keeping with the nature of the business the company has the following vision.

“Development of salt - based enterprises in the Northern Province by exploration of natural resources connected with chemical and other processes and thereby upgrades the living of the people”.

Mission Statement

The Mission of the company is as follows.

“Operation of Salterns, manufacture, value addition and marketing of salt and by-products.

4.2 Details about Production site

a) Mannar Saltern

The total production area of the Mannar Saltern is 163 acres. Its annual salt production is approximately 6,000 metric tons, accounting for around 3.3% of Sri Lanka’s total salt production. As a profit-making production center, Mannar Saltern successfully funds its development and maintenance activities, as well as staff salaries and welfare, through the profits it generates.

b) Elephant Pass Saltern

The total reserved land area of the saltern is 750 acres, out of which 550 acres are operational under the Elephant Pass Saltern. The average annual production capacity is approximately 23,000 metric tons expected in 2026. The saltern has been successfully renovated up to 90%, and production activities resumed in 2016. By the year 2019/2020, the saltern already had achieved a production output of 16,089 metric tons.

Both Salterns are currently producing Common salt and preparing to do large scale value addition process along with the newly insalled table salt plant.

4.3 Production details

Saltern	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Mannar	6249	6683	2,786	2378	2245	4099
E.Pass	10314	16089	8,496	5283	6288	10,676
Total	**16,563**	**22772**	**11,282**	**7661**	**8533**	**14,775**

4.4 Sales

Year	Sales(MT)	Revenue(MN) Rs.
2016/2017	3337	93.8
2017/2018	6094	83.7
2018/2019	16,146	155.38
2019/2020	13,063	103.47
2020/2021	23,484	201.56
2021/2022	14312	249.05
2022/2023	8,866	343.14
2023/2024	12,074	502.57

5 <u>Proposed future development plan</u>

a) <u>Mannar Saltern</u>

1) The company has successfully commissioned a 2 MT/hour crystal salt plant. Currently, the packaging process is ongoing, and products are being distributed and sold through local distributors and wholesale buyers within the district. The company is in the process of expanding its crystal salt packaging operations to a capacity of 3,000 MT per annum and is simultaneously developing its marketing and sales unit to support this expansion. Furthermore, there are plans to upgrade the existing plant by adding a table salt processing annex, with the aim of producing table salt in the near future.

2) The office building for Mannar administrative work to be constructed.
3) The store building for Mannar saltern to be constructed.

b) Elephant Pass Saltern

1. Rehabilitate the saltern with full capacity to start production in 650 acres.

2. Commissiong a 5MT/H Table Salt Plant is in process.

5.1 Considerable out-put of these development activities.

***Market Expansion and Business Viability**
The production and sales of both crystallized and powdered salt from the new plant will enhance market penetration and expand the company’s market reach. This strategic move will ensure long-term business viability and competitiveness.

***Reduced Stock Holding Period**
With increased production capacity and accelerated sales, the need for prolonged storage will be minimized, improving inventory turnover and operational efficiency.

***Creation of Employment Opportunities**
The expansion of production and distribution activities will generate new employment opportunities, contributing to local economic development.

***Improved Employee Welfare**
Higher profitability resulting from the expansion will enable the company to offer enhanced welfare facilities and benefits to its employees, fostering a more motivated and satisfied workforce.

***Compliance with Quality Standards**
The new plant will adhere to the standards set by the Sri Lanka Standards Institute (SLSI), ensuring consistent product quality and regulatory compliance.

***Contribution to Public Health**
By making iodized salt products more accessible and affordable in rural areas, the company will help combat iodine deficiency disorders, supporting public health initiatives.

***Increased Revenue for the Government**
The company’s growth will result in higher tax contributions, including VAT and NBT, and substantial dividends paid to the Treasury. This revenue will support national development and ultimately benefit the wider public.

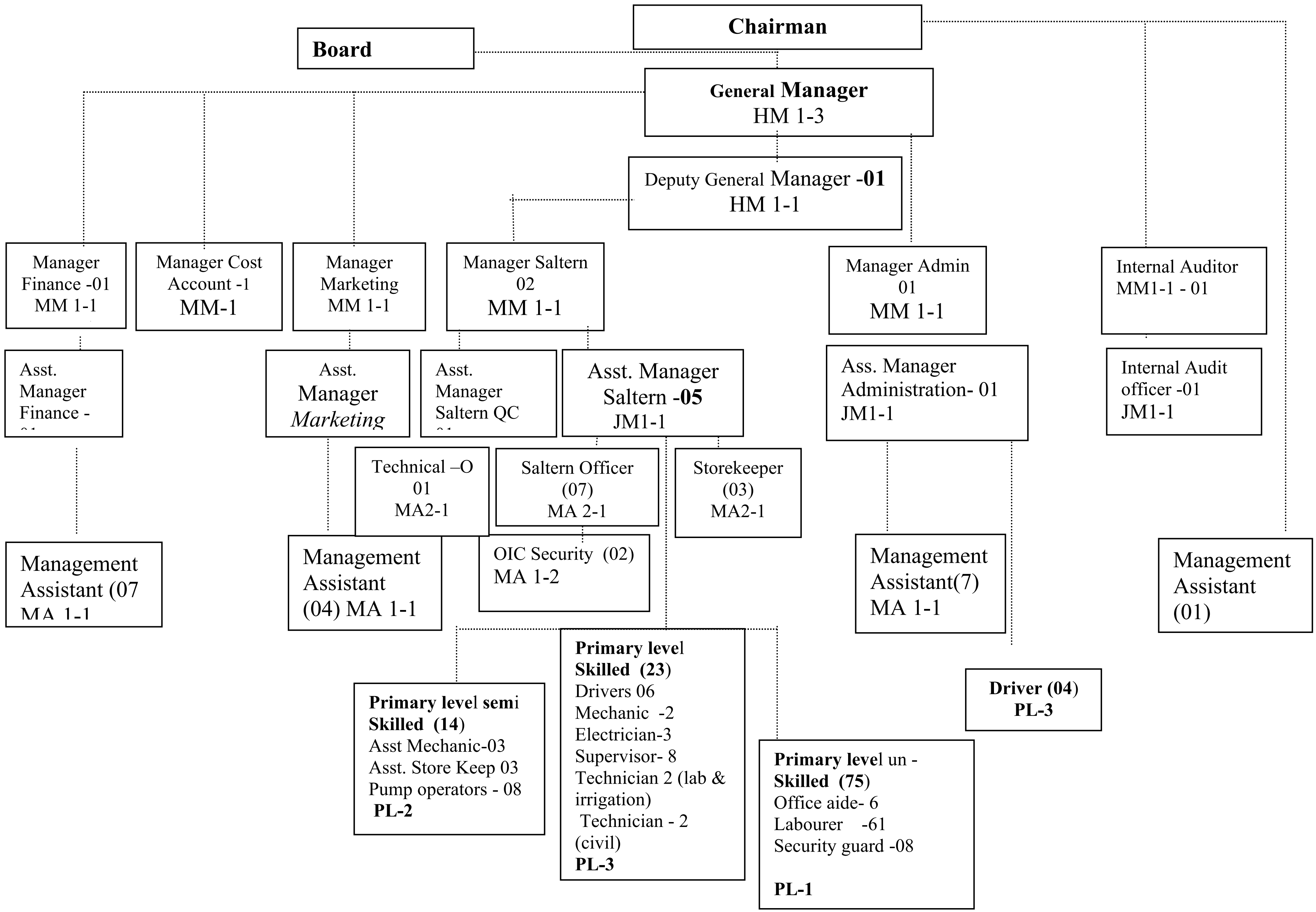
6. FINANCIAL HIGHLIGHTS

For the Year ended 31st March	unit	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Production	MT	14,775	8,533	7,661	11,283	22,772
Sales	MT	12,074	8,866	14,312	23,484	13,063
Revenue	Rs.	502,573,939	343,140,970	249,051,040	201,568,231	103,473,982
Gross Profit	Rs.	285,041,080	175,379,118	132,998,887	72,039,111	19,170,216
Net Profit	Rs.	198,229,496	134,806,255	109,940,047	60,170,921	12,796,333
Net Assets						
Total Non-Current Assets	Rs.	318,550,188	141,149,360	132,385,413	276,402,270	149,768,539
Total Current Assets	Rs.	504,456,962	442,553,826	306,829,638	74,059,721	146,737,592
Less-Non-Current Liabilities	Rs.	(30,110,766)	(26,671,517)	(11,901,537)	(10,003,783)	(9,296,086)
Less-Current Liabilities	Rs.	(110,954,380)	(63,356,504)	(27,177,932)	(18,712,426)	(12,657,428)
		681,942,004	**493,675,165**	**400,135,582**	**321,745,782**	**274,552,617**
Shareholder's Funds						
Issued Share Capital	Rs.	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Reserves	Rs.	651,942,003	463,675,165	370,135,582	291,745,782	244,552,617
Total Equity		681,942,003	493,675,165	400,135,582	**321,745,782**	**274,552,617**
Revenue to Government						
Income Tax	Rs.	89,253,353	58,065,641	21,051,885	9,997,609	498,090
Earning per share	Rs.	662	470	366.46	**200.56**	**42.65**

7. DETAILS OF KEY STAFF OFFICERS (During the Finanacial Year)

Name	Designation	Qualification	Period of Service at MSL
Mr. M.J.Thuwan Manzil	General Manager	BSc. MBA, Dip in HRM, Dip in Eng. AAT-1	Since Sep 2014.
Mr. R.V.Vinoharan	Manager - Finance	ACMA	Since January 2017.
Mr. A. Kishotharan	Manager - Saltern	B.Sc /PGD	Since April 2008.
Mr. D.J.H.S.Pushpa Kumara	Assistant Manager-Finance	CASL (Inter)	Since Feb. 2019
Mr.M.F. Faizal	Assistant Manager-Saltern	Dip in Mec Eng.	Since Nov.2010
Ms. S.J. Jinadasa	Internal Audit Officer	AAT satge 1& 2 & Dip in HR	Since April 2012
Mr. E.Vijayan	Assistant Manager-Saltern	G.C.E. Advance level	Since Apr. 2002
Mr. R.M.M. C Rathnayaka	Assistant Manager-Saltern	NVQ Level -05 10 years Experience	Since 15th May 2023
Mr. V. Suyanthan	Assistant Manager - Saltern	BSc.	Since 1st June 2023
Mr. W.A.K.V.C. Wanniarachchi	Manager - Cost Accounting	ICASL – Intermediate Level, AAT Passed Finalist	Since 6th of June 2023.
Mr. Gayantha Thilakarathna	Manager - Saltern	BSc.	Since 7th of August 2023
Mr. G.N.S. Fernando	Manager-Administration	BBA	Since 1st of September 2023.
Mr. W.H.I.R. De Silva	Manager - Finance	ICASL – Intermediate Level	Since 2nd of November 2023.
Mr. S.M. Sanfar	Assistant Manager - Saltern	BSc.	Since 30th of Nov.2023

8. THE ORGANISATION STRUCTURE



9. DIRECTORS' REPORT

The Directors of the company present herewith their report together with the audited Balance Sheet and Statements of Income for the year ended 31st March 2024.

Principal Activities

The principal activities of the Company during the year under review were the manufacture and sale of salt.

Financial Highlights

Financial year ended 31 st March 2024

	Rs.
Total Turnover	502,573,939.00
Gross Profit	285,041,080.00
Profit Befor Tax	287,482,849.00
Profit After Tax	**198,229,496.00**
Earnings per share	**662**

Directors.

The following members were the Directors of the company during the financial year 2023/24.

From 01/04/2023 to 31/03/2024

1. Mr. D.R. Anura Bandara – Chairman
2. Mr. L.P. Wewalage– Treasury Representative
3. Mr. W.M.N. Jayantha Pushpakumara
4. Mr. W.M. Janaka. R. Wickramasinghe
5. Mr. R.M. Srilal. Thilakarathna
6. Mr. Sepala Senevirathne
7. Mr. H.M. Dhammika.K.Premathilaka - Up to 4.12.2023
8. Mr. M.M.N.R.K. Gunathilaka - From 4.12.2023

Directors' Shareholding

The Directors do not hold any shares of the Company.

Directors' Interest in contracts

The Directors had no direct or indirect interest in any contract with the Company.

Auditors

The present auditor of the company is National Audit Office, Sri Lanka.

By order of the Board

Company Secretary

AUDITED ACCOUNTS

2023/2024

NATIONAL AUDIT OFFICE

My No: IMT/A/NSL/2023-2024/FA 08 **Your No:** **Date:- 30 Dec, 2024**

Chairman
National Salt Limited

Summary Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the National Salt Limited for the year ended 31 March 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1. Qualified Opinion

The audit of the financial statements of National Salt Limited for the year ended 31 March 2024 comprising the Statement of Financial Position as at that date, the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flow for the year then ended, together with the notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. The audit report forwarded in pursuance of provisions in Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be tabled in parliament in due course.

In my opinion, except for the effects of the matters described in paragraph Basis for Qualified Opinion of this report, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities.

1.2. Basis for Qualified Opinion

(a) As per section 13.4 of the Sri Lanka Accounting Standard for Small and Medium-sized Entities, although stock must be measured at the lower of cost or net realizable value, the closing stock balance of Rs. 50,428,449 had been valued using the budgeted unit cost.

(b) As per Section 17.15(c) of the Sri Lanka Accounting Standard for Small and Medium-sized Entities regarding property, plant, and equipment, when calculating revaluation gains or losses, if the fair value of an asset on the revaluation date exceeds its carrying amount, the surplus should be recognized as a revaluation gain. However, an asset valued at Rs. 6,828,395, received by the company as a government grant in 2020 and not accounted for as a capital grant, was subsequently valued at Rs. 4,909,500 on 24.08.2023 and stated under revaluation reserve and assets.

(c) An expenditure of Rs. 1,800,000 was stated in the accounts as rent for the building where the head office of the company is located, but no supporting evidence was provided for audit verification.

(d) According to Section 28.24 of the Sri Lanka Accounting Standard for Small and Medium-sized Entities, when determining the cost of a defined benefit plan, the actuarial gain or loss for the period should be recognized either in the income statement or under other comprehensive income. However, the company recognized an actuarial loss of Rs. 411,199 both as an expense in the income statement and as a gain under other comprehensive income, resulting in an overstatement of total comprehensive income by Rs. 411,199 for the year under review.

(e) The opening stock of the year under review amounting to Rs. 19,302,311 was reported as Rs. 16,939,123 in the financial statements, resulting in an overstatement of the profit of the year by Rs. 2,363,188.

(f) Despite the fixed deposit interest income for the year under review being Rs. 56,736,709, it was reported as Rs. 58,216,559, resulting in an overstatement of the profit of the year by Rs. 1,479,850.

(g) Due to applying a depreciation rate of 15.4% instead of 15% for infrastructure development costs stated under property, plant, and equipment, depreciation expense was overstated by Rs. 385,370, and the asset value was understated by the same amount.

(h) Although the total value of income reserves and trade and other payables stated in the financial statements was Rs. 561,805,418, according to the relevant notes, the total was Rs. 562,363,442, indicating a discrepancy of Rs. 558,024.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other Information included in the 2023/2024 Annual Report of the Company

----

The information anticipated to be provided to me subsequent to the date of this audit report, which is included in the 2023/2024 annual report of the company, but not reflected in the financial statements or my audit report thereon, shall be regarded as other information. The management is responsible for the said other information.

My opinion on the financial statements does not cover the other information, and I do not express any assurance or opinion in relation to such information.

With regard to my audit of the financial statements, my responsibility is to read the other information when it becomes available and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained during the audit in any other manner.

Upon reading the Annual Report of the company for the year 2023/2024, if I conclude that it contains material misstatements, I am required to communicate those matters to the responsible parties for correction. If the misstatements are not rectified, such matters will be included in the report I submit to Parliament in due course, in accordance with Section 154(6) of the Constitution.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

----

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities and for determining internal controls necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so, it is responsible for preparing the financial statements on a going concern basis and for disclosing, as applicable, matters related to the going concern assumption.

The responsibility for overseeing the financial reporting process of the Company lies with those charged with governance.

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

1.5 Auditor’s Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the summary report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Based on the audit evidence obtained regarding whether events or conditions exist that may give rise to a material uncertainty about the Company’s ability to continue as a going concern, evaluate the appropriateness of the use of the going concern basis of accounting. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

--

2.1 The special provisions relating to the requirements set out below are stipulated in the National Audit Act, No. 19 of 2018 and the Companies Act, No. 17 of 2007.

2.1.1 Except for the effects of the matters described in the Basis for Qualified Opinion section of my report, I obtained all the information and explanations required for the audit in accordance with Section 163(2) of the Companies Act No. 7 of 2007 and Section 12(a) of the National Audit Act No. 19 of 2018 and in my opinion, the company has maintained proper accounting records as far as it appears from my examination.

2.1.2 In accordance with Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018, the financial statements of the company were consistent with the preceding year.

2.1.3 In accordance with Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018, my recommendations on the financial statements for the preceding year had been incorporated into the financial statements presented, except for the observation stated in paragraph 1.2 (d) under the Basis for Qualified Opinion section of my report.

2.2 Based on the procedures performed, the evidence obtained, and subject to the limitations of materiality, nothing has come to my attention that would cause me to believe that the following statements are inaccurate.

2.2.1 In accordance with the requirement stated in Section 12(d) of the National Audit Act, No. 19 of 2018, a member of the Board of Directors of the company has, either directly or indirectly, an interest in an agreement related to the company, which falls outside the ordinary course of business.

2.2.2 In accordance with the requirement stated in Section 12(e) of the National Audit Act, No. 19 of 2018, except for the observations stated below, no instances were noted of actions taken in contravention of any applicable written law or any general or special directives issued by the Board of Directors of the company.

Ref. to the laws, rules, and regulations	Observations
a) Section 6.6 of the Operations Manual introduced for state-owned enterprises by Public Enterprises Circular No. 01/2021 dated 16.11.2021.	The financial statements for the year under review were presented for audit on 27.09.2024, after a delay of four months and as of the date of this report, the draft of the annual report has not been submitted for audit.
b) Paragraph 2 of the Circular No. PED 01/2020 dated 27.01.2020 of the Ministry of Finance, Planning & Economic Development	Although the recruitment of Acting Directors as new appointees is not permitted, an Executive Director had been appointed to the company effective from 11 April 2023 and a total amount of Rs. 1,597,896 had been paid during the year under review as salaries and allowances without obtaining the necessary approval from the Treasury.
c) Public Enterprises Circular No. PED 08/2022 dated 21.12.2022	When paying allowances based on leave accrued by employees, the provisions of the Shops and Office Employees Act, No. 19 of 1954, which apply to employees of state enterprises, must be duly adhered to. Furthermore, such state enterprises should not obtain funds from the General Treasury for capital or recurrent expenditure. However, contrary to the aforementioned conditions, employees had been granted 42 days of leave annually. Furthermore, despite the company having received a capital grant of Rs. 100 million from the Treasury during the year under review, a sum of Rs. 764,073 had been paid as allowances for accrued leave to 59 permanent officers.

d)	Paragraph 2 of the Public Enterprises Circular No. PED 01/2024 dated 28.02.2024 and Paragraph 2.5 of the Public Enterprises Circular No. PED 04/2022 dated 08.08.2022	Without the approval of the Treasury, and based solely on the approval of the Board of Directors, the company had incurred an expenditure of Rs. 28,510,500 as attendance allowances for 402 officers, and a sum of Rs. 339,643 was spent on accommodation facilities for the Chairman during the year under review.

2.2.3 In accordance with the requirement specified under Section 12(g) of the National Audit Act, No. 19 of 2018, the company had acted in a manner that is not in compliance with its powers, duties, and functions.

2.2.4 In accordance with the requirement specified under Section 12(h) of the National Audit Act, No. 19 of 2018, the company had failed to manage and utilize its resources economically, efficiently, and effectively within the specified timeframes and in compliance with the applicable laws and regulations.

2.3 Other
----

a) At the physical stock verification conducted by the audit on 28 February 2024 at the Elephant Pass Saltern, a discrepancy was observed between the stock balance and the production records as of that date, amounting to approximately 408.4 metric tons of salt, with a value of Rs. 13,548,600.

b) During the year under review, the company has paid a bonus allowance of Rs. 1,499,719 to 191 non-permanent employees for the year 2022/2023. However, the relevant Treasury approval for this payment was not submitted to the audit.

c) Due to the war prevailed in the Northern and Eastern Provinces, production and operational activities at the Kurunwathivu (Elephant Pass - North) saltern under the Pachchilapallei Divisional Secretariat in the Kilinochchi District, had been suspended. Subsequently, approval to recommence these activities was granted by the Cabinet of Ministers on 12 December 2017. Despite the Government Valuation Department assessing the land at Rs. 205,000,000 on 21 July 2022, and a request being made to the Governor of the Northern Province to transfer the land to the company under a long-term lease agreement, the transfer had not been completed even by the end of the year under review. Consequently, despite the saltern presenting a valuable opportunity to boost domestic salt production and reduce reliance on imports to satisfy national demand, its operations has remained suspended.

d) The action plan of the company for the year 2023/2024 comprised 30 sub-activities aligned with eight main objectives. Of these, progress for seven activities was recorded at 0%, while the progress of five activities ranged between 20% and 50%.

Signed illegibly.

W.P.C. Wickramarathna

Auditor General

NATIONAL SALT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

NATIONAL SALT LIMITED

STATEMENT

Of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 ST MARCH 2024	Note	2024 Rs.	2023 Rs.
Total Revenue	3	**502,573,939**	343,140,970
Less			
Value Added Tax		-	-
Net Revenue		**502,573,939**	343,140,970
Cost of Sales	4	**(217,532,859)**	(167,761,852)
Gross Profit		**285,041,080**	175,379,118
Other Operating Income	5	**15,735,544**	15,579,808
Selling & Distribution Cost	6	**(20,880,522)**	(6,731,065)
Administrative Expenses	7	**(50,568,685)**	(35,180,835)
Profit from Operations		**229,327,416**	149,047,026
Finance Income	8	**58,764,770**	43,960,568
Finance Cost		**(609,337)**	(135,698)
Profit before Income Tax for the year		**287,482,849**	192,871,896
Income Tax Expenses	9	**(89,253,353)**	(58,065,641)
Profit for the year		**198,229,496**	134,806,255
Other Comprehensive Income/ (Expense), Net of tax			-
Items that will not be reclassified subsequent to the Statement of Profit or loss			
Actuarial gain / (loss) on post employment benefit liability		**411,199**	(448,686)
Deferred tax on actuarial gain/(loss)		-	(720,000)
Items that will be reclassified subsequent to the Statement of Profit or loss			
Total Other Comprehensive Income/ (Expense), Net of tax		**198,640,695**	133,637,569
Total Comprehensive Income for the year Net of tax			
Basic Earning Per Share	10	**662**	470

NATIONAL SALT LIMITED
STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH 2024	Notes	2024 Rs.	2023 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	11	318,550,188	141,149,360
		318,550,188	141,149,360
Current Assets			
Inventories	12	87,682,455	59,421,160
Financial Assets	13	333,491,229	272,561,908
Trade & Other Receivables	14	64,876,202	33,225,220
Cash & Cash Equivalents	15	18,407,076	77,345,538
		504,456,962	442,553,826
Total Assets		823,007,150	583,703,186
EQUITY & LIABILITIES			
Capital and Reserves			
Stated Capital	16	30,000,000	30,000,000
Revaluation Reserve		6,589,500	1,680,000
Revenue Reserve	17	524,895,069	426,713,139
Total Equity		561,484,569	458,393,139
Non-Current Liabilities			
Government Grants	18	120,457,434	35,282,026
Deferred Tax Liability/ (Assets)	19	18,654,395	16,124,684
Retirement Benefit Obligations	20	11,456,371	10,546,833
		150,568,200	61,953,543
Current Liabilities			
Trade & Other Payables	21	36,910,349	26,998,301
Income Tax Payable /(Recoverable)	22	74,044,032	36,358,203
		110,954,380	63,356,504
Total Equity and Liabilities		823,007,150	583,703,186

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

for 29.08.2024

FINANCE MANAGER **DATE**

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 by,

		NAME	SIGNATURE
CHAIRMAN	1.	D.R.A. Bandara	
DIRECTOR	2.	L.P. Weeralage	

D.R. Anura Bandara
Chairman
National Salt Limited

DATE OF APPROVAL BY THE BOARD 29.08.2024

NATIONAL SALT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2024

	Stated Capital Rs.	Revaluation Reserves Rs.	Revenue Reserves Rs.	Total Rs.
Balance as at 31st March 2021	30,000,000	2,400,000	174,269,603	206,669,603
Net Profit for the year			60,170,921	60,170,921
Dividend payments			(3,351,608)	(3,351,608)
Balance as at 31st March 2022	30,000,000	2,400,000	317,628,964	350,028,964
Prior year Adjustment of lease rental -mannar			(5,722,080.00)	(5,722,080.00)
Net Profit for the year			134,806,255.00	134,806,255.00
Deferred Tax Effect on Revaluation Gain		(720,000.00)		(720,000.00)
Dividend payments			(20,000,000.00)	(20,000,000.00)
Balance as at 31st March 2023	30,000,000	1,680,000	426,713,139	458,393,139
Revaluation Gain		4,909,500	-	4,909,500
Net Profit for the year			198,229,496	198,229,496
Dividend payments			(100,000,000)	(100,000,000)
Balance as at 31st March 2024	30,000,000	6,589,500	**524,942,635**	**561,532,135**

NATIONAL SALT LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st MARCH, 2024

	2024 Rs.	2023 Rs.
Cash Flow from Operating Activities		
Operating Profit / (Loss) before Tax	287,482,849	192,871,896
Adjustments for		
Depreciation and Amortisation	27,698,291	22,323,450
Amortisation Of Government grants	(14,824,592)	(14,824,592)
Profit on disposal of assets		(230,350)
Gratuity Provision	1,831,340	1,219,456
Deferred Tax provision		
Write-off of Income VAT Receivable		
Fixed Deposit Interest Income	(58,216,559)	(42,841,697)
Savings & Interest Income	(411,606)	(19,252)
	(43,923,126)	(34,372,985)
Operating Profit for the year before Changes in Working Capital	**243,559,722**	**158,498,911**
Changes in Working Capital		
(Increase)/Decrease in Inventories	(28,261,295)	(37,757,555)
(Increase)/Decrease in Trade & Other Receivables	(31,650,982)	(231,436)
Increase/(Decrease) in Trade & Other Payables	9,912,048	10,744,795
	(50,000,228)	(27,244,196)
Cash Generated from Operations	193,559,494	131,254,715
Gratuity Paid	(921,803)	(315,638)
Income Tax/WHT Paid	(49,241,040)	(19,330,000)
	(50,162,843)	(19,645,638)
Net cash in flow from Operating Activities	**143,396,651**	**111,609,077**
Cash flow from Investing Activities		
Property, Plant & Equipment	(25,948,088)	(20,724,021)
Disposal of Fixed assets		230,350
Work in progress assets	(174,076,691)	(10,386,613)
Investment Withdrawals		214,759,032
Investment in Fixed Deposits	(60,938,500)	(260,000,000)
Fixed Deposit Interest Income	58,216,559	5,881,528
Savings & Interest Income	411,606	
Mannar Lease Rental		(5,722,080)
Net cash out flow from Investing Activities	**(202,335,113)**	**(75,961,804)**
Cash flow from Financing Activities		
Dividend paid	(100,000,000)	(20,000,000)
Government Grant received	100,000,000	-
Net cash in flow from Financing Activities	-	**(20,000,000)**
Net Increase in Cash & Cash equivalents during the year	(58,938,462)	15,670,510
Cash & Cash Equivalents at the beginning of the year	77,345,538	61,675,028
Cash & Cash Equivalents at the end of the year	18,407,076	77,345,538
Analysis of Cash and Cash Equivalents at the end of the year		
Cash at Bank	18,407,076	77,345,538

NATIONAL SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2024

1. **CORPORATE INFORMATION**

1.1 **Reporting Entity**

National Salt Limited is a limited liability company incorporated and domiciled in Sri Lanka and a public enterprise under the Ministry of Finance, Economic Stabilization & National Policies. It is fully owned by the Democratic Socialist Republic of Sri Lanka . The registered office of the Company is located at 561/3 Elvitigala Mawatha, Colombo 05 and the principal place of business is situated at Mannar and Elephant pass.

.1.2 **Principal Activities and Nature of Operations**

During the year, the principal activity of the Company was to carry on the long history of salt production in Sri Lanka. It manufactures common salt and distributes it in the form of Iodated Salt, Crush salt and Industrial Salt in Sri Lanka.

1.3 The notes to the Financial Statements on pages 05 to 40 form an integral part of the Financial Statements.

1.4 The number of permanent employees at the end of the year was 57 (2023- 57)

1.5 **Date of Authorization & Approvals of Finance Statement**

The Financial statements of National Salt Limited for the year 31st March 2024 were authorized for issue in accordance with a resolution by the board of directors on 29th August 2024.

2. **BASIS OF PREPARATION AND ACCOUNTING POLICIES**

2.1 **General Policies**

2.1.1 **Statement of Compliance**

The Financial Statements have been prepared on historical cost basis in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No.7 of 2007.

2.1.2 Basis of Preparation

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka. These Financial Statements are presented in Sri Lankan Rupees (Rs.) and all financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee.

The Financial Statements of the Company have been prepared on a historical cost convention.

The Accounting Policies applied by the Company are unless otherwise stated, consistent with those used in the previous year unless otherwise stated. Comparative information has, where necessary, been reclassified to conform with the current year presentation.

2.1.3 Going Concern

The directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

2.1.4 Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with Sri Lanka Accounting Standard for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, Income and Expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are based on historical experience and other various factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods which are affected.

2.1.5 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.1.6 Events Occurring after the Reporting Period

The materiality of the events occurring after the Reporting Date has been considered and appropriate adjustments or disclosures have been made in the Financial Statements where necessary.

2.1.7 Taxation

2.1.7 (a) **Current Taxes**

The charge for taxation is based on the income for the year adjusted for disallowable items in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

2.1.7 (b) Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

2.1.8 Borrowing Costs

Borrowing Costs are recognized as an expense in the period in which they are incurred.

2.2 Valuation of Assets and their Measurement Bases

Assets classified as current assets in the Statement of Financial Position are cash and those which are expected to be realized in cash during the normal operating cycle of the Company's business or within one year from the Reporting Date.

Non – current assets are those which the Company intends to hold beyond a period of one year from the Reporting Date.

2.2.1 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash & cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts that are repayable on demand.

Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "indirect method." Interest paid, interest received and dividend received is classified as operating cash flows, while dividends paid are classified as financing cash flows for the purpose of presenting the Statement of Cash Flows.

2.2.2 Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the following:

Property, Plant & Equipment (Contd..)

- The cost of materials and direct labor;
- Any other costs directly attributable to bringing the assets to a working condition for their intended use;
- When the company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located;

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When part of an item of property, plant, and equipment has different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in other operating income in the Statement of Income. When revalued assets are sold, any related amount included in the revaluation surplus reserves is transferred to retained earnings.

Subsequent costs

The cost of replacing a component of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing of property and equipment are recognized in the statement of income as incurred.

Repairs and Maintenance

Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. The cost of major renovations are included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Company and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

Depreciation

Depreciation is recognized in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied with the asset. The land is not depreciated. The estimated useful lives of the current and comparative periods are as follows:

Asset Class	Basis
All Building	Over 20 years @ 5%
Machinery & water pump	Over 05 years @20%
Office Equipment	Over 05 Years @ 20%
All Furniture	Over 10 years @ 10%
All Motor Vehicles	Over 10 years @ 10%
Computer Equipment	Over 05 years @20%
Tractors	Over 05 years @20%
Infrastructure development	Over 06 years @ 15%

The depreciation method, useful lives, and residual values are reassessed at each reporting date and adjusted if appropriate.

Capital work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in property, plant and equipment as well as system development, awaiting capitalization. In our organization Capital work-in-progress has been capitalized in 31st March 2024 Hence relevant property have not been made depreciation during the year in 2023/2024.

2.2.3 Leases

Finance Leases

Property, Plant and Equipment on finance leases, which effectively transfers to the Company substantially the entire risk and benefits incidental to ownership of the leased item are capitalized at their cash price and disclosed as Property, Plant & Equipment and depreciated over the period the Company is expected to benefit from the use of the leased assets.

The corresponding principal amount payable to the lessor is shown as a liability, lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The interest payable over the period of the lease is transferred to an interest in suspense account. The interest element of the rental obligations applicable to each financial year is charged to the Income Statements over the period of the lease.

2.2.4 Investments & Other Financial Assets

Classification

Financial assets within the scope of SLFRS 09, classifies its financial assets in the following measurement

categories:

Those to be measured subsequently at fair value (either through OCI or through profit or loss), and those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The company reclassifies debt investments when and only when its business model for managing those assets changes.

A) Recognition & De recognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

B) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when

determining whether their cash flows are solely payment of principal and

(C) **Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI: Assets that are held for the collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss

FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises

(D) Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Basic Financial Instruments Financial assets are classified as financial assets held for trading, held to maturity, loans and receivables and financial assets available-for-sale. The Company determines the classification of its financial assets at initial recognition.

Loan and Receivable

Loans and receivables include cash and short-term deposits, fixed deposit and trade and other receivables. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized. The losses arising from impairment are recognized in the statement of Comprehensive Income.

Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual agreement and the definition of financial liabilities.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial liabilities recorded at fair value through profit or loss.

Financial liabilities including Interest bearing loans and borrowings and other financial liabilities (trade and other payable) are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability.The difference between the carrying value of the original financial liability and the consideration paid is recognized in the income statement.

2.2.4 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on first in first out basis and includes all expenditure incurred in acquiring the inventories and bringing them to their present condition and location. Cost includes all direct expenditure and production overheads. Work in progress is to be valued at cost.

2.2.5 Liabilities and Provisions

Liabilities classified as current liabilities in the Statement of Financial Position are those obligations payable on demand or within one year from the Reporting Date. Items classified as non – current liabilities are those obligations which expire beyond a period of one year from the Reporting Date.

All known liabilities have been accounted for in preparing the financial statements. Provisions and liabilities are recognized when Company has a legal or constructive obligation as a result of past events and it is probable that an out flow of economic benefits will require settling the obligation.

2.2.5.1 Retirement Obligation Benefits

a) Retirement Obligation Benefit - Gratuity

Gratuity is a Defined Benefit Plan. In order to meet this liability, a provision is carried forward in the Statement of Financial Position, based on the formula method as stated in Sri Lanka Accounting Stranded for SME's. However, under the payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

b) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to Employee Provident and Employee Trust Funds covering all employees are recognized as an expense in profit or loss as incurred. The Company contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

2.3 Statement of Comprehensive Income

2.3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024

(a) Revenue is principally recognized on an accrual basis when the ownership and risk has passed or the services are provided to the customers.

(b) Other Income

Other income is recognized on an accrual basis.

(c) Government Grant

Government grant is recognized as income as per section 24.4 of SLFRS for SME.

2.3.2 Expenditure Recognition

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

Expenditures incurred on saltern rehabilitation for which Government Grant received is shown under expenses.

2.4 Reporting Period

The financial report is prepared for period from April 1, 2023 to March 31, 2024

2.5 DISCLOSURES –

2.5.1. Presentation of The Financial Statements
The Financial Statements of National Salt limited has not been presented our Manufacturing process in the statements since longer tenure. It's have not been reflected profits of salt plants in Elephant pass and Mannar and also work in progress, raw material, Unfinished goods and cost center overheads were not presented. Our main activity of National salt limited is Production and distribution of salt. Hence, National Salt limited efforts to present the efficiency of our Financial Statements include manufacturing process and also it will give results for make a decision to Top management. There are Trading and Profit and loss Accounts have been prepared for Elephants Pass plant and Mannar plant separately. Its will give results for make a decision to Top management and as well as States Holders.

2.5.2. Lease Payment – lease hold land –Mannar

The Board of Directors has approved the payment of Rs 6.115,000.00 as lease for Mannar Land. Relevant payment amount was paid to Divisional Secretariat Mannar from 2013 – 2023.

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2024

2.5.3. Lease Agreement of Elephant Pass Land its going concern

Reviewing and discussing with officials of government. The Board of Directors ensures and is responsible to make engage an agreement. These assets were actually purchased by the Ministry of small scale industries and subsequently handed over to National salt Limited. Action will be taken to

recognize the unrecorded assets by valuing them by suitable values and will be taken action In due course.

2.5.4 **Socials Security Contribution Levy (SSCL)** -All Taxes have been borne by The NSL relevant decision was taken by The Pricing Committee meeting held on 01st December 2022 and authorized for issue accordance with a resolution by The board of directors on 06th December 2022

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF SALES , COST OF SALES AND GROSS PROFIT
FOR THE YEAR ENDED 31ST MARCH, 2024

Note - 3
Sale

Sales		EP	Mannar	TOTAL
	01 Kg Packet (RAJA SALT)	375,000.00	-	**375,000.00**
	Common Salt (Industrial)	67,289,350.00	126,000.00	**67,415,350.00**
	Iodated Bulk Salt	-	3,604,875.00	**3,604,875.00**
	Iodated Salt 1 Kg	62,500.00	119,500,450.00	**119,562,950.00**
	Mud Salt sales	408,600.00	-	**408,600.00**
	Non Iodated Crushed Salt	12,099,300.00	16,619,250.00	**28,718,550.00**
	Sweeping Salt	-	185,400.00	**185,400.00**
	Wash Salt	312,000.00	4,244,901.37	**4,556,901.37**
	Sales - Other	277,746,312.70	-	**277,746,312.70**
Total Sales		358,293,062.70	144,280,876.37	**502,573,939.07**

Note - 4

Plants	Sub	Gross Sales	VAT	Net Sales	Cost of sales	Gross Profit	Gross Profit
	Note	Rs.cts	Rs.cts	Rs.cts	Rs.cts	Rs.cts	2022/2023
Elephant Pass	Note 4 A	358,293,062.70	-	358,293,063	127,230,923	231,062,139	156,153,133
Mannar	Note 4 B	144,280,876.37	-	144,280,876	90,301,936	53,978,940	19,225,985
TOTAL		**502,573,939.07**	-	**502,573,939**	**217,532,859**	**285,041,080**	**175,379,118**

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 4 A
TRADING ACCOUNT - SALTERN PLANT ELEPHANT PASS
FOR THE YEAR ENDED 31ST MARCH 2024

	M.T	2024 Rs.cts	2023 Rs.cts
Revenue			
Sales of Salt	9,688	358,293,063	250,658,205
Deduct – Cost of Sales			
Stock as at the beginning of the year			
Common salt stock	404	8,760,797	8,650,548
working in progress			
Add :			
Comman salt Production during the year	10,676	138,782,987	94,615,359
Stores Expenses			
Expenses of Service Centers			
Less:			
Stocks as at end of the Year			
Common salt stock	1,392	20,312,861	8,760,835
Cost of Sales	9,688	127,230,923	94,505,073
Gross Profit		231,062,139	156,153,132

NATIONAL SALT LIMITED
SALTERN PLANT ELEPHANT PASS
NOTES TO THE FINANCIAL STATEMENTS
SUB NOTE - 4 A -1
COMMON SALT PRODUCTION COST DURING THE YEAR
COST OF PRODUCTION

	Sub Note	2024 Rs.cts	2023 Rs.cts
DIRECT EXPENSES			
Brine Curculation & Preparation of Beds	4A-1.1	18,032,178	10,496,372
Collection & transport of Salt	4A-1.2	66,647,616	34,964,225
		84,679,794	45,460,597
INDIRECT EXPENSES			
General Stores & Transport	4A-1.3	668,933	1,650,173
Workshop & Tools	4A-1.4	6,635,652	4,479,986
Maintenance of Salten	4A-1.5	1,523,852	4,032,563
		8,828,437	10,162,722
PRIME COST			
Staff Amenitites	4A-1.6	19,319,029	15,561,812
Estabilishment Expenses	4A-1.7	5,064,006	6,616,363
Depreciation & Amortization	4A-1.8	20,891,722	16,814,114
		45,274,756	38,992,289
Cost of Production		138,782,987	94,615,608

NATIONAL SALT LIMITED
SALTERN PLANT ELEPHANT PASS
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 4 A .1
SUMMARY OF COST OF PRODUCTION

	Sub Note	2024 Rs.cts	2023 Rs.cts
DIRECT EXPENSES			
Brine Curculation & Preparation of Beds	4A-1.1		
Fuel charges		7,106,493	5,320,371
Electricity -Pump		4,551,636	2,540,057
Pump Maintance		6,374,050	2,635,944
		18,032,178	10,496,372
Collection & Transport of Salt	4A-1.2		
Casual Wages		38,361,589	18,597,389
Casual Wages -weekly		170,655	1,355,376
Monthly Encourage Allowance		-	4,121,926
Crisis Situation Allowance		16,751,275	5,483,698
Overtime payment		389,626	371,402
Leave Payment		251,223	184,850
Tea Allowance		2,105,251	1,047,089
Laboratory Expenses		4,888	13,833
Packing Materials		2,858,872	989,481
Employee Provident Fund		4,603,390	2,239,383
Employee Trust Fund		1,150,848	559,547
		66,647,616	34,963,975
INDIRECT EXPENSES			
General Stores & Transport	4A-1.3		
Tractor & Tailler Maintance		491,595	1,522,570
Vehicle Expneses		177,338	127,603
		668,933	1,650,173
Workshop & Tools	4A-1.4		
Machinery Maintence		917,254	24,359
Machinery Maintence -other		10,130	6,100
Production Tools & Equipment Maintance		5,624,268	4,223,787
Electrician Payment		44,000	219,740
Production Tools & Equipment Maintance		40,000	6,000
		6,635,652	4,479,986

Maintenance of Salten	**4A-1.5**		
Hospitality		**443,117**	651,790
News Papers & Periodicals			
Water		**981,087**	290,564
Insurance		**73,298**	47,803
Saltern plant Maintance		**26,350**	3,042,406
		1,523,852	4,032,563
PRIME COST			
Staff Pay & Salaries	**4A-1.6**		
Salaries		**13,851,736**	9,999,593
Empoyee Allowance			468,000
Staff uniform		**959,770**	145,786
Employee Provident Fund		**1,648,783**	1,172,339
Employee Trust Fund		**412,196**	293,811
Tea Allowance -Perment Staff		**569,400**	394,925
Staff Welfare		**384,657**	3,600
Profit Bonus		**1,492,487**	3,083,758
		19,319,029	15,561,812
Estabilishment Expenses	**4A-1.7**		
Press Notice		**-**	39,120
Building Maintance		**1,209,251**	974,374
Procurement & TEC fees		**330,000**	54,000
Office Equipment Maintance		**45,724**	111,600
Office Maintance		**259,235**	272,045
Postage		**69,608**	221,617
Printing & Stationery		**297,408**	243,015
Professional Expenses		**60,000**	55,200
Telephone		**168,778**	130,758
Stationery Expenses		**100,675**	17,900
Transport & Travelling Expenses		**1,455,712**	2,624,735
Quality Assurance Testing Charges		**14,391**	239,806
Vehicle Maintance		**5,000**	804,820
Security Service		**1,048,224**	796,872
Office Administative		**-**	30,500
		5,064,006	6,616,363
Depreciation & Amortization	**4A-1.8**		
PPE- Elephant Pass		**5,881,129**	1,989,522
Rehabitation salten plant Elephant Pass		**186,000**	
Amortization		**14,824,592**	14,824,592
		20,891,722	16,814,114
Cost of Production		138,782,987	94,615,358

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 4 B
TRADING ACCOUNT - SALTERN PLANT MANNAR
FOR THE YEAR ENDED 31ST MARCH 2024

	M.T	2024 Rs.cts	2023 Rs.cts
Revenue			
Sales of Salt	2,386	144,280,876	92,482,765
Deduct – Cost of Sales			
Stock as at the beginning of the year	264	8,178,326	2,691,372
Common salt stock			
working in progress			
Add			
Comman salt Production during the year	4,099	112,239,191	78,743,734
Stores Expenses			
Expenses of Service Centers			
Stocks as at end of the Year			
Common salt stock	1,977	30,115,581	8,178,325
Cost of Sales	2,386	90,301,936	73,256,780
Gross Profit		53,978,940	19,225,985

NATIONAL SALT LIMITED
SALTERN PLANT MANNAR
NOTES TO THE FINANCIAL STATEMENTS
SUB NOTE - 4 B-1
COMMON SALT PRODUCTION COST DURING THE YEAR
COST OF PRODUCTION

	Sub Note	2024 Rs.cts	2023 Rs.cts
DIRECT EXPENSES			
Brine Curculation & Preparation of Beds	4 B-1.1	6,144,970	4,280,944
Collection & transport of Salt	4 B-1.2	51,617,034	42,301,082
Storage of Salt		-	-
		57,762,004	46,582,026
INDIRECT EXPENSES			
General Stores & Transport	4 B-1.3	1,226,607	300,255
Workshop & Tools	4 B-1.4	27,167,728	6,210,170
Maintenance of Salten	4 B-1.5	506,647	293,292
		28,900,982	6,803,717
PRIME COST			
Staff Amenitites	4 B-1.6	16,266,521	16,557,601
Estabilishment Expenses	4 B-1.7	3,601,735	3,824,109
Depreciation	4 B-1.8	5,707,949	4,976,280
		25,576,205	25,357,990
Cost of Production		112,239,191	78,743,734

NATIONAL SALT LIMITED
SALTERN PLANT MANNAR
NOTES TO THE FINANCIAL STATEMENTS
Sub Note - 4 B-1
SUMMARY OF COST OF PRODUCTION

	2024 Rs.cts	2023 Rs.cts
DIRECT EXPENSES		
Brine Curculation & Preparation of Beds		
Fuel charges	3,023,809	1,688,272
Electricity -Pump	3,121,161	1,809,689
Pump Maintance	-	782,983
	6,144,970	4,280,944
Collection & transport of Salt		
Finish Good Consumed stock Adjustment		
Casual Wages	20,471,511	12,465,655
Casual Wages -weekly	1,945,141	948,891
Monthly Encourage Allowance	11,609,133	3,316,267
Crisis Situation Allowance	9,833,075	3,779,467
Overtime payment	498,282	313,602
Leave Payment	311,736	292,909
Tea Allowance	1,104,114	685,875
Laboratory Expenses	2,638,565	1,027,048
Packing Materials	134,750	17,604,692
Employee Provident Fund	2,456,582	1,493,342
Employee Trust Fund	614,146	373,336
	51,617,034	42,301,082
INDIRECT EXPENSES		
General Stores & Transport		
Tractor & Tailler Maintance		
Vehicle Expenses	1,226,607	300,255
	1,226,607	300,255
Workshop & Tools		
Machinery Maintence	-	4,407,992
Machinery Maintence -other	-	1,643
Production Tools & Equipment Maintance	27,167,728	1,800,427
	27,167,728	6,210,063
Maintenance of Salten		
Hospitality	218,815	163,353
News Papers & Periodicals	15,480	14,160
Water	272,352	115,480
Insurance		
Saltern plant Maintance	-	300
	506,647	293,293

PRIME COST		
Staff Pay & Salaries		
Salaries	12,067,632	11,850,167
Empoyee Allowance	-	317,000
Staff uniform	-	58,800
Employee Provident Fund	1,445,566	1,365,061
Employee Trust Fund	361,392	341,266
Tea Allowance -Perment Staff	473,700	419,425
Staff Welfare	584,318	135,435
Profit Bonus	1,333,913	2,070,447
	16,266,521	16,557,601
Estabilishment Expenses		
Rates & Taxes	14,152	14,152
Land Lease Rental	-	6,246,240
Building Maintance	1,135,314	300,641
Procurement & TEC fees	-	12,500
Office Equipment Maintance	63,145	151,480
Office Maintance	89,750	227,109
Postage	62,017	49,336
Printing & Stationery	568,992	640,512
Professional Expenses	29,400	17,800
Telephone	206,722	149,081
Stationery Expenses	-	
Transport & Travelling Expenses	355,631	405,292
Quality Assurance Testing Charges	22,468	213,024
Vehicle Maintance	5,921	315,960
Security Service	1,048,224	796,872
Office Administative	-	6,190
	3,601,735	9,546,189
Depreciation & Amortization		
PPE- Mannar	5,707,949	4,933,347
	5,707,949	4,933,347
Cost of Production	112,239,191	84,422,774

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 5	2024 Rs	2023 Rs
OTHER INCOME AND GAINS		
Amortisation Of Government grants	**14,824,592**	14,824,592
Rent Received From a Quarter	**122,677**	172,610
Profit on Disposal of Fixed Assets	**-**	273,506
Sundry Income	**520,000**	309,100
Auction income	**268,275**	-
	15,735,544	15,579,808

NOTE 6	2024 Rs	2023 Rs
SELLING & DISTRIBUTION EXPENSES		
Business Promotion		
Sales Reps Taget expenses	**1,239,174**	526,558
Social Security Leave Tax	**10,580,479**	6,204,507
Exhibition Cost	**1,096,069**	-
Transport Allowance	**7,964,800**	-
	20,880,522	6,731,065

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 7 **ADMINISTRTIVE EXPENSES**	2024 Rs	2023 Rs
Chairman Allowances	1,542,900	1,552,735
Chairman Accomodation Expenses	362,933	-
Fuel & Lubricants chiar	85,000	76,620
Working Director Allowances	756,167	-
Director's Fees	1,456,095	1,201,500
Directors' Accommodation Expens	237,605	-
Board Meeting Expenses	193,494	397,795
Fuel Allowance W D	565,621	-
GM Accomodation Allowance	300,000	-
Salaries & Wages	9,144,287	6,461,192
Employee Provident Fund	1,090,916	747,202
Employee Trust Fund	272,729	186,800
Over time & Holiday Pay	319,497	167,835
Employee Allowance	938,563	81,000
Crisise situtation Allowance	1,926,150	768,933
Leave Payment	201,114	147,678
Monthly Allowance	858,017	556,800
Gratuity Provision	1,831,340	1,219,457
Profit & Annual Bonus	200,389	175,681
Staff Uniform	128,420	18,000
Professional Allowance -Staff	188,933	109,100
Staff welfare(Including Tea Allowance)	1,040,789	514,592
Conference Expenses	172,825	330,675
Travelling &Subsistence	1,257,305	941,038
News Papers & Periodicals	44,970	43,900
Audit Remunerration - External Audit	384,000	352,000
Internal Audit Fees	-	172,819
Rates & Taxes	-	177,942
Accommodation for Managers	130,177	-
Consultancy & Professional Charges	2,030,887	1,187,161
Accounting Software Systems Development	293,992	223,200

Training Development Investment	**74,000**	700,770
Water Utility Bill	**449,521**	154,837
Press Notice	**1,481,356**	3,086,743
Postage	**49,090**	55,472
Telephone	**407,817**	303,650
Electricity Charges	**1,383,800**	786,623
Inspection & Visiting Charges	**1,129,948**	219,626
Testing charges	-	47,715
TEC Board fees	**49,000**	97,850
Price Fixing Commette Expenses	**111,750**	17,519
Audit& Management Committee fee	**494,145**	363,050
Annual Registaion Fees	**347,808**	7,245
Company Secretarial fees	**111,503**	89,643
Printing & Stationery	**1,272,478**	1,176,602
Motor Vehicle Running Expenses	**1,504,190**	2,847,069
Motor Vehicle Running Expenses-Fuel & Lubricants	895,216	613,620
Motor Vehicle Rent	**3,552,000**	1,554,353
Motor Vehicle -Rent Allowance	**1,008,333**	968,333
Motor Vehicle- Fuel Allowance	**747,469**	789,392
Building Rent - HO	**1,800,000**	-
Packing Expenses	-	250
Insurance	**50,773**	30,379
annual general meeting	**143,630**	-
Advertising for new Recruitment	**776,396**	-
Advertising for Tender notice	**183,524**	-
Maintenance of F.F. & O. Equipmrnt	**765,227**	1,141,311
Hospitality	**79,167**	176,638
Maintenance of Office Building	**1,113,081**	1,572,935
websit Development	**245,000**	14,500
Donation	**40,000**	20,000
Event Expenses	**1,171,903**	-
Depreciation	**1,098,620**	533,055
Income tax penalty	**76,828**	
	50,568,685	**31,952,185**

NOTE 8

FINANCE COST AND INCOME

Finance Cost

	2024 Rs	2023 Rs
Bank Charges	609,337	47,740
Bank Loan Interest	-	87,958
Foreign Exchange Fluctuation		
	609,337	135,698

Finance Income

Interest on Fixed Deposit	58,216,559	42,841,697
Interest on saving	411,606	987,205
Interest on Staff Loan	136,605	131,666
	58,764,770	43,960,568

NATIONAL SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 09	2024 Rs	2023 Rs
INCOME TAX SUMMARY		
Income Tax Provision for the Year	86,770,710	44,919,479
Deferred Tax Provision for the Year	2,482,643	13,146,163
	89,253,353	**58,065,642**

NOTE 10	2024 Rs	2023 Rs
Net Profit (Loss) attributable to Ordinary Shareholders	198,640,695	134,086,255
Weighted Average Number of Ordinary Shares In issue during the year	300,000	300,000
Basic Earning Per share (Rs.)	662	470

BASIC EARNING PER SHARE

The calculation of Basic Earning Per share is based on the Net Profit attributable to Ordinary Share holders divided by the Weighted Average Number of Ordinary Shares outstanding during the year.

	2024	2023
Basic Earning Per share (Rs.)	662	470

NATIONAL SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2024

11 PROPERTY, PLANT & EQUIPMENT

11.1 Gross Carrying Amounts

At Cost or Valuation	Balance As at 01.04.2023 Rs.	Additions /Transfers /Acquisitions Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2024 Rs.
Leasehold-Factory Land	42,900,000	-	-	42,900,000
Freehold Buildings	15,631,462	1,772,391	-	17,403,853
Freehold Salt Plants	38,403,069	195,690	-	38,598,759
Freehold Plant / Machineries & Water Pamb	18,432,805	20,372,894	-	38,805,698
Freehold Tractor	10,415,300	1,790,000	-	12,205,300
Freehold Motor Vehicles	1,255,725	250,000	-	1,505,725
Freehold Computer Equipment	4,282,160	1,930,111	-	6,212,271
Freehold Office Equipment	3,631,922	2,307,920	-	5,939,842
Freehold Laboratory Equipment	987,083	-	-	987,083
Freehold Tools & Equipment	2,478,746	1,076,980	-	3,555,726
Freehold Funiture & Fittings	3,615,494	1,161,603	-	4,777,098
Infrastructure development Elephant Pass	96,261,491	-	-	96,261,491
Total Value of Depreciable Assets	238,295,256	30,857,588	-	269,152,844

11.2 Depreciation and Impairment

At Cost or Valuation	Balance As at 01.04.2023 Rs.	Charge for the Cum/ Transfers Rs.	Disposals/ Transfers	Balance As at 31.03.2024 Rs.
Freehold Buildings	5,657,557	828,550	-	6,486,107
Freehold Salt Plants	9,549,159	3,835,874	-	13,385,033
Freehold Plant / Machineries & Water Pamb	9,019,884	3,342,718	-	12,362,603
Freehold Tractor	3,355,383	1,732,569	-	5,087,952
Freehold Motor Vehicles	1,255,723	6,166	-	1,261,889
Freehold Computer Equipment	2,526,470	849,354	-	3,375,824
Freehold Office Equipment	1,473,308	821,366	-	2,294,674
Freehold Laboratory Equipment	987,082	-	-	987,082
Freehold Tools & Equipment	472,618	486,314	-	958,931
Freehold Funiture & Fittings	1,869,247	805,947	-	2,675,194
Amortization of Ep Infrastructure	60,979,464	14,824,594		75,804,058
	97,145,896	27,533,451	-	124,679,347

11.3 **WRITTEN DOWN VALUE**	**Balance As at 01.04.2023 Rs.**	**Additions /Transfers /Acquisitions Rs.**	**Disposals/ Transfers Rs.**	**Balance As at As at Rs.**
Factory Land	42,900,000		-	**42,900,000**
Freehold Buildings	9,973,905		-	**10,917,746**
Freehold Salt Plants	28,853,910		-	**25,213,726**
Freehold Plant / Machineries & Water Pamb	9,412,920		-	**26,443,096**
Freehold Tractor	7,059,917		-	**7,117,348**
Freehold Motor Vehicles	-		-	**243,836**
Freehold Computer Equipment	1,755,690		-	**2,836,447**
Freehold Office Equipment	2,158,613		-	**3,645,168**
Freehold Laboratory Equipment	1		-	**1**
Freehold Tools & Equipment	2,006,128		-	**2,596,794**
Freehold Funiture & Fittings	1,746,248		-	**2,101,904**
Amortization of Ep Infrastructure	**35,282,027**			**20,457,433**
Total Value of Depreciable Assets	**141,149,358**		-	**144,473,498**

WORK IN PROGRESS ASSETS	**Balance As at 01.04.2023 Rs.**	**Additions /Acquisitions Rs.**	**Capitalized during the year/ Rs.**	**Balance As at 31.03.2024 Rs.**
Buildings		87,248,992	-	**87,248,992**
Salt Plants		8,394,078	-	**8,394,078**
Freehold Plant / Machineries & Water Pamb		78,433,620	-	**78,433,620**
		174,076,691	-	**174,076,691**

318,550,188.19

As at 31st March 2024 Fully depreciated asset amount is Rs 10,665,819.27 and revaluated asset amount is Rs 4,909,500/=

	2024	2023
Note 12	**Rs.**	**Rs.**

INVENTORIES
Stock Report 31.03.2024

Note 12.1
Finished Goods

	Stock Report 31.03.2024				2024 Rs.	2023 Rs.
	Elephantpass		Mannar			
	Quntity	Amount	Quntity	Amount		
Iodized Salt - 1kg Pkt			27.04	1,012,918		
Gaja iodized - 1kg Pkt			3.10	116,126		
Deep Tank Grd - 1	50.03	732,439	1,925.02	28,586,477		
Common Salt Grd 1	125.99	1,844,524				
Common Salt Grd 2	519.37	7,603,631				
Common Salt Grd 3	648.61	9,495,595				
Crush Salt Grd 1	0.00	-	14.85	284,972		
Non Iodated Washed Crystal Salt - Gr-1			7.75	115,088		
Crush Salt Grd 2	18.05	331,579				
Crush Salt Mud Salt	30.00	305,100				
Finished Goods	**1,392.05**	**20,312,868**	**1,977.76**	**30,115,581**	**50,428,449**	16,939,168

Note 12.2
Consumable Stock

	2024 Rs.	2023 Rs.
Diesel & Kerosene Oil	**1,234,445**	1,429,681
Packing Material	**15,349,158**	26,951,006
Building Materials	**2,795,063**	267,865
Pump Spare Parts	**4,215,519**	3,450,054
Thatching Materials	**1,100,483**	850,250
Tool Items	**1,455,133**	1,014,514
Other inventory items	**5,152,652**	5,152,652
Office Maintenance items	**2,201,454**	2,726,183
Machinery Spare Parts	**3,750,098**	639,787
	87,682,455	**59,421,161**

Note 13

FINANCIAL ASSESTS

Financial asset amortised cost

		2024 Rs.	2023 Rs.
Fixed Deposit - BOC	85912331	**13,711,792**	11,330,700
Fixed Deposit - BOC	86060727	**29,617,735**	25,149,016
Fixed Deposit - BOC	85912342	-	-
Fixed Deposit - BOC	85912313	-	-
Fixed Deposit - BOC	86060767	-	-
Fixed Deposit - BOC	86548386	-	-
Fixed Deposit - BOC	87832025	-	-
Fixed Deposit - BOC	88670491	-	-
Fixed Deposit - BOC	88670487	-	-
Fixed Deposit - BOC	89012273	**13,683,845**	11,216,438
Fixed Deposit - BOC	89012315	**13,683,845**	11,216,438
Fixed Deposit - BOC	89012317	**13,683,845**	11,216,438
Fixed Deposit - BOC	89012318	**13,683,845**	11,216,438
Fixed Deposit - BOC	89012322	**13,683,845**	11,216,438
Fixed Deposit - BOC	89012263	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012274	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012278	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012282	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012285	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012290	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012299	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012302	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012308	**12,340,253**	10,000,000
Fixed Deposit - BOC	89012312	**12,340,253**	10,000,000
Fixed Deposit - BOC	90450449	**49,169,973**	40,000,000
Fixed Deposit - BOC	90450435	**49,169,973**	40,000,000
		333,491,229	272,561,908

NATIONAL SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2023

	2024	2023
Note - 14	**Rs.**	**Rs.**
TRADE & OTHER RECEIVABLES		
Trade Debtors		
Treasury Fund (Elephant Pass Saltern Project)		
Deposits & Advances		
Interest income receivable	**23,648,268**	29,378,530
Advance Control:EP	**15,518**	-
Advance Control:HO	**90,119**	-
Advance Control:Mannar	**1,100**	-
Advance	**123,722**	-
Advance Payment for ConstructioN	**14,204,817**	-
VAT Receivable	19,158,994	-
With holding Tax	**3,203,382**	-
Wages Advance - EPS	12,000	-
Staff debtors		
Festival advances	829,000	639,750
Staff Loans	3,552,087	3,056,939
Staff Advance	37,195	150,000
	64,876,202	33,225,219

NATIONAL SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2024

Note - 15

		2024	2023
		Rs.	Rs.
CASH & CASH EQUIVALENTS			
Cash at bank			
Bank of Ceylon	: Wellawatte Branch	**18,042,794**	31,166,850
	: Mannar Branch	**175,291**	38,970
	: Killinochi Branch	**20,649**	360,403
	: Savings A/c	**168,342**	45,779,316
		18,407,076	77,345,538

Note - 16

	2024	2023
	Rs.	Rs.
STATED CAPITAL		
Stated Capital -300,000 Ordinary Shares (Issued and Fully paid)	**30,000,000**	30,000,000

Note - 17

	2024	2023
	Rs.	Rs.
REVENUE RESERVE		
Balance as at 01st April	**426,713,139**	317,628,964
Less: Dividend Payable / Paid During the Year	-	(5,722,080)
	-	311,906,884
Add: Profit for the year	**198,593,129**	134,806,255
Less: Dividend Payable / Paid During the Year	**(100,000,000)**	(20,000,000)
Balance as at 31st March	**525,306,268**	426,713,139

Note - 18

	2024	2023
	Rs.	Rs.
Government Grant		
Balance Brought Forward	35,282,026	50,106,618
During the Year Grant from Government	**100,000,000**	0
Charge to Proft & Loss during the Year	**(14,824,592)**	(14,824,592)
Carried forward	**120,457,433.68**	**35,282,025.91**

Note - 19

DEFERRED TAX LIABILITIES

	2024 Rs.	2023 Rs.
Balance as at 01st April	16,124,685	2,258,522
Less: Provision for the year through P&L	(2,529,710)	13,146,163
Add: Provision for the year through OCI	-	720,000
Balance as at 31st March	18,654,395.15	16,124,684.90

Note - 19.1
DISCLOSURE TO THE FS

	Temporary Difference Taxable /(Deductible)	Weighted Average I.T Rate	Deferred Tax as at 31st March 2024	Deferred Tax as at 31st March 2023
Property ,Plant & Equipment Timing Difference	73,637,818	30%	22,091,345	18,568,734
Retirement Benefit Obligation	(11,456,371)	30%	(3,436,911)	(3,164,050)
Revaluation Surplus	-	30%		720,000
Timing difference	62,181,447		18,654,434	16,124,684

NATIONAL SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 ST MARCH 2024

Note - 20

RETIREMENT BENEFIT OBLIGATIONS

	2024 Rs.	2023 Rs.
Balance as at 01st April	10,546,833	9,643,015
(+) Charge for the year	785,678	775,794
(+) Interest for the year	634,465	892,347
(+) Deficit/(Surplus) charge for the year	411,199	-448,686
Add: Provision for the year	1,831,342	1,219,457
	12,378,175	10,862,471
Less: Payments During the year	-921,803	-315,638
Balance as at 31st March	11,456,371	10,546,833
Normal Retirement Age (Years)	60.00	60.00
Expected Rate of Future Salary Increments	2.04%	,5%
Discount Rate (d)	10.5%	,10%
Staff Turnover Factor	,14.63%	,10%

Note - 21	2024 Rs.	2023 Rs.
TRADE & OTHER PAYABLES		
Refundable Deposits	1,803,803	2,618,513
Accrued Expenses	1,241,391	8,375,395
Salaries Payable	10,711,573	8,893,127
Uncollected Salaries	254,270	254,270
PAYE -(H/O & Mannar)	13,217	18,536
EPF Payable	2,276,580	1,581,034
ETF Payable	340,931	236,599
Audit Fee Payable	412,260	760,800
Bonus Provisions	3,495,025	3,422,839
Accounts Payable	7,135,954	-
Retention Payable	4,746,211	514,228
Sales Advance	-	104,000
Stamp Duty payable	19,250	11,850
VAT Payable	2,771,711	-
Building Rent Payable	1,800,000	-
Chairman Allowance payable	-	2,888
Salary Advance	-	210,000
Unidentified Deposits	3,000	-
Withholding Tax Payable	31,999	-
	37,057,174	26,998,303

NATIONAL SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2023

Note - 22	2024 Rs.	2023 Rs.
INCOME TAX		
Balance as at 01st April	36,358,203	10,924,427
Add: Provision for the year	86,770,710	44,919,479
ESC Paid		
Paid During the year	(49,241,040)	(19,330,000)
WHT Paid	-	(155,703)
Balance as at 31st March 2023	74,044,032	36,358,203

CAPITAL COMMITMENTS

There have been no material Capital Commitment that needs disclosure in the Financial Statements.

CONTINGENT LIABILITIES

Elephant pass saltern land is subject to lease payment for which the amount payable is uncertain

RELATED PARTY TRANSACTIONS

Therewere no transaction between the company and the related party during the year.