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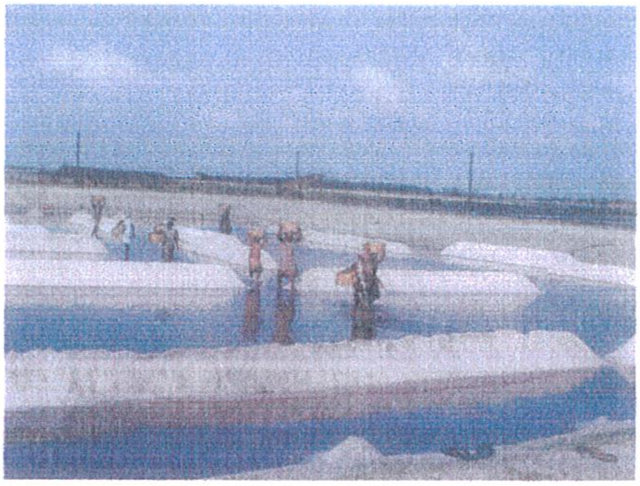
ஆண்டறிக்கையும் கணக்குகளும்

ANNUAL REPORT & ACCOUNTS

01-04-2019---31-03-2020



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மாந்தை உப்பு லிமிற்றெட்

MANTAI SALT LIMITED

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மாந்தை சோல்ட் லிமிட்டெட்

MANTAI 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

2019.04.01 – 2020.03.31

CONTENT

1. CHAIRMAN'S REVIEW

I, as the Current Chairman of National Salt Ltd, I do hereby express my review of the company Annual Accounts for the year 2019/2020. I have pleasure in welcoming you to the 2019/ 2020 Annual General Meeting of the Company and present to you the Annual Report & Accounts for the year ended 31st March 2020.

During the year of under review, Mantai Salt Ltd has achieved a turnover of Rs. 103,473,982 and generated Rs. 12,298,244.00 as a profit before tax in 2019/2020. In last year the MSL's turnover was Rs. 155,380,640 generated Rs. 41,7361,77 as a profit before tax. The reduction in the revenue happened due to the bumper harvesting in Puttalam area's salterns in year 2019 and the price of the salt was declined. Looking back on our performance from the beginning we can justifiable and be proud of our achievements in increasing our production capacity on last two years. Company has paid the payment of Rs. 1,959,638 as government taxes.

I am pleased to report to the shareholders that the company was able to play the role as the facilitator to develop & sustain the viable salt industry in Sri Lanka. The results achieved during the year 2019/2020, the earnings per share was Rs. 42.65

A total approved cadre for the year was 167. The existing permanent cadre strength was 62 as at 31.03.2020. I am pleased to record that we continue to receive the fullest cooperation from all employees at all levels.

Mantai Salt Ltd needs to strengthen its current capital base through infusion of new equity capital in order to fulfill the desired objectives successfully.

However, as a new Chairman, I assume duty in Feb, 2022. Since starting from Salt Department, according to data I have gathered company has focus of selling of raw salt other than value addition. So far, we have not able to produce table salt for market. Therefore, my main duty to implement the value-added products and in addition to that I have taken following measures.

1. Restructuring the company department vise to get more productivity.

2. Necessary action taken to increase production using existing land area by using new technology and to develop infrastructure facilities.

Contd. – P.T.O

3. I will take necessary measures to develop all un used land in the salterns.

4. Action to be taken to introduce a table salt packet to the market immediately, through value addition process.

5. To upgrade the quality of process salt and to get ISO standard by installation of PVD salt plant targeting export Market and food industry.

6. To implement distribution network Island wide.

7. To get maximum market share and to brand our salt & as no 1 brand in local market. Proposed to change the existing brand as "National Salt" to get more recognition.

8. To develop and operate Kurinchathivu saltern by NSL for the sustainability of NSL.

9. To increase dividend payment for the shareholder i.e. Treasury.

10. To fill the cadre to operate salterns in full capacity, finalization of disciplinary code preparation and to develop welfare facilities along with incentive scheme for NSL staff.

We are also gratified by the continuous encouragement & support given to us by Hon.Minister, Secretary and staff of the Ministry of Industries, Department of Public Enterprise, Ministry of Finance, State Authorities as well as the customers.

Mantai Salt Ltd is thus geared to meeting all challengers and responds quickly and effectively to the needs of our customers and thus ensure its continued success.

I dedicate my sincere thanks to all the chairmen who made their contribution to NSL specially former Chairmen Mr.M.M.Ameen and Mr.H.G.Wijetunga who served for NSL during that period and to my colleagues in the board and the management & staff for the support extended to me.

A.P.MORAGODA
CHAIRMAN

MESSAGE FROM THE GENERAL MANAGER

It is a great opportunity to express my message in the occasion of Annual General Meeting that Mantai Salt Ltd. carried out its activities, functions progressively and made profit in the period from 1st April 2019to 31st March, 2020.

In the current financial year it was able operate Mannar Saltern and Elephant pass saltern sucefully. The Elephantpass saltern administration again has come under Mantai Salt Limited from February 2015 as per the Extra Ordinary Gazette Notification No. 1897/15 of 15th January 2015. The 80% of renovation works are to completed with the financial assistantce of Treasury.

In this financial year our team could able to manufacture 6683 MT of salt for the year 2019/2020 against the budgeted quantity of 5500 MT in Mannar Saltern and could able to Manufacture 16,089 MT of salt for the year 2019/2020 against the budgeted quantity of 15,000 MT in Elephant pass Saltern. 7014 MT of salt was sold in the Mannar Saltern against the budgeted quantity of 5500 MT & 6049 MT of salt was sold in the Elephant Pass Saltern against the budgeted quantity of 15,000 MT in the forms of Common salt, iodized salt 1 Kg packets, industrial salt & crushed salt and the total net turnover for the year is Rs 103.47Million. Actual profit before taxation for this year Rs 12,298,244 as per accounts prepared.

We are very proud to say that our company not only providing service to the customers by selling the salt in reasonable price, but also have paid Rs.1.95 million as an income tax to the government, further the reasonable dividend amount to Treasury also will be paid.

The Management has set the goal to make Mantai Salt Limited to be one of the key salt producer in Sri Lanka with 18% of market share in 2024.

In this financial year the existing staff have been empowered through different kind of activities such as training for set target, appreciations, made provisions for basic facilities, bonus facilities and etc.

In conclusion I personally thank the Hon. Minister & Secretary, Ministry of Industries, the Chairman, Board of Directors and my staff for their heartiest contribution to the success of this company.

M.J.Thuwan Manzil.
General Manager

2. CORPORATE INFORMATION

Name of the Company	Mantai 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	1. Mr.M.M.Ameen - Chairman 2. Mr.P.A.S.A.Kumara – Director – Treasury 3. Mr.M.M.M.Uwais – 4. Dr.S.Mahenthiran 5. Mr.S.Jayarathna 6. Mr.S.J.Mark 7. Mr.J.M.Peiris From February 2020 1. Mr.H.G.Wijetunga - Chairman 2. Mr.R.D.M.U.S.C.Bandara - Treasury 3. Mr.W.P.Happuarachchi 4. Mr.Shantha Kumara 5. Dr.S.M.J.Dharmakeerthi
Observer	Mrs.A.Soyza (Ministry of Industries)
Board Secretary	Corporate Affairs (Pvt) Ltd.
Auditor	Government Auditors National Audit Office, SriLanka
Bankers	Bank of Ceylon

3. INTRODUCTION

3.1 Company Profile

Mantai Salt Ltd. has long history in salt production in Sri Lanka. It manufactures common salt, iodine mixed salt, crush salt and industrial salt. The major production area is located in Mannar and Elephantpass and its administrative office located in Colombo. The Elephant Pass Saltern has again assigned to the administration of the company and the production process started from mid 2016 onwards.

The Salt Corporation was started in 1938 and went through different administrative control and finally it was named as Mantai Salt Ltd from 2001 and now functioning under the purview of Ministry of Industries. The salt is being recognized as best in quality (96.5. % is Nacl) in compare to the harvested salt in other part of the country.

The Mantai Salt Ltd. not only functions as a natural resource utilization center also giving employment opportunities to the vulnerable people in the Mannar and Kilinochchi District. As at the date there are 62 permanent staff and 150 seasonal staff are employed by the institution. Mantai Salt Ltd is governing by the board which comprised by the members represent from Treasury and other Government & Private sector Institutions and it comes under the purview of Ministry of Industries. The Restructuring & Public Enterprice Division of the Ministry is monitoring and facilitating the legal and accountable matters of the company. As it is a government enterprise it is registered under the company Act. No. 7 of 2007 as a Limited Company to abide for the company rules. Meanwhile the institution is certified by the Sri Lanka Standard Institution to ensure the quality of the value added product. And also the company is being audited by Government Auditors from the year 2015 onwards.

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	2001/Sept.	Mannar Saltern under G.A. Mannar
2001/Oct.	Up to date	Mantai Salt Limited. (Salterns in Norther 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

Total production area of Mannar Saltern is 163 acres. Annual salt production is 6000 MT approximately, which is 3.3% of total salt production in Sri Lanka. As it is being a profit making organization it manages to do some development and maintenance activities along with staff salaries and welfare through the profit.

b) Elephant Pass Saltern

The total operational area of Elephantpass saltern is 750 acres and the production capacity is 25000 metric ton per annum in average.

The Saltern has been successfully renovated up to 80% and the production process started in year 2016 and has achieved 16,089MT at 2019/20.

Both Salterns are currently producing Common salt and preparing to do large scale value addition process by installing table salt plants in near future.

4.3 Production details

Saltern	22015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Mannar	3320	6045	6284	6249	6683
E.Pass		1048	7130	10314	16089
Total	**3320**	**7093**	**13414**	**16,563**	**22772**

4.4 Sales

Year	Sales(MT)	Revenue(MN) Rs
2014/2015	5176	49.0
2015/2016	5063	62.3
2016/2017	3337	93.8
2017/2018	6094	83.7
2018/2019	16,146	155.38
2019/2020	13063	103.47

5 Proposed future development plant.

a) Mannar Saltern

1) The company has sucessfuly commissioned a 2MT /H crystal salt plant, at the moment the packeting process started and selling through the distributors/wholesale buyers in the district.

   The company is in the process of expanding the crystal salt packet process for 3000MT/annum and is in the process of developing marketing and sales unit accordingly.

   Further, it has been planned to upgrade the plant by fixing a table salt plant annexure and to produce table salt.

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

b) Elephant Pass Saltern

1. Rehabilitate the saltern with full capacity to start production in 750 acres.
2. Commissiong a 5MT/H Table Salt Plant is in process.

5.1 Considerable out-put of these development activities.

- The production and sales of the crystalized salt by the new plant will help to penetrate and expand the market area and it will ensure the viability in market to the company.
- The storing or stock holding period will be reduced by the increased and faster sales.
- The employment opportunities will be created based on the expansion of needs.
- The increasing profit will lead to give more welfare facilities and benefits to the employees.
- The requirement of the Sri Lanka Standard Institute will be fulfilled and the quality is maintained.
- The production and retail sales will contribute to eradicate Iodine deficiency problem by making product available in the rural market for reasonable price.
- Considerable dividend will be paid to the Treasury and also the Government will receive taxes such as VAT and NBT for nation development which will lead ultimate benefit for public.

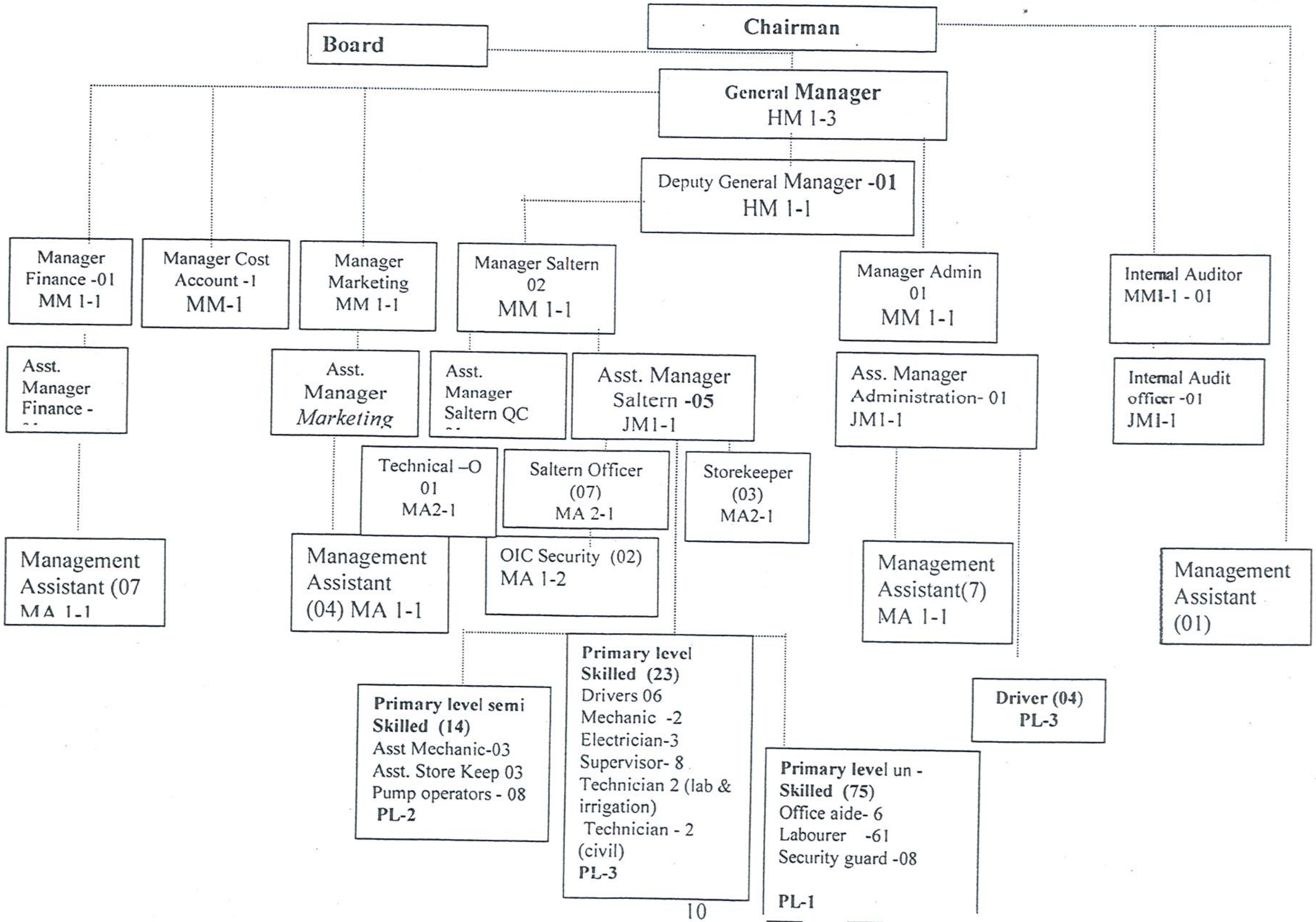
6. FINANCIAL HIGHLIGHTS

For the Year ended	unit	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
31st March							
Production	MT	22,772	16,563	13,414	7,093	3,320	5,220
Sales	MT	13,063	16,146	6,094	3,337	5,063	5,176
Revenue	Rs.	103,473,982	155,380,640	83,796,285	93,873,827	62,370,254	49,018,196
Gross Profit	Rs.	19,170,216	47,041,469	36,053,276	49,613,129	13,190,129	21,194,992
Net Profit	Rs.	12,796,333	35,176,712	27,789,256	33,516,078	275,429	4,457,567
Net Assets							
Total Non-Current Assets	Rs.	149,768,539	198,751,368	160,315,681	116,333,097	99,832,834	99,767,254
Total Current Assets	Rs.	146,737,592	103,592,678	115,702,454	48,219,902	35,129,574	23,177,470
Less-Non-Current Liabilities	Rs.	(9,296,086)	(11,387,535)	(10,433,573)	(9,440,173)	(9,072,218)	(8,251,015)
Less-Current Liabilities	Rs.	(12,657,428)	(19,574,079)	(24,752,393)	(12,105,527)	(16,398,968)	(5,216,777)
		274,552,617	**271,382,432**	**240,832,169**	**143,007,300**	**109,491,222**	**109,476,932**
Shareholder's Funds							
Issued Share Capital	Rs.	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Reserves	Rs.	244,552,617	241,382,432	210,832,169	113,007,300	79,491,222	79,476,932
		274,552,617	**271,382,432**	**240,832,169**	**143,007,300**	**109,491,222**	**109,476,932**
Revenue to Government							
Income Tax	Rs.	(498,090)	6,559,465	5,237,520	4,869,106	532,349	3,597,467
Earning per share	Rs.	42.65	117.25	92.63	111.72	1.00	14.86

7. DETAILS OF KEY STAFF OFFICERS

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. R. Fathima Rasik	Assistant Manager-Admin	B.A /Dip HR	Since August 2016
Ms. S.J.Jinadasa	Internal Audit Officer	G.C.E. Advance level AAT satge 1& 2 & Dip in HR	Since April 2012
Mr. E.Vijayan	Assistant Manager-Saltern	G.C.E. Advance level	Since Apr. 2002

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 2020.

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 2020

	Rs.
Sale of salt	103,473,982
Total Turnover	103,473,982
Cost of sales	84,303,766
Gross Profit	19,170,216
Net Profit / (after tax) for the period	**12,796,334**
Earnings per share	**42.65**

Directors.

The following were the Directors of the company during the year 2019/20.

Mr.M.M.Ameen - Chairman
Mr.P.A.S.A.Kumara – Director – Treasury
Mr.M.M.M.Uwais –
Dr.S.Mahenthiran
Mr.S.Jayarathna
Mr.S.J.Mark
Mr.J.M.Peiris
Ms.W.N.Anjali zoysa – Observer

From February 2020

Mr.H.G.Wijetunga - Chairman
Mr.R.D.M.U.S.C.Bandara - Treasury
Mr.W.P.Happuarachchi
Mr.Shantha Kumara
Dr.S.M.J.Dharmakeerthi

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, SriLanka.

By order of the Board

Company Secretary

AUDITED ACCOUNTS
2019/2020

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. PAS/B/MSL/01/20/05

මබේ අංකය / உமது இல. / Your No.

දිනය / திகதி / Date 15 February 2022

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22 FEB 2022
NATIONAL SALT LTD.

Chairman

Mantai Salt Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Mantai Salt Limited for the year ended 31 March 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

The above mentioned report is sent herewith.

W.P.C. Wickramaratne
Auditor General

Copies: 01. Secretary, Ministry of Industries

02. Secretary, Ministry of Finance

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව
இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை.
No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34

මගේ අංකය / எனது இல. / My No. PAS/B/MSL/01/20/05 — ඔබේ අංකය / உமது இல. / Your No. — දිනය / திகதி / Date 15 February 2022

Chairman
Mantai Salt Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Mantai Salt Limited for the year ended 31 March 2020 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Mantai Salt Limited ("Company") for the year ended 31 March 2020 comprising the statement of financial position as at 31 March 2020 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and 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. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities.

1.2 Basis for Qualified Opinion

(a) As per paragraph 17.21 of the Sri Lanka Accounting Standard for Small and Medium – sized Enterprises, when determining useful life of assets, the Company shall consider the expected usage of the asset, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvement in production. Contrary to that the Company had used 10 percent for computer equipment and vehicles without considering these factors. Further, Company had not taken action to evaluate the indications that may cast on the above mentioned facts and amend the spam of life time of assets up to end of year under review as per paragraph 17.19 of SLFRS for SME. As a result, assets at a cost of Rs.3,890,513 were fully depreciated at the time of preparing financial statements are still used by the Company.

(b) As per paragraph 17.33 of the Sri Lanka Accounting Standard For Small and Medium – sized Enterprises, the Company shall disclose effective date of the revaluation, detail of valuer, the carrying amounts recognized and revaluation surplus. Contrary to that the Company had not shown any details on the revaluation amount of Rs 2,400,000 shown under Capital and reserves.

(c) Even though in the financial statements as at 31 March 2020, included the value of land and written down value of building and structures of Mannar saltern, amounting to Rs.42,900,000 and Rs. 13,675,334 respectively had shown as assets of the Company year under review without get transferred the ownership of those assets to the Company.

(d) Without get transferred, the ownership of the land of Elephant Pass saltern to the Company, a sum of Rs. 83,922,553 had been expended from 2016/17 to 2018/19 by the Company to construct buildings and renovation of saltern.

Further, the cumulative government grant of Rs. 96,261,491 had released as at 31 March 2020 for the rehabilitation of Elephant pass saltern. This grants had been used for constructing building, renovations of saltern and acquiring assets of Rs. 26,601,895, Rs. 57,320,658 and Rs. 12,338,938 respectively. However, the Company had not identified these assets under relevant category under fixed asset in the financial statements and depreciated accordingly.

As a result, impairment of government grant under Noncurrent liabilities in the statement of the financial position had been understated by Rs.4,374,147 as at 31 March 2020.

(e) Depreciation of the building of the year under review had been over stated by Rs. 1,534,553 due to the 10 percent depreciation rate had been used, instead of use the pre determined depreciation rate of 5 percent for calculation of depreciation of building in Mannar and Elephant pass saltern.

(f) As per section 16 (2) (b) of Inland Revenue Act No. 24 of 2017, capital allowance can be deducted for depreciable assets owned or used by the Company at the end of year of assessment. Contrary to that the Company had not considered as capital allowances for computation of assessable income for the purchased assets using government grant of Rs.9,422,796 up to 31 March 2020. As a result, provision for Income tax had been over stated and the profit for the year under review had been understated by Rs. 263,838.

(g) The difference of 1,307.36 MT of salt stock in Elephant Pass Salten, which was 8.6 percent of the stocks and approximately equivalent to the value of Rs. 5, 459,535 between physical verification report and book balance as at 31 March 2019 (allowable 1 percent as per Chairman's comments). This difference had been accumulated from year 2016 onwards. However, the Company had not taken actions to investigate the stock shortage and to adjust the same in the financial statements.

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 my 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 Company's 2019/20 Annual Report.

The other information comprises the information included in the Company's 2019/20 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Company's 2019/20 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

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

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 such internal control as management determine is 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per 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 of the Company.

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 an auditor's report 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 skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. 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 National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.

2.1.1 Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163(2)(d) of the Companies Act, No. 7 of 2007 and section 12(a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements of the Company comply with the requirement of section 151 of the Companies Act, No. 07 of 2007.

2.1.3 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act, No. 19 of 2018.

2.1.4 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6(1)(d)(iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained which limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal course of business as per the requirement of section 12(d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12(f) of the National Audit Act, No. 19 of 2018.

2.2.3 to state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 to state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12(h) of the National Audit Act, No. 19 of 2018.

2.3 Other Matters

The Company had not taken steps to recover the Economic Service Charge remaining over two years amounted to Rs. 1,577,310. Further, Income tax provision amounting to Rs.673,493 had not been settled over 04 years, and withholding tax paid amounting to Rs.1,193,214 had not been recovered.

W.P.C. Wickramaratne
Auditor General

MANTAI SALT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

MANTAI SALT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	2020	2019
		Rs.	Rs.
Revenue	(3)	103,473,982	155,380,640
Cost of Sales		(84,303,766)	(108,339,171)
Gross Profit		19,170,216	47,041,469
Other Operating Income	(4)	12,414,565	14,715,364
		31,584,782	61,756,833
Administrative Expenses		(18,368,420)	(18,866,533)
Sales & Distribution Expenses		(875,422)	(1,037,255)
Operating Profit		12,340,940	41,853,045
Finance Expenses	(5)	(42,696)	(116,868)
Profit before Tax	(6)	12,298,244	41,736,177
Income Tax	(7)	498,090	(6,559,465)
Profit for the year after Tax		12,796,333	35,176,712

MANTAI SALT LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020		2020	2019
ASSETS	**Notes**	**Rs.**	**Rs.**
Non-Current Assets			
Property, Plant & Equipment	(8)	149,768,539	154,751,368
Financial Assets	(9)		44,000,000
		149,768,539	**198,751,368**
Current Assets			
Inventories	(10)	82,200,826	61,098,538
Trade & Other Receivables	(11)	5,408,790	9,327,017
Cash & Cash Equivalents	(12)	59,127,976	33,167,123
		146,737,592	**103,592,678**
Total Assets		**296,506,131**	**302,344,046**
EQUITY & LIABILITIES			
Capital and Reserves			
Stated Capital	(13)	30,000,000	30,000,000
Revaluation Reserve		2,400,000	2,400,000
Revenue Reserve	(14)	174,269,602	161,473,269
Total Equity		**206,669,602**	**193,873,269**
Non-Current Liabilities			
Government Grants	(15)	67,883,015	77,509,163
Deferred Tax Liability/ (Assets)	(16)	(70,342)	2,387,386
Retirement Benefit Obligations	(17)	9,366,428	9,000,149
		77,179,101	**88,896,698**
Current Liabilities			
Trade & Other Payables	(18)	13,377,845	17,805,614
Income Tax Payable /(Recoverable)	(19)	(720,417)	1,768,465
		12,657,428	19,574,079
Total Equity and Liabilities		**296,506,131**	**302,344,046**

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

25/03/2021

DATE

FINANCE MANAGER

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
DIRECTOR	1. H. G. Wijetunga	
DIRECTOR	2. R.D.M.U.G.S.C. Bandara	
DATE OF APPROVAL BY THE BOARD	25/03/2021	

MANTAI SALT LIMITED

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

	Stated Capital	Revaluation Reserves	Revenue Reserves	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2018	30,000,000	2,400,000	126,296,557	158,696,557
Net Profit for the year		-	35,176,712	35,176,712
Balance as at 31st March 2019	30,000,000	2,400,000	161,473,269	193,873,269
Net Profit for the year			12,796,333	12,796,333
Balance as at 31st March 2020	30,000,000	2,400,000	174,269,602	206,669,602

MANTAI SALT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st MARCH, 2020

	2020 Rs.	2019 Rs.
Cash Flow from Operating Activities		
Operating Profit / (Loss) before Tax	12,298,244	41,736,177
Adjustments for		
Depreciation	4,535,209	3,027,833
Amortization		
Gratuity Provision	1,710,305	1,325,791
Fixed Deposit Interest Income	(628,251)	(2,420,732)
Savings Interest Income	(1,129,436)	(2,148,060)
	4,487,827	(215,169)
Operating Profit for the year before Changes in Working Capital	16,786,070	41,521,009
Changes in Working Capital		
(Increase)/Decrease in Inventories	(21,102,288)	4,478,821
(Increase)/Decrease in Trade & Other Receivables	3,918,227	16,409,343
Increase/(Decrease) in Trade & Other Payables	(4,427,769)	(4,742,121)
	(21,611,830)	16,146,043
Cash Generated from Operations	(4,825,759)	57,667,051
Gratuity Paid	(1,344,026)	(222,313)
Income Tax/WHT Paid	(4,448,519)	(7,145,174)
	(5,792,544)	(7,367,487)
Net cash in flow from Operating Activities	(10,618,304)	50,299,564
Cash flow from Investing Activities		
Property, Plant & Equipment	(9,178,530)	(18,237,470)
Saltern Rehabilitation Expenses	-	(4,999,700)
Investment Withdrawals	44,000,000	16,147,501
Investment in Fixed Deposits	-	(44,000,000)
Fixed Deposit Interest Income	628,252	2,420,732
Savings Interest Income	1,129,436	2,148,060
Net cash out flow from Investing Activities	36,579,157	(46,520,876)
Cash flow from Financing Activities		
Government Grant received	-	4,999,700
Net cash in flow from Financing Activities	-	4,999,700
Net Increase in Cash & Cash equivalents during the year	25,960,854	8,778,388
Cash & Cash Equivalents at the beginning of the year	33,167,123	24,388,735
Cash & Cash Equivalents at the end of the year	59,127,977	33,167,123
Analysis of Cash and Cash Equivalents at the end of the year		
Cash at Bank	59,109,372	33,150,241
Cash In Hand	18,605	16,882
	59,127,977	33,167,123

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

1. Corporate Information

1.1 Reporting Entity

Mantai Salt Limited is a limited liability company incorporated and domiciled in Sri Lanka and public enterprise under the Ministry of Industry and Commerce (Fully owned by the Government) in 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 Grand Bazaar, 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 in the form of Located Salt, Crush salt and Industrial Salt in Sri Lanka.

1.3 The notes to the Financial Statements on pages (05) to (26), form an integral part of the Financial Statements.

1.4 The number of employees at the end of the year was 67 (2019- 66).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Statement of Compliance

The Financial Statements have been prepared on 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.

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MANTAI SALT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

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 re-classified 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.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

2.1.7 Taxation

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. 10 of 2006.

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 utilised. 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 realised.

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.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

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:

Contd....

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

Property, Plant & Equipment (Contd..)

- The cost of materials and direct labour;
- 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 capitalised 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 recognised in other operating income in the Statement of Income. When revalued assets are sold, any related amount included in the revaluation surplus reserves are transferred to retained earnings.

Subsequent costs

The cost of replacing a component of an item of property or equipment is recognised 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 derecognised. The costs of day-to-day servicing of property and equipment are recognised 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.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

Depreciation

Depreciation is recognised 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. 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%
All Plant & Machinery	Over 10 years @ 10%
All Equipment	Over 10 Years @ 10%
All Furniture	Over 10 years @ 10%

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.

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 capitalised 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.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

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 interest.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

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:

Amortised 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 amortised 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 recognised 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 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 recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised 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 amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

(D) Impairment
The company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised 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

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

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 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.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

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.

(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. Interest income is recognized on 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, 2019 to March 31, 2020

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

		2020	2019
		Rs.	Rs.
(3)	**REVENUE**		
	Sale of Salt	103,473,982	155,380,640
		103,473,982	155,380,640
(4)	**OTHER INCOME**		
	Government Grant	9,626,148	9,626,149
	Factory Quarters Rent	154,597	158,153
	Circuitbungalow rent	316,000	235,000
	Interest on Staff Loans	131,766	126,228
	Fixed Deposit Interest	628,252	2,420,732
	Savings interest	1,129,436	2,148,060
	Other Income	473,929	145,644
	Loss on Fixed asset Disposal	(45,562)	(144,603)
		12,414,565	14,715,364
(5)	**FINANCE CHARGES**		
	Bank Charges	42,696	116,868
		42,696	116,868

(6) PROFIT BEFORE TAX

Net Profit before tax is stated after charging all expenses including the following;

	2020	2019
Chairperson's Emoluments	1,009,915	1,375,708
Board Member's Fees	1,012,017	1,614,600
Depreciation	4,928,025	2,848,146
Audit Fee	350,000	368,965

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020

			2020	2019
			Rs.	Rs.
(7)	**INCOME TAX SUMMARY**			
	Income Tax Provision for the Year	(7.1)	1,959,638	6,708,981
	Deferred Tax Provision for the Year		(2,457,728)	(149,516)
			(498,090)	6,559,465

			2020	2019
(7.1)	Accounting Profit Before Tax		12,298,244	41,736,177
	Income does not part from Trade or Business		(1,757,687)	(4,568,793)
	Adjustments related to Disallowable Items		6,836,955	(2,871,862)
	Adjustments related to Depreciation Allowances		(6,895,473)	(2,871,862)
	Profit/(Loss)from Trade or Business		10,482,037	31,423,661
	Statutory Income from Interest		1,757,687	4,568,793
	Statutory Income		12,239,725	35,992,454
	Tax on Income Taxable at Special Rate@14%	10,482,037.49	1,467,485	5,429,719
	Statutory Tax Rate @28%	1,757,687.35	492,152	1,279,262
	Provision for the year		1,959,638	6,708,981

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

(8) PROPERTY, PLANT & EQUIPMENT

Type of Asset	Cost as at 01.04.2019	Additions	Disposals	Cost as at 31.03.2020	Rate of Dep	Acc. Dep. As 01.04.2019	Dep. For the year	Acc. Dep. On Disposals	Acc. Dep. As 31.03.2020	W.D.V. as at 31.03.2020	W.D.V. as at 31.03.2019
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Head Office											
Computer with Accessories	555,600	-		555,600	10%	492,735	55,560		548,295	7,305	62,865
Photocopier	90,950	-		90,950	10%	90,950	0		90,950	0	0
Fax Machine	85,650	-	(65,650)	20,000	10%	85,650		(65,650)	20,000	-	0
Cellular Phone	26,490	-		26,490	10%	23,540	2,649		26,189	301	2,950
Furniture	335,969	-		335,969	10%	306,308	29,661		335,969	0	29,661
Calculator	2,740	-		2,740	10%	2,740	0		2,740	-	0
Camera	26,100	-		26,100	10%	20,294	2,610		22,904	3,196	5,806
Printer Machine HP	36,000	-		36,000	10%	22,907	3,600		26,507	9,493	13,093
Name Board	35,400	-		35,400	10%	27,670	3,540		31,210	4,190	7,730
Office Equipment - Wall Clocl	2,600	-		2,600	10%	2,600	0		2,600	-	0
Other Equipment - Fans	8,250	-	(3,500)	4,750	10%	5,150	539	(3,500)	2,189	-	3,100
Petty Cash Box	2,800	-		2,800	10%	1,797	280		2,077	723	1,003
Laptop	471,579	74,000		545,579	10%	153,291	54,558		207,848	337,730	318,288
Web Page Designing	23,500	-		23,500	10%	9,400	2,350		11,750	11,750	14,100
Chairman Room Furniture's	98,839	-		98,839	10%	39,535	9,884		49,419	49,419	59,303
Dialog Dongle	5,390	-		5,390	10%		-			5,390	5,390
Iron Cupboard 2 No's	58,329	-		58,329	10%	19,569	5,833		25,402	32,927	38,760
Finger Print Machine	147,950	-		147,950	10%	27,040	14,795		41,835	106,115	120,910

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

(8) PROPERTY, PLANT & EQUIPMENT (CONTD)

Type of Asset	Cost as at 01.04.2019 Rs.	Additions Rs.	Disposals Rs.	Cost as at 31.03.2020 Rs.	Rate of Dep	Acc. Dep. As 01.04.2018 Rs.	Dep. For the year Rs.	Acc. Dep. On Disposals Rs.	Acc. Dep. As 31.03.2020 Rs.	W.D.V. as at 31.03.2020 Rs.	W.D.V. as at 31.03.2019 Rs.
Mannar Factory											
Factory Land	42,900,000	-		42,900,000	-		-			42,900,000	42,900,000
Factory Building	3,302,504	-		3,302,504	5%	1,280,582	165,125		1,445,707	1,856,797	2,021,922
Machinery & Equipment	1,847,887	-		1,847,887	10%	1,335,934	184,789		1,520,723	327,164	511,953
Buildings	844,160	-		844,160	10%	774,714	69,446		844,160	0	69,446
Pump House Building	271,653	-		271,653	10%	110,925	27,165		138,090	133,562	160,728
Drying Pad Building	17,205	-		17,205	10%	6,523	-479.50		6,044	11,161	10,682
Furniture & Fittings	747,169	-		747,169	10%	341,101	74,716.90		415,818	331,351.20	406,068
Laboratory Equipment	1,013,780	-		1,013,780	10%	665,180	101,378		766,558	247,222	348,600
Name Board	32,300	-		32,300	10%	23,370	3,230		26,600	5,700	8,930
Electric Weighing Machine	177,636	-		177,636	10%	138,397	17,764		156,160	21,476	39,240
Push Carts	88,380	-		88,380	10%	88,380	-		88,380	0.00	0
Water Pump	668,714	55,000		723,714	10%	546,406	72,371		618,777	104936.60	122,308
Aluminium Folding Ladder	4,100	-		4,100	10%	4,100	-		4,100	0.00	0
Crushing Machine	356,845	-		356,845	10%	356,845	-		356,845	0.00	0
Refrigerator	33,500	-		33,500	10%	33,500	-		33,500	0.00	0
Motor Bicycle	99,475	-		99,475	10%	99,475	-		99,475	0.00	0
Motor Tricycle	207,992		(207,992)	0	10%	207,992		(207,992)	0	0.00	0
Fan	27,025	-		27,025	10%	21,915	2,703		24,618	2,407	5,110
Tractor	3,297,300	-		3,297,300	10%	1,476,544	329,729		1,806,273	1,491,027	1,820,756
Computers	651,442	-		651,442	10%	338,015	72,863		410,878	240,564	313,427
Tools	31,110	-		31,110	10%	36,457	-5,347		31,110	0	-5,347
Sprayer	25,900	-		25,900	10%	25,900	0		25,900	0	0
Laptop	131,000	74,000		205,000	10%	52,400	13,100		65,500	139,500	78,600
Tractor Trailer	303,000	-		303,000	10%	183,200	30,300		213,500	89,500	119,800
Tent for Salt Heap	22,000	-		22,000	10%	6,600	2,200		8,800	13,200	15,400
Top Scale Balance	6,230	-		6,230	10%	2,492	623		3,115	3,115	3,738
ADSL Router	3,190	-		3,190	10%	1,276	319		1,595	1,595	1,914
Circuit Bungalow Const.	8.548,421	-		8,548,421	5%	854,842	427,421		1,282,263	7,266,158	7,693,579
		-		0							

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

(8) PROPERTY, PLANT & EQUIPMENT (COND...)

Type of Asset	Cost as at 01.04.2019	Additions	Disposals	Cost as at 31.03.2020	Rate of Dep	Acc. Dep. As 01.04.2019	Dep. For the year	Acc. Dep. On Disposals	Acc. Dep. As 31.03.2020	W.D.V. as at 31.03.2020	W.D.V. as at 31.03.2019
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plate Compactor	135,000	-	-	135,000	10%	128,232	6,768		135,000	0	6768
Water Tank	10,900	-	-	10,900	10%	10,643	257		10,900	0	257
Photocopier	206,273	-	-	206,273	10%	165,613	20,627		186,240	20,033	40660.46
Water Filter	7,550	-	-	7,550	10%	6,766	755		7,521	29	784
Telephone	4,600	-		4,600	10%	2,367	141		2,508	2,092	2232.84
Cycle	12,750	-	-	12,750	10%	11,653	1,097		12,750	0	1097
Truck TATA	1,156,250	-	-	1,156,250	10%	1,066,918	89,332		1,156,250	0	89332
Generator	100,929	-	-	100,929	10%	90,088	10,093		100,181	748	10840.8
Welding Plant	56,900	-	-	56,900	10%	48,560	5,690		54,250	2,650	8340
Fax Machine	40,500	-	-	40,500	10%	34,530	4,050		38,580	1,920	5970
Water Proof Weighing Scale ,	91,673	-	-	91,673	10%	71,726	9,790		81,516	10,157	19946.9
Submersible Pump	2,548,558	-	-	2,548,558	10%	1,063,913	254,856		1,318,769	1,229,789	1484645.06
Sealer Machine 8"	0	14,000		14,000	10%	0	1,400		1,400	12,600	0
Band Sealer Machine		110,000		110,000	10%					110,000	
Weighbridge	1,995,773	-	-	1,995,773	10%	1,516,414	199,977		1,716,391	279,382	479359.2
Pen Drive	2,000	-	-	2,000	10%	1,592	200		1,792	208	408.09
Bed	14,000	-	-	14,000	10%	10,920	1,400		12,320	1,680	3080
Steel Cabinet 4 Drawers	27,028	-	-	27,028	10%	17,446	2,703		20,149	6,878	9581.19
Lamp Charger	1,550	-	-	1,550	10%	1,178	155		1,333	217	372
Key Board	3,000	-	-	3,000	10%	2,247	300		2,547	453	753
Stitching Charge for tarpaulin	17,010	-	-	17,010	10%	17,010	0		17,010	0	0
Crystal Salt Plant	13,668,213	5,793,082		19,461,295	10%		1,946,130		1,946,130	17,515,165.8	13668212.98
Crystal Salt Plant- Building	1,178,143	3,461,496		4,639,638	5%		231,982		231,982	4,407,656.3	1178142.5

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

(8) PROPERTY, PLANT & EQUIPMENT

Type of Asset	Cost as at 01.04.2019	Additions	Disposals	Cost as at 31.03.2020	Rate of Dep	Acc. Dep. As 01.04.2019	Dep. For the year	Acc. Dep. On Disposals	Acc. Dep. As 31.03.2020	W.D.V. as at 31.03.2020	W.D.V. as at 31.03.2019
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Chemmani Factory											
Office Building	161,236	-	(161,236)	0	5%	115,674	0	(115,674)	0	0	45,562.40
Water Pump	336,625	-		336,625	10%	336,625	0		336,625	0	-
Water Tank - Cart	37,500	-	-	37,500	10%	37,500	0		37,500	0	-
Hero Push Bicycle	21,060	-	-	21,060	10%	21,060	0		21,060	0	-
Furniture	61,500	-		61,500	10%	61,500	0		61,500	0	-
Equipment	15,261	-		15,261	10%	15,261	0		15,261	0	-
Spring Balance	19,500	-	-	19,500	10%	19,500	0		19,500	0	-
Tools -Sprayer	8,500	-	-	8,500	10%	8,500	0		8,500	0	-
Fax Machinery	17,250	-	-	17,250	10%	17,084	166		17,250	0	166.00
CDMA Phone	4,620	-	-	4,620	10%	3,534	462		3,996	624	1,086.00
Generator	100,928	-	-	100,928	10%	100,928	0		100,928	0	-
Elephant Pass							-			-	-
Solex Submersible Pumps	300,000	-	-	300,000	10%	90,000	30,000		120,000	180,000	210,000.00
Water Pumps-2 nos HP 7.5 2"	471,200	-	-	471,200	10%	141,360	47,120		188,480	282,720	329,840.00
Washrooms	40,000	-	-	40,000	10%	10,000	2,000		12,000	28,000	30,000.00
Furniture	620,740	-	-	620,740	10%	118,581	65,043		183,624	437,116	502,159.00
Lap top	265,800	-	-	265,800	10%	39,180	26,580		65,760	200,040	226,620.00
Computer Accessories	12,500			12,500	10%	1,250	1,250		2,500	10,000	11,250.00
Airconditioners	309,000	-		309,000	10%	61,800	30,900		92,700	216,300	247,200.00
Double drumroller	1,560,000	-		1,560,000	10%	312,000	156,000		468,000	1,092,000	1,248,000.00
Refridgerator	55,250	-		55,250	10%	5,525	5,525		11,050	44,200	49,725.00
Capital WIP -Crushing Plant Building		35,330		35,330						35,330	
Total	93,371,120.89	9,616,908.01	(438,378)	102,549,651		16,128,917	4,928,025	(392,816)	20,664,126	81,885,525	77,242,203.82
Elephant Pass Saltern Rehab	96,261,492	-		96,261,492	10%	18,752,328	9,626,149		28,378,477	67,883,015	77509163.72
Total	189,632,613	0		198,811,142.81		34,881,245	9,626,149		49,042,603	149,768,539	154,751,368

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

		2020	2019
		Rs.	Rs.
(9) FINANCIAL ASSESTS			
Held to Maturity Financial Asset's			
Fixed Deposit - BOC	1470567	-	20,000,000
Fixed Deposit - BOC	1384716	-	7,000,000
Fixed Deposit - BOC	1199365	-	10,000,000
Fixed Deposit - BOC	1384717	-	7,000,000
		-	44,000,000

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

	2020 Rs.	2019 Rs.
(10) INVENTORIES		
Finished Goods	76,737,513	56,311,817
Diesel & Kerosene Oil	198,318	46,323
Packing Material	920,384	461,209
Building Materials	1,165,242	556,067
Pump Spare Parts	1,574,274	1,656,757
Printing & Stationery	332,420	323,856
Tool Items	376,429	337,771
Other inventory items	5,594	501,996
Chemical Items	133,760	143,085
Machinery Spare Parts	756,891	759,656
	82,200,826	61,098,538

	2020	2019
(11) TRADE & OTHER RECEIVABLES		
Trade Debtors	790,571	34,211
Treasury Fund (Elephant Pass Saltern Project)	811,706	3,367,779
Deposits & Advances		
Interest income receivable	-	2,370,410
Staff debtors		
Festival advances	623,125	683,625
Staff Loans	3,183,388	2,820,991
Staff Advance	-	50,000
	5,408,790	9,327,016

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

		2020	2019
		Rs.	Rs.
(12)	CASH & CASH EQUIVALENTS		
	Cash at bank		
	Bank of Ceylon - Wellawatte Branch	4,549,688	1,787,598
	- Mannar Branch	893,713	408,809
	- Killinochi Branch	1,393,751	323,891
	- Savings A/c	49,772,219	17,629,942
	LC Margin for Import of Crystal Salt Plant	2,500,000	13,000,000
	Cash in Hand		
	Petty Cash	18,605	16,882
		59,127,976	33,167,123

		2020	2019
(13)	STATED CAPITAL		
	Stated Capital -300,000 Ordinary Shares (Issued and Fully paid)	30,000,000	30,000,000

		2020	2019
(14)	REVENUE RESERVE		
	Balance as at 01st April	161,473,269	126,296,556
	Add: Profit for the year	12,796,333	35,176,712
	Balance as at 31st March	174,269,602	161,473,269

		2020	2019
(15)	Government Grant		
	Balance Brought Forward	77,509,163	82,135,613
	During the Year Grant from Government		4,999,700
	Charge to Proft & Loss during the Year	(9,626,148)	(9,626,149)
	Carried forward	67,883,015	77,509,163

		2020	2019
(16)	DEFERRED TAX LIABILITIES		
	Balance as at 01st April	2,387,386	2,536,902
	Add: Provision for the year	(2,457,728)	(149,516)
	Balance as at 31st March	(70,342)	2,387,386

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

(17) RETIREMENT BENEFIT OBLIGATIONS

	2020 Rs.	2019 Rs.
Balance as at 01st April	9,000,149	7,896,671
(+) Charge for the year	***884,306.18***	890,383
(+) Interest for the year	***770,225.63***	768,868
(+) Deficit/(Surplus) charge for the year	***55,773.53***	(333,461)
Add: Provision for the year	1,710,305	1,325,791
	10,710,454	9,222,462
Less: Payments During the year	(1,344,026)	(222,313)
Balance as at 31st March	9,366,428	9,000,149
Normal Retirement Age (Years)	60	60
Expected Rate of Future Salary Increments	5%	5%
Discount Rate (d)	10%	10%
Staff Turnover Factor	10%	10%

(18) TRADE & OTHER PAYABLES

	2020 Rs.	2019 Rs.
Refundable Deposits	457,600	132,315
Accrued Expenses	1,183,296	927,590
Salaries Payable	2,599,016	4,255,377
PAYE -(H/O & Mannar)	-	7,486
EPF Payable	2,083,295	1,413,710
ETF Payable	312,560	212,056
Audit Fee Payable	1,690,000	1,340,000
Bonus Provisions	2,102,157	2,093,602
Provision Company Registration	100,000	100,000
Refundable Deposit for Cadjans	62,000	2,000
Value Added Tax (VAT)	-	1,489,305
Nation Building Tax (NBT)	-	70,261
Capital Expenses Payable	110,000	5,309,291
Retention Payable	2,663,275	436,100
Sales Advance	13,021	13,021
Stamp Duty payable	1,625	3,500
	13,377,845	17,805,614

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2020

(19) INCOME TAX

	2020 Rs.	2019 Rs.
Balance as at 01st April	1,768,465	2,204,658
Add: Provision for the year	1,959,638	6,708,981
ESC Paid	(479,087)	(697,915)
Paid During the year	(3,823,855)	(6,218,695)
WHT Paid	(145,577)	(228,564)
Balance as at 31st March 2020	(720,417)	1,768,465

(20) COMPENSATION FOR KEY MANAGEMENT PERSONNEL

Directors' Emoluments	1,640,282	2,155,708
	1,640,282	2,155,708

(21) CAPITAL COMMITMENTS

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

(22) CONTINGENT LIABILITIES

There have been no material events occurred after the reporting period that would require adjustment to or disclosure in the Financial Statements.

(23) RELATED PARTY TRANSACTIONS

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

(24) EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period that would require adjustment to or disclosure in the Financial Statements.

(25) Loss of Stock

Due to heavy rains experienced in Elephant pass, 1,187MT of salt, value Rs. 4,958,745 have been washed out.

This loss have been taken into account when preparing this financial statements.

MANTAI SALT LIMITED

DETAILED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2020

	Add. Notes	2020 Rs. Cts.	2019 Rs. Cts.
Revenue	(A)	103,473,982	155,380,640
Cost of Sales	(B)	(84,303,766)	(108,339,171)
Gross Profit		19,170,216	47,041,469
Other Operating Income	(C)	12,414,565	14,715,364
		31,584,782	61,756,833
Administrative Expenses	(D)	(18,368,420)	(18,866,533)
Sales & Distribution Expenses	(E)	(875,422)	(1,037,255)
Operating Profit		12,340,940	41,853,045.47
Finance Expenses	(F)	(42,696)	(116,868)
Profit before Tax		12,298,244	41,736,177.25
Income Tax		498,090	(6,559,464.82)
Profit for the year after Tax		12,796,333	35,176,712.43

MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

(A) REVENUE

	2020 Rs.	2019 Rs.
Sale of Salt -	112,762,944	182,261,491
(-) VAT	(8,507,864)	(23,773,238)
(-) Nation Building Tax	(781,098)	(3,107,613)
	103,473,982	155,380,640

(B) COST OF SALES

	Sub Note	2020 Rs.	2019 Rs.
Direct Wages		44,501,147	43,654,381
Production Overheads	1	9,615,672	11,870,021
Factory Operating Cost	2	50,612,643	48,919,586
Cost of Production		104,729,462	104,443,988
Add - Opening Stock As at 01st April		56,311,817	60,207,000
Less - Closing Stock As at 31st March		(76,737,513)	(56,311,817)
Cost of Sales		84,303,766	108,339,171

Sub Note 1

PRODUCTION OVERHEAD

	2020 Rs.	2019 Rs.
Fuel	2,375,835	3,561,750
Machinery Upkeep	1,799,292	1,951,431
Production Tools & equipment Maintenance	2,376,605	3,259,471
Electricity	1,777,150	1,872,671
Water	154,439	69,444
Packing Materials	990,048	1,095,452
Chemical Expenses	142,303	59,802
	9,615,672	11,870,021

Sub Note -2

FACTORY OPERATING COSTS

	2020 Rs.	2019 Rs.
Staff Salaries & Wages	23,027,427	23,815,736
EPF	2,626,069	2,849,485
ETF	703,134	712,371
Bonus	2,342,554	2,308,958
Staff Welfare	783,406	1,030,700
Tea Allowance	362,098	407,705
Telephone	248,921	233,482
Printing & Stationery	355,982	270,122

MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

	2020	2019
Sub Note 2		
FACTORY OPERATING COSTS (COND....)		
Postage	49,735	38,480
Travelling	248,065	243,294
Over Time	898,979	904,711
Office Maintenance	396,406	591,511
Office Equipment Maintenance	206,919	80,816
Insurance	45,988	77,967
Building Maintenance	301,879	128,537
Transport	794,230	353,897
Vehicle Maintenance	1,322,193	828,796
Depreciation of Property, Plant & Equipment	4,742,167	2,636,304
Amortisation of Saltern rehabilitaion project	9,626,149	9,626,149
Newspapers & Periodicals	9,930	12,960
Quarters Rent	120,000	120,000
Security Service	1,317,600	1,597,000
Miscellaneous	82,813	50,605
	50,612,643	48,919,586

(C) OTHER INCOME

	2020	2019
Government Grant	9,626,148	9,626,149
Factory Quarters Rent	154,596.96	158,153.02
Circuit Bungalow Rent	316,000.00	235,000.00
Interest on Staff Loans	131,765.70	126,227.69
Fixed Deposit Interest	628,251.73	2,420,732.44
Savings Interest	1,129,435.62	2,148,060.49
Other Income	473,929.23	145,644.23
Loss on Fixed asset Disposal	(45,562.40)	(144,603.00)
Fishing Lease		
Boat Yard Rent		
	12,414,565	14,715,364

MANTAI SALT LIMITED
ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020

	2020 Rs.	2019 Rs.
(E) SELLING AND DISTRIBUTION EXPENSES		
Business Promotion	80,926	60,270
Advertisements	794,496	976,985
	875,422	1,037,255

(F) FINANCE EXPENSES		
Bank Charges		
Head Office	18,246	96,858
Mannar	24,000	20,010
Elephant Pass	450	
	42,696	116,868

MANTAI SALT LIMITED
ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

(D) ADMINISTRATIVE EXPENSES

	2020 Rs.	2019 Rs.
Chairman Allowances	1,009,915	1,375,708
Working Director Allowance	630,367	780,000
Board Member's Fees	381,650	834,600
Board Meeting Expenses	115,084	66,184
Fuel	412,592	917,191
Staff Salaries	6,860,533	6,069,774
Casual Wages	14,883	144,674
Company Registration Fees	294,950	11,737
Vehicle Maintenance	81,751	91,158
Web Site Development	10,450	9,450
Tea Expenses	118,625	119,235
Over Time Payments	166,908	200,989
Bonus	286,868	296,174
EPF	803,704	723,692
ETF	200,926	180,923
Gratuity Provision	1,710,305	1,325,791
Staff Welfare	34,884	700
Electricity	89,903	-
Water	67,190	
Printing & Stationery	541,311	405,135
Postage	10,590	18,310
Travelling	237,648	174,489
Foreign Travel Allowance	-	298,984
Office Equipment Upkeep	118,915	217,746
Office Maintenance	507,509	181,240
Audit Remuneration - External Audit Fee	352,075	368,965
Exposure Visit Expenses	-	23,460
Newspapers & Periodicals	21,450	21,680
Depreciation of Property, Plant & Equipment	185,859	211,842
Vehicle Allowances	600,000	600,000
Car Rental	1,499,040	1,903,415
Telephone HO	302,508	410,240
Secretarial Fee	57,250	96,250
Internal Audit fees	62,339	62,971
Audit Management Fee	92,700	208,400
Consultation Fee	391,502	244,000
Professional Charges/Assessment		
Inspection & Visiting Charges		
Circuit Bungalow Expenses	79,737	105,428
Staff Uniforms	16,500	13,500
Donation	-	70,000
	18,368,420	18,866,533