



LANKA PHOSPHATE LTD

MINISTRY OF INDUSTRY
AND ENTREPRENEURSHIP
DEVELOPMENT

ANNUAL REPORT 2023/24

VISION

“To enrich the soil fertility in our motherland by providing phosphorus nutrient with the Optimum utilization of the Eppawala phosphate deposit.”



MISSION

*To
Fulfill the National Requirement
of Phosphate Fertilizer by being Self-Sufficient in
Phosphorus
Through
an Environment friendly and State of the art process”*

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INTRODUCTION

Company Name

Lanka Phosphate Ltd (PB 308)

Domicile and Legal Form

Lanka Phosphate Ltd was incorporated on July 10, 1992 as a Limited Liability Company under the Companies Act No. 17 of 1982 in terms of the conversion of Public Corporations or Government Owned Business undertakings in to Public Companies Act No. 23 of 1987 to take over the Eppawala Phosphate project of the State Mining and Mineral Development Corporation. However, subsequently the Company has re-register under the Companies Act No. 07 of 2007

Principal Activities and Nature of Operations

The principal activities of the company are excavating, processing and selling of Rock Phosphate, which is used as a fertilizer for perennial agricultural crops.

Board of Directors

Mrs.G.A.M.S.P.Ambanwela - Chairperson
Ms. G.W.M.U. Fonseka - Director
Mr. L.A.S. Liyanarachchi - Director
Mr.K.D.S. Abepala - Director
Mr. D.M.B.G. Jayathilaka - Director
Mr. L.N.P. Perera - Director

Company Secretary

Messer Kalrupco Management

Services (Pvt) Ltd.

No 06, Balahenamulla Lane, Colombo 06.

Ultimate Parent Company

The company's issued shares are fully owned by the Secretary to the Treasury on behalf of the Government of Sri Lanka

Line Ministry

The Ministry of Industry and Entrepreneurship Development
P,O Box 570, No 73/1, Galle Road
Colombo 03.

Registered Office

No 73 1/1, New Kelani Bridge Rd,
Colombo 14.

Tel : 0112459906/7

Fax : 0112459908

Auditors

Auditor General

National Audit Office

No 306/72, Polduwa Rd,

Battaramulla

Tax Consultants

Amerasekara & Co.

Chartered Accountants

12, Rotunda Gardens, Colombo 03

Bankers

Bank of Ceylon

Peoples Bank

National Savings Bank

BOARD OF DIRECTORS



Mrs. G.A.M.S.P. Ambanwela
Chairperson



Mrs. G.W.M.U. Fonseka
Director



Mr. L.A.S. Liyanarachchi
Director



Mr. K.D.S. Abeypala
Director



Mr. L.N.P. Perera
Director



Mr. D.M.B.G. Jayathilake
Director

MANAGEMENT TEAM



Mr. U.A Dayananda
General Manager



Mr. R.M.P Karunarathna
Deputy General Manager



Mr. D.G.U. Chamara
Finance Manager



Mr. S.D Rupasinghe
Operations Manager



Mr. M.M.D.Thilakerathna
Human Resource Manager



Capt. K.G.R.P.Kiriella
Security Manager



Mr. D.R.K.Thilakerathne
Accountant



Mr.R.A.A.P. Ranasinghe
Marketing Executive



Mr. D.B Keeriyawatta
Internal Auditor



Mr. L.L.D.I Pathum
Production Engineer



Mr. A.M. Sanath Bandara
Mechanical Engineer



Mr. S.S.S Senarathna
Assistant Marketing Manager



Mr. S.A. Abeysiri
Supplies Officer



Mr. M.A.R.K. Manchanayake
Personnel Officer (Adm. & HR)



Mr. D.R Gunarathna
Mill Officer



Mr. D.S.M Dissanayake
Stores Officer



Mr. D.S.C.K Dehiwaththa
R & D Officer

CHAIRMAN'S STATEMENT

Rock phosphate is an important mineral source with numerous uses and applications in agriculture and other industries. Phosphate is an essential nutrient needed for plant growth and development. Global phosphate consumption has varied from fertilizer industry to detergents industry, ceramic industry and many other industries. In the world market rock phosphate is accepted and marketed as an “organic alternative” to chemical phosphate fertilizer as it is perceived as being more natural and sustainable.

The world phosphate reserves are limited and non-renewable; thus, it should be utilized with effective, optimal and sustainable mining procedures. Eppawala phosphate deposit is a valuable natural phosphate reserve in Sri Lanka with 33-40% of P₂O₅, considered to be one of the richest and unique phosphate deposits in the world. Eppawala Phosphate deposit was discovered in 1971 and the estimates show it consists of 60 million metric tons of phosphate. Rock Phosphate fertilizer is produced by Lanka Phosphate Limited (LPL) through mining and processing to fulfill the local phosphate fertilizer requirement in the country. With the current capacity, LPL produces around 50,000 mt of Eppawala Rock Phosphate (ERP) annually, for local requirement and it reaches to the farmers through private and public fertilizer companies. Currently LPL produces two types of rock phosphate fertilizers namely Eppawala Rock Phosphate (ERP) and High-Grade

Eppawala Rock Phosphate (HERP) which are used as phosphate fertilizer for perennial crops in the country.

Lanka Phosphate Ltd (LPL) was incorporated on 10th July, 1992 in terms of the conversion of public corporations or government owned business undertaking into Public Companies Act, No 23 of 1987 to take over the Eppawala Phosphate Project of the State Mining & Mineral Development Corporation. It is fully owned by the Secretary to the Treasury on behalf of the Government of Sri Lanka. LPL becomes a fully independent organization with the separation from ‘Bogala Graphite Ltd’ in November 1998.

According to the government policy framework, LPL has to play a leading and crucial role in fertilizer manufacturing industry in the country.

The financial year 2023/2024 ended achieving a gross turnover of Rs.1,080 Million which is a significant improvement when compare to the last year achievement of Rs. 546 million. The ability to supply of High Grade Rock Phosphate for customers who purchased aiming foreign markets had resulted such a growth in turnover. At the same time the company recorded an operating profit of Rs. 239.6 million despite an operating loss of Rs. 39.8 million (Re-stated) in last year. Increase in turnover over 97% last year had helped for such a remarkable achievement. Accordingly, LPL would be able to record a Rs. 363.3 million Profit before Tax (PBT) due increase in overall

performances of the company during the period.

Company Board of Directors are committed to work out solutions to develop the existing as well as new business opportunities for the optimal utilization of Eppawala Phosphate deposit. It has been recognized the importance and national need of a more soluble type of phosphate fertilizer for short-term crops to be manufactured and action are being taken to manufacture Single Super Phosphate (SSP), locally, as the next immediate requirement in the industry. And also the management is in the process of streamlining the process of exporting rock phosphate to international market by being a direct or indirect exporter.


As a responsible state company, LPL works in accordance with government policies and taking steps to adhere to the international quality standards of Rock Phosphate, having introduced standardized processes and infrastructure

facilities with qualified officers and standardized equipment.

Furthermore, there are some actions had been taken to introduce human friendly working environments and staff training programs to develop the necessary skills at all levels of staff to be conversant with the new developments in their respective fields.

In conclusion, I greatly appreciate the guidance, encouragement and support extend by Political leadership, Ministry of Industries, General Treasury and Board of Directors for all achievements under many disturbances and limitations, during the year.

I wish all the success to Lanka Phosphate Ltd for its future endures.



G.A.M.S.P.Ambanwela
Chairperson
Lanka Phosphate Limited

REPORT OF THE DIRECTORS

The Directors of Lanka Phosphate Limited, (the Company) present herewith the Audited Accounts for the year ended 31st March 2024 and the Annual Report for the year ended 31st March 2024.

1.0 Company Name

Lanka Phosphate Ltd (Reg. no PB 308)

2.0 Domicile and Legal Form

Lanka Phosphate Ltd was incorporated on July 10, 1992 as a Limited Liability Company under the Companies Act No. 17 of 1982 in terms of the conversion of Public Corporations or Government Owned Business undertakings in to Public Companies Act No. 23 of 1987 to take over the Eppawala Phosphate project of the State Mining and Mineral Development Corporation. However, subsequently the Company has re-register under the Companies Act No. 07 of 2007

3.0 Principal Activities and Nature of Operations

The principal activities of the company are excavating, processing and selling of Rock Phosphate, which is used as a fertilizer for perennial agricultural crops.

4.0 Financial Statement

Directors are satisfied that the financial statement attached hereto gives a true and

fair view of the state of affairs of the Company as at the Balance Sheet date. The Directors consider that in preparing these Financial Statements, suitable accounting policies have been used, which are applied consistently and supported by reasonable and prudent judgment and estimates. They are of the opinion that there been no significant change in the accounting policies which warrant disclosure in this report. The Directors have taken such steps as are responsibly open to them to safeguard the assets of the Company and to prevent and detect fraud or other irregularities.

5.0 Financial Statements and Accounting Policies

The Directors consider that in preparing these Financial Statements, suitable Accounting Policies have been selected which are applied consistently while reasonable and prudent judgments and estimates have been made so that the form and substance of transaction are properly reflected.

6.0 Property, Plant & Equipment, their Valuation and Depreciation

Investment on property plant and equipment for the year is Rs 8,260,285.00. It includes the cost of equipment purchased for upgrading Lab Facilities, which are significant in amounts.

Details of the status and movements of Property plant and Equipment, their Valuation and deprecation are given in Note 5.0 of Note to the Financial Statements.

7.0 Taxation

The company was taxable at 30% for Business Income and Other income for the year. LPL was liable to pay VAT on its turnover, with effect from 01.01.2024, since, only the bio-fertilizer had been included in the VAT exemption schedule w.e.f that date. Total VAT payment for the last quarter of the financial year was Rs. 32.0 million.

8.0 Dividends

Rs. 200.0 million dividend was declared and paid for the year 2022/23 and also an interim dividend of Rs. 75.0 million was paid for the year under review.

9.0 Stated Capital

The Stated Capital of the Company altogether Rs. 72,510,000/- consisting of 7,251,000 ordinary shares. There was no change in the Stated Capital for the year under review.

10.0 Shareholding

In terms of Section 2(3) of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987 the sole shareholder is the Company is Secretary to the Treasury (in his official capacity) for on behalf of the state.

As at 31st March 2024, the shareholding details of the company are as follows;

Secretary to the Treasury (in his official capacity) 7,251,000 ordinary shares
Lanka Phosphate Limited is a Shareholder of GSMB Technical Services (Private) Limited and holding 100,000 of ordinary shares (Rs. 10/- each).

The Percentage of said shareholding is 16.66%.

11.0 Changes in Shareholdings

There have been no changes to the Shareholding of the Company as at 31.03.2024.

12.0 Corporate Social Responsibility

No significant contribution had been made by the company for charitable purposes & CSR during the year under review.

13.0 Employees

The total cost of personnel during the year was Rs. 409,335,027.00. The average number of persons employed by the Company at the end of the year was 299.

14.0 Directors

The following Directors held the office at the year end, under review.

Mrs.G.A.M.S.P.Ambanwela - Chairperson
Ms. G.W.M.U. Fonseka - Director
Mr. L.A.S. Liyanarachchi - Director
Mr.K.D.S. Abepala - Director
Mr. D.M.B.G. Jayathilaka - Director
Mr. L.N.P. Perera - Director

15.0 Resignation and Appointment of Directors

Dr. S.H.P. Manjula – Director (24.01.2024) resigned during the year and, Mr. L.A.S. Liyanarachchi – Director (24.01.2024) newly appointed during the year of 2023/24.

16.0 Director remuneration & Expenses

Rs. 4,632,199/- was paid as Directors remuneration and fees during the year under review.

17.0 Statutory Payments

The Directors, to their best of their knowledge and the belief are satisfied that all statutory payments due to the Government and to Employment Provident Fund and Employees Trust Fund have been paid accurately and on time.

18.0 Compliance

The company has not engaged in activities that contravene the laws or regulations that are applicable in Sri Lanka or elsewhere.

19.0 Going Concern

The Directors are satisfied that the company has adequate resources to continue their operations in the foreseeable future and accordingly the financial statements are prepared on the going concern basis. A disclosure had been made under Notes to Financial Statements.

20.0 Corporate Governance

The Board of Directors ensures good corporate Governance. It is the duty of the Board of Directors to ensure that the performance is in line with the company objectives as a public enterprise as well as the objectives and expectations of the stakeholders.

21.0 Risk Management

The Company consciously fulfills its statutory and legal requirement to ensure that its exposure to legal risk is eliminated or minimized.

22.0 Auditors

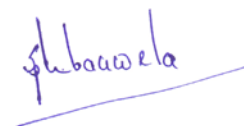
Government Auditors, are the present Auditors of the Company.

A resolution proposing that the Directors be authorized to determine the remuneration of Auditors will be tabled at the Annual General Meeting.

Total audit fees provided for year 2023/24 is Rs. 400,000.00 and fees incurred for tax consultation services by Messrs Ameresekara & Company for the year is Rs. 273,655/-.

As far as the Directors are aware, the Auditors did not have any relationship with the Company or its subsidiaries that would have an impact on their independence.

FOR AND BEHALF OF THE BOARD OF DIRECTORS



Chairperson



G.W. MADUSHA UDANI FONSEKA
Director

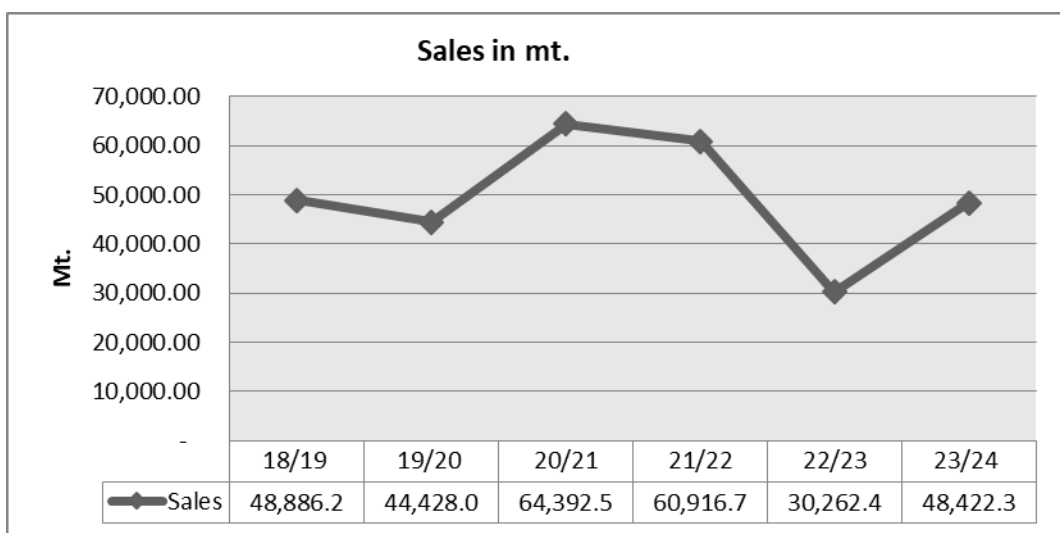
Director

REVIEW OF OPERATIONS 2023/24

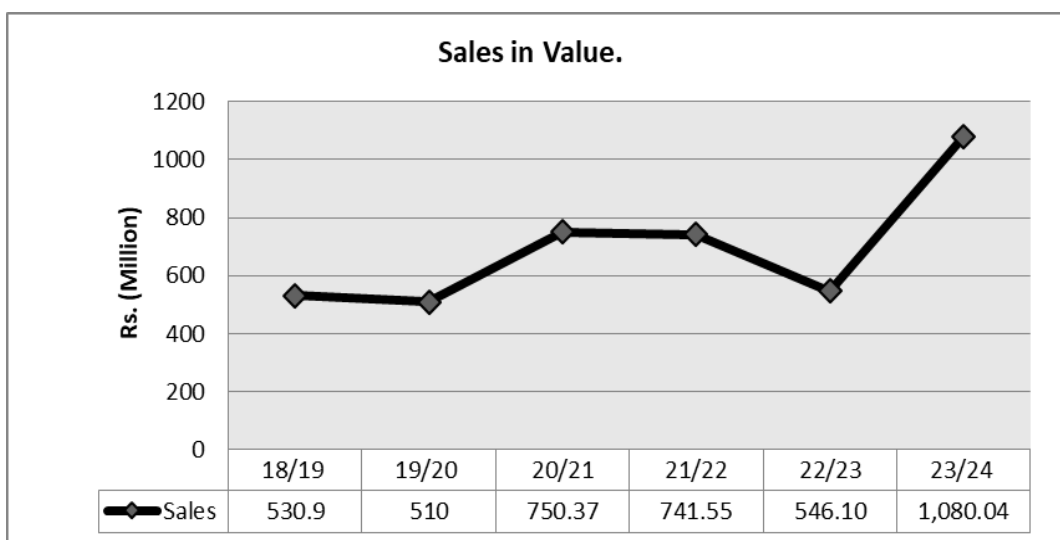
1.0 TURNOVER

Company has recorded a turnover of 1,080 million when compare to the Rs. 546.1 million in 2022/23. This is a remarkable increase over 60% in quantity and 97% in value. Demand for High Grade Rock Phosphate (over 28% P2O5) had resulted hire turnover for the year.

Quantity (mt.)



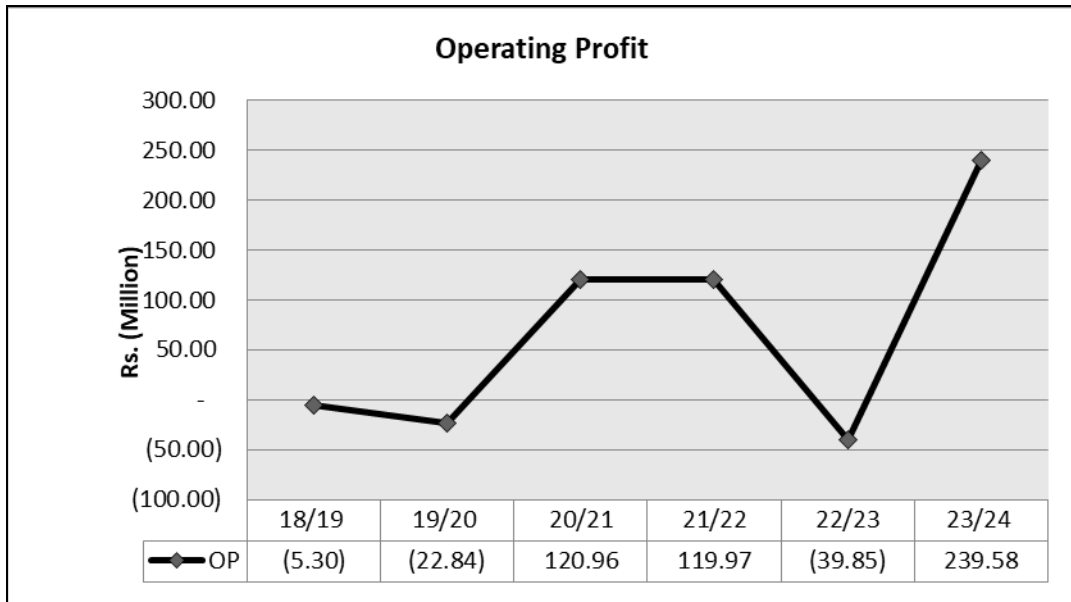
Value (Rs. Million)



02. PROFITABILITY

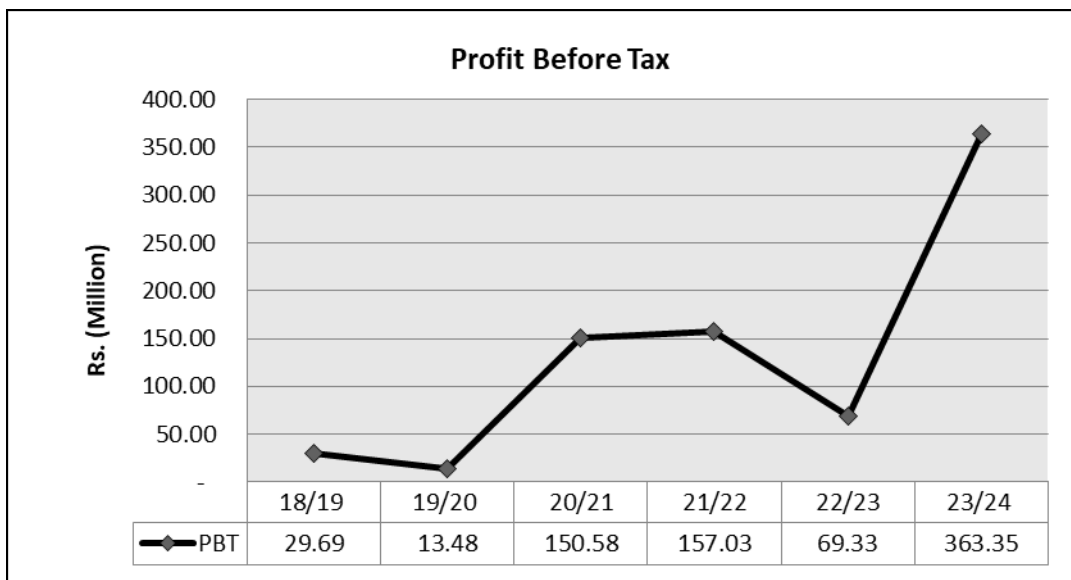
Operating Profit

Company recorded an Operating profit of Rs. 239.58 million for the financial year 2023/24, despite the operating loss of 39.85 million (Re-stated) recorded in last year. It is a remarkable achievement and higher margin in High Grade Phosphate had determined the above results.



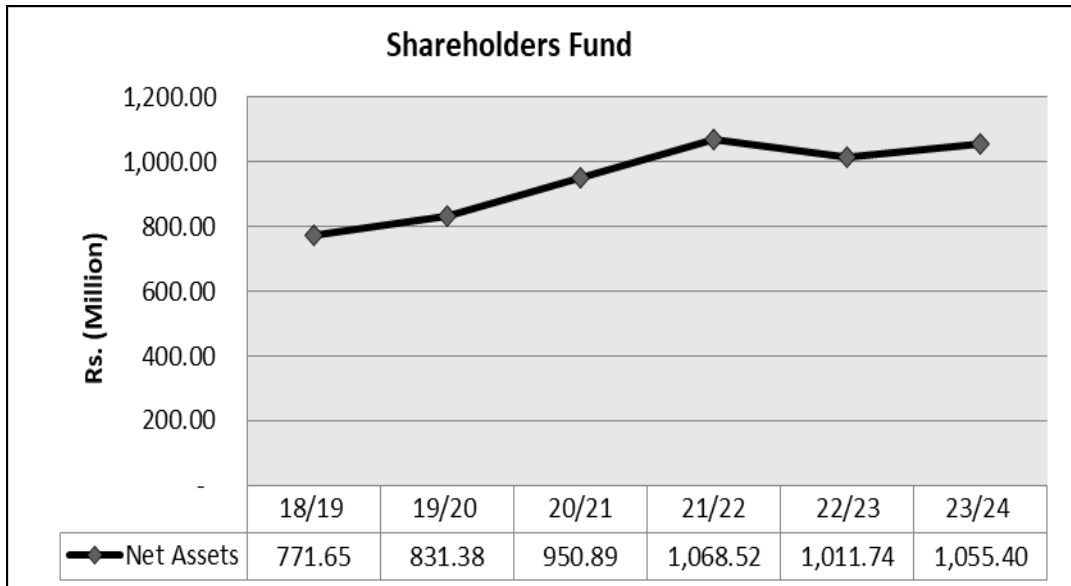
Profit before Tax (PBT)

Company had recorded a PBT of Rs. 363.35 million for the year, which is a recordable achievement despite poor performance in last year of 2022/23.



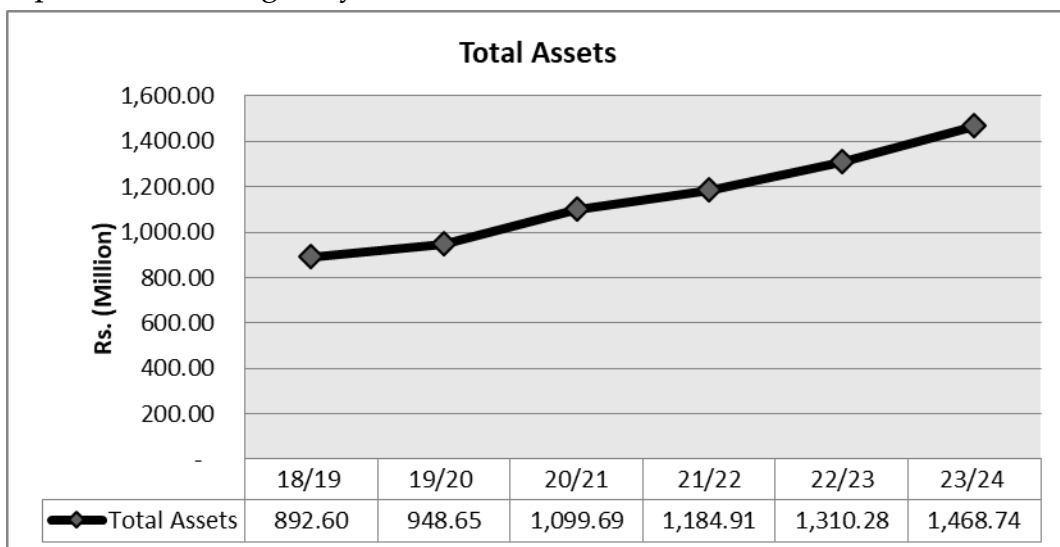
03. SHAREHOLDERS FUND

Net assets position has slightly increased over last year and recorded Rs. 1.06 at the end of year 2023/24.



04. TOTAL ASSETS

Total Assets value has gone up from Rs. 1.310 billion to 1.469 billion during the year. This is mainly due to increase of Fixed Deposit and Cash and Cash Equivalents during the year.



Projects & Infrastructure Development

- I. Developed the sample testing and quality assurance process by engaging qualified officers and providing standardized equipment. National and International certification level - (Lab Accreditation) had been started and expect to complete during year 2024/2025.
- II. Renting out the Factory roof at Eppawala Site for Solar power generation, had already been completed and hope to earn an additional income of 1.0 million near future.
- III. Operational Plan to utilize the non-operating Crusher Machine had been prepared and expect to add same for regular operations of the company from year 2024/2025
- IV. Expansion of finished good Store's with a roof had already been completed and it increased the loading capacity even in the rainy days without any interruption.
- V. Action had been taken to purchase LPL owned Production Vehicles for mining operation, instead of hired vehicle.



General Manager

FINANCIAL HIGHLIGHTS

	(Rs. '000)				
<u>FOR THE YEAR</u>	<u>2023/24</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>
Revenue	1,080,039	546,100	741,553	750,374	510,004
Profit / (Loss) Before Tax	363,349	69,334	157,030	150,582	13,480
Net Profit / (Loss) for the Year	239,415	44,037	122,783	124,017	5,489
Total Comprehensive income	243,662	15,979	147,631	117,494	18,821
<u>AS AT YEAR END</u>	<u>2023/24</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>
Shareholder's Funds	1,055,404	1,011,742	1,068,519	950,888	831,378
Working Capital	894,396	806,854	798,299	685,183	528,312
Total Assets	1,468,740	1,310,280	1,184,905	1,099,694	948,648
Staff Cost	409,335	320,410	351,356	325,078	303,310
No of Employees (No)	299	315	336	325	333
<u>PER SHARE</u>	<u>2023/24</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>
Earnings (Rs.)	33.02	6.07	16.93	17.10	0.76
<u>RATIOS</u>	<u>2023/24</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>
GP Ration	50.6%	37.8%	46.8%	46%	37%
PBT Ratio	33.6%	12.7%	21.2%	20.1%	2.6%
Current Ratio (Times)	3.76	4.76	13.97	10.70	14.56
Return on Shareholders' Funds (%)	22.68%	4.35%	11.49%	13.04%	0.66%

APPROVED CADRE

Category	Salary Code	Designation	No of Positions
Higher Manager	HM - 2-1	General Manager	01
	HM - 1-3	Deputy General Manager - Production	01
		Deputy General Manager – Non Production	01
	HM - 1-1	Finance Manager	01
		Production Manager	01
		Operations Manager	01
		Admin. & HR Manager	01
Middle Manager	MM - 1-1	Accountant	01
		Mechanical Engineer	01
		Production Engineer	01
		Internal Auditor	01
		Assistant Supplies Manager	01
		Assistant Marketing Manager	01
		Security Manager	01
Junior Manager	JM - 1 – 1	Supplies Officer	01
		Admin. Officer (Adm. & HR)	01
		Mill Officer	01
		Stores Officer	01
		R & D Officer	01
Management Assistant	MA 2-1		28
	MA 1-1		30
Primary Level	PL - 3		73
	PL - 2		80
	PL - 1		120
TOTAL			350

AUDIT & MANAGEMENT COMMITTEE REPORT

The Audit & Management Committee is a sub Committee which is responsible to the Board of Directors. The Chairman of the Committee is the Director who represents the General Treasury and two other Non-Executive Directors are the other members of the Committee. An officer from Auditor General's Department and the Chief Internal Auditor of the Line Ministry are representing the Committee as observers.

MEETINGS

The Audit & Management Committee was able to meet Four times during the year of 2023/24. The Committee reviewed and evaluated the Audit Reports submitted by the Internal Auditors as well as the external auditors and the efficiency of existing controls in order to ensure the safeguard of the assets of the Company.

CONCLUSION

After scrutinizing the reports thoroughly the committee has given the instructions to the management for rectifying the issues highlighted in relation to the Company's Accounting policies, operational controls and risk management process. Further, some of the crucial matters were referred to the Board of Directors for their due consideration and necessary action



G.W. MADUSHA UDANI FONSEKA
Director

Chairman
Audit and Management Committee
Lanka Phosphate Ltd

REPORT OF THE AUDITORS



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல. }
My No. }

අයිඩලලවපම/සි/පල්පිල්/1/23

ඔබේ අංකය
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Your No. }

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திகதி }
Date }

2024 ඔක්තෝබර් 16 දින

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ලංකා පොස්පේට් ලිමිටඩ්.

ලංකා පොස්පේට් ලිමිටඩ්හි 2024 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 තත්ත්වගණනය කළ මතය

ලංකා පොස්පේට් ලිමිටඩ්හි (“සමාගම”) 2024 මාර්තු 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ මුදල් ප්‍රවාහ ප්‍රකාශනය සහ ප්‍රමාණාත්මක ගිණුම්කරණ ප්‍රතිපත්තිවලට අදාළ තොරතුරු ද ඇතුළත් මූල්‍ය ප්‍රකාශනවලට අදාළ සටහන්වලින් සමන්විත 2024 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන, ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරණ ජාතික විගණන පනතේ විධිවිධාන ප්‍රකාරව මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

මාගේ වාර්තාවේ තත්ත්වගණනය කළ මතය සඳහා පදනම කොටසේ විස්තර කර ඇති කරුණුවලින් වන බලපෑම හැර, සමාගමේ මූල්‍ය ප්‍රකාශන තුළින් 2024 මාර්තු 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා ඒවායේ මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 තත්වගණනය කළ මතය සඳහා පදනම

(අ) ඇඹරුම් යන්ත්‍ර සඳහා 2022 වර්ෂයේ රු.15,816,482 ක වටිනාකමකට ආනයනය කළ රබර් බ්‍රෂ් එම වර්ෂයේදීම ලැබුණද සාමාන්‍ය තොග ගිණුමට හර නොකර අත්තිකාරම් යටතේ ගිණුම්ගත කර තිබුණි.

(ආ) 2014 වර්ෂයේදී මිලදී ගත් ඇඹරුම් යන්ත්‍රය ස්ථාපිත කිරීමට අවශ්‍ය අත්තිවාරම සකස් කිරීම සඳහා ගෙවන ලද රු.3,450,000 ක මුදල සමාලෝචිත වර්ෂය වන විටත් යළි පැනගිය තොග යටතේ ගිණුම්ගත කර තිබුණි.

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

1.3 සමාගමේ 2023 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පෙර මා ලබාගත් සමාගමේ 2023 වාර්ෂික වාර්තාවේ ඇතුළත් කර ඇති නමුත් මූල්‍ය ප්‍රකාශන සහ ඒ පිළිබඳව වූ මාගේ විගණන වාර්තාවේ ඇතුළත් නොවන තොරතුරු, අනෙකුත් තොරතුරු යන්නෙන් අදහස් වේ. මෙම අනෙකුත් තොරතුරු සඳහා කළමනාකරණය වගකිව යුතුය.

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

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

මෙම විගණන වාර්තාවේ දිනට පෙර මා ලබාගත් අනෙකුත් තොරතුරු මත හා මා විසින් කරන ලද කාර්යයන් මත පදනම්ව, මෙම අනෙකුත් තොරතුරු ප්‍රමාණාත්මක වශයෙන් වැරදි ලෙස දක්වා ඇති බව මම නිගමනය කරන්නේ නම්, එම කරුණ මා විසින් වාර්තා කිරීමට අවශ්‍ය වේ. මේ සම්බන්ධයෙන් මට වාර්තා කිරීමට කිසිවක් නැත.

1.4 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම

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

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

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

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

1.5 මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම

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

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

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය

ප්‍රකාශයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දැස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වේතනාත්මක මඟහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟහැරීමෙන් වැනි හේතු නිසා වන බැවිනි.

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

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

02. වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ පහත සඳහන් අවශ්‍යතාවයන් සම්බන්ධයෙන් විශේෂ ප්‍රතිපාදන ඇතුළත් වේ.

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

- 2.1.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඇ)(III) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වේ.
- 2.1.3. 2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඇ)(iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව මාගේ වාර්තාවේ ඉකුත් වර්ෂයේදී මා විසින් සිදුකරන ලද නිර්දේශයන් ඉදිරිපත් කරන ලද මූල්‍ය ප්‍රකාශනවල ඇතුළත්ව ඇත.
- 2.2 අනුගමනය කරන ලද ක්‍රියාමාර්ග සහ ලබා ගන්නා ලද සාක්ෂි මත හා ප්‍රමාණාත්මක කරුණුවලට සීමා කිරීම තුළ, පහත සඳහන් ප්‍රකාශ කිරීමට තරම් කිසිවක් මාගේ අවධානයට ලක් නොවීය.
 - 2.2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(ඇ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට, සමූහය සම්බන්ධව යම් ගිවිසුමක් සම්බන්ධයෙන් සාප්පු හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්ත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.
 - 2.2.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර යම් අදාල ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.
 - 2.2.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ බලතල, කර්තව්‍ය සහ කාර්යයන්ට අනුකූල නොවන ලෙස කටයුතු කර ඇති බව.
 - 2.2.4 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(ඌ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණය හැර සමූහයේ සම්පත් සකසුරුවීම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාල නීතිරීතිවලට අනුකූලව ප්‍රසම්පාදනය කර භාවිත කර නොමැති බව.

සමාගම විසින් ඛනිජ ඇඹරුම් යන්ත්‍ර සඳහා යොදනු ලබන රබර් බ්‍රෂ් ඒකකයක් රු.350 ක් බැගින් දේශීයව මිලදී ගෙන විගණිත දින වූ 2024 අප්‍රේල් 01 දක්වාම අදාල යන්ත්‍ර සඳහා භාවිතා කරමින් පැවතුණි. අදාළ භාණ්ඩ ඒකක 81 ක් ගබඩාවේ පැවතියදී තොගය ශුන්‍ය බව දක්වමින් 2022 දෙසැම්බර් 17 දින රබර් බ්‍රෂ් ඒකක 200 ක් ඒකකයක් රු.79,082 ක් බැගින් රු.15,816,482 කට ආනයනය කර තිබුණි. ඒ අනුව රු.70,000(රු.350x200) ක් වැනි අවම පිරිවැයක් යටතේ මිලදී ගැනීමට හැකිව තිබූ අදාළ අයිතම තොගය ඉතා ඉහළ වටිනාකමකට ආනයනය කිරීම තුළින් රු.15,746,482 ක අලාභයක් සමාගමට සිදුව තිබුණි. මිලදී ගත් මෙම තොගය විගණිත දින වූ 2024 අප්‍රේල් 01 වන විටත් භාවිතයට නොගෙන ගබඩා ලේඛන තුළ ඇතුළත් කිරීමකින් තොරව ගබඩාවේ නිෂ්කාර්යව තබා තිබූ අතර මිලදී ගැනීමේ දී එම රබර් බ්‍රෂ්වලට අමතරව සම්බන්ධක ඇණ(Coupling bolt) ඒකක 198 ක්ද ඒ සමඟ ලැබී තිබුණද එම ඇණ වලින් අදාළ යන්ත්‍රයට කිසිදු ප්‍රයෝජනයක් නොමැති බැවින් ඒවා නිෂ්කාර්යව තබා තිබුණි.

2.3 වෙනත් කරුණු

- (අ) සමාලෝචිත වර්ෂය අවසානය වන විට රු.39,571,405 ක් වූ ණය ගැති ශේෂය තුළ බොල්ණය ලෙස ප්‍රතිපාදනය කර තිබූ, වසර පහකට වැඩි කාලයක් තිස්සේ අයවිය යුතුව පවතින ණය ශේෂ වල එකතුව රු.6,701,486 ක් වූ අතර විගණිත දිනය වන විටත් මෙම ශේෂයන් අයකර ගෙන නොතිබුණි.
- (ආ) රු.35,867,000 ක මුදලක් වැය කර 2014 වර්ෂයේදී මිලදී ගෙන තිබුණු ක්‍රමයක් යන්ත්‍රයක් නිෂ්කාර්යව සමාගම පරිශ්‍රයේ තබා තිබුණු අතර එම යන්ත්‍රයට අදාළ රඳවා ගැනීම් මුදල් රු.4,386,358 ක්ද නිරවුල් කිරීමකින් තොරව 2014 වර්ෂයේ සිට උපවිත වියදමක් ලෙස දක්වා තිබුණි.
- (ඇ) 2014 වර්ෂයේදී රු.21,226,633 ක ප්‍රාග්ධන වියදමක් දරමින් ආරම්භ කරන ලද වාරියපොල පොල් පොහොර ව්‍යාපෘතියේ නිෂ්පාදන කටයුතු 2021 මැයි 05 වන විට නවතා දමා තිබූ අතර මුළු ව්‍යාපෘතිය තුළින් රු.මිලියන 31.71 ක අලාභයක් සිදුවී තිබුණි. තවද, ව්‍යාපෘති කාර්යයන් සඳහා පස් අවුරුදු බදු පදනම මත ලබා ගන්නා ලද ඉඩමෙහි බදු කාලසීමාව 2018 සැප්තැම්බර් 05 දිනෙන් අවසන් වී තිබූ අතර බදු ගිවිසුම අලුත් කිරීමකින් තොරව නිෂ්පාදන කටයුතු පවත්වාගෙන ගොස් තිබුණද 2022 සැප්තැම්බර් මස සිට සමාගමට ව්‍යාපෘති භූමිය තුළට ඇතුළු වීම ඉඩම් හිමිකාර පාර්ශවය විසින් වළක්වා තිබූ අතර එම ආරවුල නිරවුල් කර ගැනීමට කටයුතු කර නොතිබුණි.
- (ඈ) සමාගම විසින් CIC සමාගම වෙත අලෙවි කරන ලද ERP පොහොර මෙ.ටොන් 393 ක නිබිය යුතු යැයි අපේක්ෂිත රොක් පොස්පේට් ප්‍රතිශතය නොතිබීම හේතුවෙන් එම පොහොර තොගය ආපසු එවා තිබුණි. ඒ සඳහා ප්‍රවාහන වියදම් හා පැටවීමේ කුලී වියදම් ලෙස රු.1,739,381 ක නිෂ්කාර්ය වියදමක් සමාලෝචිත වර්ෂයේදී දරා තිබුණි. එම ERP තොගය අධි ශ්‍රේණියේ එප්පාවල රොක් පොස්පේට් සමඟ මිශ්‍ර කොට නැවත සැකසීම 2023 ජූලි 23 සිට 2023 අගෝස්තු 07 දින දක්වා කාල පරිච්ඡේදයේදී සිදුකර ඇතත් අලෙවි කර නොතිබුණි.
- (ඉ) පරිසර අමාත්‍යාංශය විසින් ඉදිරිපත් කර තිබූ 2012 අප්‍රේල් 20 දිනැති අංක 16/2012 දරන අමාත්‍ය මණ්ඩල සංදේශයහි බනිප ද්‍රව්‍ය ප්‍රාථමික ස්වරූපයෙන් අපනයනය කිරීම අධෛර්යමත් කරන බව දක්වා ඇති නමුත්, කිසිදු අගය එකතු කිරීමකින් තොරව පොස්පේට් බනිපය අපනයනය කිරීම සඳහා ගැණුම්කරුවන් තිදෙනෙකු වෙත දේශීය මිල මත අලෙවි කිරීමට සමාගම කටයුතු කර තිබුණි. එම ගැනුම්කරුවන් වෙත පොස්පේට් අලෙවි කිරීමේදී නිසි විධිමත් ක්‍රමවේදයක් අනුගමනය කර ඇති බවට විගණනය වෙත සාක්ෂි ඉදිරිපත් නොවීය. සමාලෝචිත වර්ෂය තුළදී, සමාගම අදාළ ගැනුම්කරුවන් තිදෙනා

වෙන පොස්පේට් මෙ.ටොන් 13,207 ක ප්‍රමාණයක් දේශීය මිල මත අලෙවි කර රු.343,382,000 (මෙ.ටොන් 1 ක් රු.26,000 බැගින්) ක ආදායමක් උපයාගෙන තිබුණි.

- (ඊ) යන්ත්‍රාගාරය සඳහා අවශ්‍ය අමතර කොටස්වල අවශ්‍යතාවය ඇගයීමක් සිදු කිරීමකින් තොරව මිලදී ගන්නා ලද රු.3,975,998 ක් වටිනා අමතර කොටස් සමාගමේ ගබඩාව තුළ වසර ගණනාවක සිට භාවිතයට ගැනීමකින් තොරව රඳවා ගෙන තිබුණි.
- (උ) සමාගමේ ජ්‍යෙෂ්ඨ මට්ටමේ නිලධාරීන් වන මෙහෙයුම් කළමනාකරු, සැපයුම් නිලධාරී 2023 ජූලි 18 දින සිටද, අලෙවි විධායකවරයා ජනවාරි 12 දින සිටද ද්විතියික මට්ටමේ තත්ත්ව පාලන නිලධාරීවරයා 2023 අප්‍රේල් 26 දින සිට ද වැඩ තහනමට ලක් කර තිබූ අතර අලෙවි විධායක වරයාට හැර අනෙකුත් නිලධාරීන් තිදෙනා සඳහාම වැඩ තහනමට ලක්කළ දින සිට අඩ වැටුප් ලබා දීමට සමාගම කටයුතු කර තිබුණි. විගණන දිනය දක්වාම අදාළ පරීක්ෂණ කටයුතු අවසන් කිරීමට කටයුතු කර නොමැති තත්ත්වයක් තුළ ඉහත නිලධාරීන් තිදෙනා රු901,805 ක අඩ වැටුප් මුදලක් සමාගම විසින් සමාලෝචිත වර්ෂයේදී ගෙවා තිබුණි.
- (ඌ) වසර ගණනාවක සිට බැහැර කරන ලද අබලි යකඩ හා භාවිතයෙන් ඉවත් කරන ලද යන්ත්‍ර කොටස් එප්පාවල යන්ත්‍රාගාර පරිශ්‍රයේ අනාරක්ෂිතව දමා තිබූ අතර එම ද්‍රව්‍ය විධිමත්ව අපහරණය කිරීමට කටයුතු කර නොතිබුණි.
- (එ) සමාලෝචිත වර්ෂය සඳහා සකස් කළ සංශෝධිත ක්‍රියාකාරී සැලැස්ම වෙනුවෙන් රු. මිලියන 67.8 ක ප්‍රතිපාදන වෙන් කර ඇතත් ඒ තුළින් පරිසර හිතකාමී සහ නවීන ක්‍රියාවලියක් හරහා පොස්පේට් පොහොර සඳහා වන ජාතික අවශ්‍යතාවය සපුරාලීම අදාළව හෝ පවතින ගිණුම්කරණ පද්ධතිය වැඩි දියුණු කිරීමට රු.මිලියන 7.2 ක ප්‍රතිපාදන වෙන් කළ ක්‍රියාත්මක කර නොතිබුණි.


ඩබ්ලිව්.පී.සී.වික්‍රමසිංහ



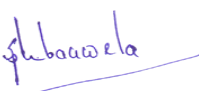

විගණකාධිපති

COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD

LANKA PHOSPHATE LIMITED				
COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD ENDED Mar 31st 2024				
		31st Mar, 2024	31st Mar, 2023	Variance
	Note		<i>Re-Stated</i>	
Revenue (Net)	17	1,080,038,780	546,100,063	533,938,717
Cost of Sales	18	(534,021,036)	(339,448,879)	(194,572,157)
Gross Profit		546,017,744	206,651,184	339,366,559
Factory & Administrative Overheads	19	(290,347,077)	(225,401,693)	(64,945,384)
Selling and Distribution Cost	20	(12,471,603)	(11,203,293)	(1,268,309)
Finance Cost	21	(3,614,425)	(9,899,783)	6,285,358
Profit from operation		239,584,638	(39,853,585)	279,438,223
Interest and Other Income	22	123,764,800	109,187,619	14,577,181
Profit Before Taxation		363,349,438	69,334,034	294,015,405
Income Tax Expenses	23	(123,934,613)	(25,297,095)	(98,637,518)
Profit for the Year		239,414,825	44,036,939	195,377,886
Other Comprehensive Income				
Deferred tax liability on revaluation of PPE	25	1,282,795	(3,494,158)	4,776,952
Actuarial loss on retirement benefit obligations	30	2,964,332	(24,563,329)	27,527,661
Total Other Comprehensive Income for the year		4,247,127	(28,057,487)	32,304,613
Total Comprehensive Income for the year		243,661,952	15,979,452	227,682,500
Earnings Per Share (Rs)	26	33.02	6.07	26.94

The Accounting Policies on page 21 to 29 and Notes to the Financial Statements on Pages 5 to 20 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31.03.2024

LANKA PHOSPHATE LIMITED				
STATEMENT OF FINANCIAL POSITION AS AT Mar 31st 2024				
(Expressed in Sri Lankan Rupees)				
		31st March, 2024	31st March, 2023	Variance
	Note		(Re-Stated)	
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	5	250,272,258	287,864,579	(37,592,321)
Investment in Equity (GSMB Tech. Services (Pvt) Ltd)	6	1,000,000	1,000,000	-
		251,272,258	288,864,579	(37,592,321)
Current Assets				
Inventories	7	234,119,769	259,306,473	(25,186,704)
Trade Receivables	8	39,571,405	34,427,525	5,143,880
Deposits, Prepayments and Other Receivables	9	160,641,638	165,628,095	(4,986,457)
Fixed Deposits and Treasury Bills	10	602,001,770	560,584,374	41,417,396
Cash and Cash Equivalents	11	181,133,593	1,468,992	179,664,601
		1,217,468,175	1,021,415,459	196,052,715
Total Assets		1,468,740,433	1,310,280,038	158,460,395
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	12	72,510,000	72,510,000	-
Revaluation Reserves		132,550,912	131,268,117	1,282,795
Retained Earnings		850,343,391	807,964,234	42,379,157
Total Equity		1,055,404,302	1,011,742,351	43,661,951
Non - Current Liabilities				
Retiring Benefit Obligations	13	60,365,049	56,358,582	4,006,467
Deferred Tax Liability	14	29,899,148	27,618,049	2,281,099
		90,264,197	83,976,631	6,287,566
Current Liabilities				
Trade Payables		36,366,596	22,463,708	13,902,888
Customer Advances	8	9,734,200	2,236,500	7,497,700
Income Tax Payable	15	79,148,892	23,186,666	55,962,226
Other Payables and Accrued Expenses	16	125,604,796	83,749,039	41,855,757
Bank Overdrafts	11	72,217,451	82,925,144	(10,707,693)
		323,071,934	214,561,058	108,510,877
Total Equity and Liabilities		1,468,740,433	1,310,280,039	158,460,394
I certify that the Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.				
				
Finance Manager		General Manager		
The Accounting Policies on page 21 to 29 and Notes to the Financial Statements on Pages 5 to 20 form an integral part of these Financial Statements.				
The Board of Directors is Responsible for Preparation and Presentation of these Financial Statements.				
These Financial Statements were approved by the Board of Directors and signed on their behalf				
				
Chairman			Director	
Colombo,			Colombo,	

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

LANKA PHOSPHATE LIMITED				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED Mar 31st 2024				
<i>(Expressed in Sri Lankan Rupees)</i>				
	Stated Capital	Revaluation Reserves	Retained Earnings	Total
			(Re-stated)	
Balance as at April 01, 2022 (Previously Reported)	72,510,000	134,762,275	861,246,732	1,068,519,007
Adjustment - Unpaid Land Utilisation Charges (NOTE 24 - I)	-	-	(33,907,391)	(33,907,391.43)
Adjustment - Unidentified RM Stock Difference (NOTE 24 - II)			(13,848,716)	(13,848,715.55)
Balance as at April 01, 2022	72,510,000	134,762,275	813,490,625	1,020,762,900
Profit for the Period (Re-Stated)	-	-	44,036,938	44,036,938
Deferred tax liability on revaluation of PPE		(3,494,158)	-	(3,494,158)
Actuarial Loss on retirement benefit obligation	-	-	(24,563,329)	(24,563,329)
Dividends Paid During the Period	-	-	(25,000,000)	(25,000,000)
Balance as at March 31, 2023	72,510,000	131,268,117	807,964,234	1,011,742,351
Balance as at April 01, 2023	72,510,000	131,268,117	807,964,234	1,011,742,351
Profit for the Period	-	-	239,414,825	239,414,825
Deferred tax liability on revaluation of PPE - (Note 25)		1,282,795	-	1,282,795
Actuarial gain on retirement benefit obligation - (Note 30)	-	-	2,964,332	2,964,332
Dividends Paid During the Period	-	-	(200,000,000)	(200,000,000)
Balance as at Mar 31, 2024	72,510,000	132,550,912	850,343,391	1,055,404,303
The Accounting Policies on page 21 to 29 and Notes to the Financial Statements on Pages 5 to 20 form an integral part of these Financial Statements.				

STATEMENT OF CASH FLOWS FOR THE PERIOD

LANKA PHOSPHATE LIMITED		
CASH FLOW STATEMENT FOR THE PERIOD ENDED Mar 31st, 2024		
	(Expressed in Sri Lankan Rupees)	
		<i>Re-Styled</i>
	31st Mar, 2024	31st Mar, 2023
Cash Flow from Operating Activities		
Profit Before Taxation	363,349,438	69,334,034
Adjustments for ;		
Depreciation	45,496,206	42,699,032
Retiring Benefit Obligations	13,290,119	9,710,038
Provision for Obsolete Items	-	-
Provision for Impairment	-	-
CWIP Write off	356,400	-
Interest Income	(114,847,166)	(104,861,497)
Dividend Income	(4,120,166)	(300,000)
Operating Profit Before Working Capital Changes	303,524,831	16,581,607
Working Capital Changes		
Inventories	25,186,704	(137,568,377)
Trade Receivables	(5,143,880)	4,043,143
Deposits, Prepayments and Other Receivables	53,767,157	(10,830,351)
Trade Payables	13,902,888	20,779,332
Customer Advances	7,497,700	936,500
Other Payables and Accrued Expenses	41,855,757	14,901,928
Cash Generated from / (used In) Operations	440,591,157	(91,156,219)
Income Tax Paid	(58,098,409)	(25,861,838)
Deferred Taxation	-	-
Payment of Retirement Benefit Obligation	(6,319,320)	(9,225,655)
Net Cash Flow from / (used in) Operating Activities	376,173,428	(126,243,712)
Cash Flow from Investing Activities		
Investment on Property, Plant and Equipment	(8,260,285)	(6,879,966)
Interest Income Received	59,756,381	8,445,966
Chages in Shortterm Deposits	(41,417,396)	20,295,436
Dividend Income Received	4,120,166	300,000
Net Cash Flow from Investing Activities	14,198,867	22,161,436
Cash Flow from Financing Activities		
Dividend Paid	(200,000,000)	(25,000,000)
Net Cash used in Financing Activities	(200,000,000)	(25,000,000)
Net Changes in Cash and Cash Equivalents During the Year	190,372,294	(129,082,276)
Cash and Cash Equivalents at Beginning of the Year	(81,456,152)	47,626,121
Cash and Cash Equivalents at End of the Year (Note 11)	108,916,142	(81,456,153)
Cash and Cash Equivalents at End of the Year Represented by ;	31st Mar, 2024	Mar 31, 2023
Cash in Hand and Bank	181,133,593	1,468,992
Bank Overdrafts	(72,217,451)	(82,925,144)
	108,916,142	(81,456,153)

The Accounting Policies on page 21 to 29 and Notes to the Financial Statements on Pages 5 to 20 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

LANKA PHOSPHATE LIMITED					
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31,2024					
<i>(Expressed In Sri Lankan Rupees)</i>					
5	Property, Plant and Equipment				
	Cost / Revaluation	Balance as at April 01,2023	Addition	Transferred	
				Balance as at 31st Mar 2024	
	Buildings	150,248,121.22	-	-	150,248,121
	Internal Roads	65,139,730.22	-	-	65,139,730
	Plant and Machinery	126,462,925.79	255,165	727,050	127,445,141
	Motor Vehicles	96,515,000.00	-	-	96,515,000
	Office & Equipment	7,611,457.17	1,645,524	1,771,488	11,028,469
	Electrical Equipment	4,059,399.93	339,727	(2,276,348)	2,122,779
	Furniture and Fittings	8,995,901.91	236,229	(81,230)	9,150,901
	Laboratory Equipments	-	5,075,000	-	5,075,000
	Electrical Elephant Fence	3,157,193.75	-	-	3,157,194
	Computer Hardware and Software	8,464,224.00	708,640	(140,960)	9,031,904
		470,653,954	8,260,285	-	478,914,239
	Depreciation	Balance as at April 01,2023	Charge for the Year	Transferred	Balance as at 31st Mar 2024
	Buildings	23,826,342	6,009,925	-	29,836,267
	Internal Roads	29,141,909	3,247,924	-	32,389,833
	Plant and Machinery	35,572,231	10,208,629	528,034	46,308,894
	Motor Vehicles	77,212,000	19,303,000	-	96,515,000
	Office Equipment	5,822,867	2,283,703	(246,424)	7,860,147
	Electrical Equipment	515,251	158,560	(228,984)	444,827
	Furniture and Fittings	6,309,731	1,798,518	(70,661)	8,037,588
	Laboratory Equipments	-	124,375	-	124,375
	Electrical Elephant Fence	-	631,439	-	631,439
	Computer Hardware and Software	4,745,444	1,730,134	18,034	6,493,612
		183,145,775	45,496,206	-	228,641,981
	Net Book Value	Balance as at April 01,2023	Charge for the Year	Transferred	Balance as at 31st Mar 2024
	Buildings	126,421,779	(6,009,925)	-	120,411,855
	Internal Roads	35,997,821	(3,247,924)	-	32,749,897
	Plant and Machinery	90,890,695	(9,754,448)	199,016	81,136,247
	Motor Vehicles	19,303,000	(19,303,000)	-	-
	Office Equipment	1,788,590	1,379,732	2,017,911	3,168,322
	Electrical Equipment	3,544,149	(1,866,197)	(2,047,364)	1,677,953
	Furniture and Fittings	2,686,171	(1,572,858)	(10,570)	1,113,313
	Laboratory Equipments	-	4,950,625	-	4,950,625
	Electrical Elephant Fence	3,157,194	(631,439)	-	2,525,755
	Computer Hardware and Software	3,718,780	(1,180,488)	(158,994)	2,538,292
		287,508,179	(37,235,921)	-	250,272,258
	Capital work-in-Progress	Balance as at April 01,2023	Addition	Transfer	Balance as at 31st Mar 2024
	Upgration of Power Generating System at Site	356,400	(356,400)	-	-
		356,400	(356,400)	-	-
	Total	287,864,579			250,272,258
	Provision for Impairment	-		-	-
		287,864,579			250,272,258
				31st Mar 2024	31st Mar 2023
6	Investment in GSMB Technical Services (Pvt) Ltd				
	100,000/- Shares of Rs.10/- each			1,000,000	1,000,000

LANKA PHOSPHATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31st 2024

		<i>(Expressed in Sri Lankan Rupees)</i>	
		2023/24	2022/23
7	Inventories		<i>Re-Stated</i>
	Trade Stocks - Eppawala (Finished goods)	51,516,709	70,278,082
	(Raw Material)	46,019,986	22,050,578
	General Stocks	147,263,003	177,657,742
		244,799,698	269,986,402
	Provision for Obsolete Stocks	(10,679,929)	(10,679,929)
	PROVISION FOR STOCK DIFFERENCES	-	-
		234,119,769	259,306,473
8	TRADE RECEIVABLES		
	<u>Debtors ERP/HERP Sales - Eppawala</u>		
	Outstanding as at 31.03.2024	45,463,566	42,978,725
	Debtor advance payments Received	(9,734,200)	(2,236,500)
		35,729,366	40,742,225
	Cash Sales Collection A/C - Eppawala	-	-
	Debtors - Coconut Fertiliser Project - Wariyapola	809,325	1,218,307
	<u>(-) Provision for Bad & Doubtful Debts</u>		
	- Eppawala Site	(5,885,161)	(8,551,200)
	- Wariyapola Site	(816,325)	(1,218,307)
		(6,701,486)	(9,769,507)
		29,837,205	32,191,025
9	Deposits, Prepayments and Other Receivables		
	Staff Loans and Advances	54,801,325	38,112,325
	Deposit and Prepayments	29,537,075	32,510,904
	Interest Receivable from Short Term Investments -FD	76,160,380	95,004,866
	Interest Receivable from Short Term Investments -REPO	142,857	-
		160,641,638	165,628,095
10	Fixed Deposits and Treasury Bills		
	Fixed Deposits	602,001,770	560,584,374
		602,001,770	560,584,374
11	Cash and Cash Equivalents		
	Repo - Bank of Ceylon	180,000,000	-
	Cash at Bank	1,018,593	1,353,991
	Cash in Hand	101,000	101,000
	Stamp Float	14,000	14,000
		181,133,593	1,468,991
	11.1 - CASH AT BANK		
	BOC - Eppawala (A/C No 004641100)	418,762	373,959
	PB- Eppawala (170-100180000025)	91,392	808,713
	PB - WARIYAPOLA - (A/C No 144-100200000025)	508,439	171,319
	Boc-Grandpass - (A/C No 0009300713)	-	-
		1,018,593	1,353,991
	11.2 - Bank Overdrafts		
	PB- Eppawala (170-100180000025)	-	-
	PB - WARIYAPOLA - (A/C No 144-100200000025)	-	-
	BOC - Eppawala (A/C No 004641100)	-	-
	Boc-Grandpass - (A/C No 0009300713)	72,217,451	82,925,144
		72,217,451	82,925,144

LANKA PHOSPHATE LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31st, 2024			
<i>(Expressed in Sri Lankan Rupees)</i>			
		2023/24	2022/23
12 Stated Capital			
<i>Issued and Fully Paid</i>			
7,251,000 Ordinary Shares		72,510,000	72,510,000
13 Retiring Benefit Obligation			
Balance as at April 01, 2023		56,358,582	31,310,870
Current Service Cost for the period		4,272,746	2,038,120
Past Service Cost		-	2,975,288
Interest Cost for the period		9,017,373	4,696,630
During the Year Payment		(6,319,320)	(9,225,655)
Actuarial loss on retirement benefit obligations		(2,964,332)	24,563,329
Balance as at Mar 31, 2024		60,365,049	56,358,582
14 Deferred Tax Liability			
Balance B/F		27,618,049	22,269,086
Recognised in Income Statement		3,563,893	1,854,805
Recognised in OCI		(1,282,795)	3,494,158
Balance C/F		29,899,148	27,618,049
15 PROVISION FOR TAXATION			
Balance B/F		23,346,169	25,765,717
(+) Provision for the year		120,370,720	23,442,290
(-) Payments during the year		(58,098,409)	(25,861,838)
		85,618,480	23,346,169
<u>Credits</u>			
(-) With Holding tax Receivable		(6,469,588)	(159,503)
Balance C/F		79,148,892	23,186,666
16 Other Payables and Accrued Expenses			<i>Re - stated</i>
Accrued Expenses		88,384,960	71,397,708
WHT Payable		2,990,250	2,319,503
VAT PAYABLE / RECOVERABLE		14,655,386	-
Other Payable		19,574,199	10,031,828
		125,604,796	83,749,039
17 Revenue			
<u>Net Revenue (Before VAT)</u>			
ERP (50KG)		629,663,180	455,195,565
ERP 33% (P2O5) SALES		30,132,200	-
LOW QUALITY ERP SALES		17,500	-
HERP		105,258,220	90,298,498
HERP 50KG SALES 38% WITHOUT BAGS		314,967,680	-
ERP (25KG)		-	600,000
EPPAWALA RUBBER FERTILIZER SALES		-	6,000
Total		1,080,038,780	546,100,063
(+) Value Added Tax (18%) (Jan 24 - Mar,24)		41,485,645	-
Gross Revenue (With VAT)		1,121,524,425	546,100,063

18. COST OF SALES	2023/24	2022/23	Variance
		<i>Re-Styled</i>	
OPENING STOCK AS AT 01/04/2023	92,328,660	27,267,539	(65,061,122)
<u>DIRECT EXPENSE INCURRED DURING THE YEAR</u>			
18.1 STAFF REMUNERATIONS AND PAYMENTS			
STAFF REMUNERATION-QUARRY	11,754,151	11,186,567	(567,584)
STAFF REMUNERATION-CRUSHER	26,206,171	22,975,974	(3,230,197)
STAFF REMUNERATION - MILL	88,812,617	69,161,880	(19,650,737)
STAFF REMUNERATION - MAINTENANCE	36,724,847	29,608,932	(7,115,915)
STAFF REMUNERATION-ELECTRICAL	7,817,869	6,760,323	(1,057,546)
MEDICAL SCHEME	4,010,486	4,388,949	378,463
ANNUAL BONUS	12,066,122	2,883,403	(9,182,719)
MEDICAL LEAVE ENCASHMENT	17,462,724	5,664,579	(11,798,145)
	204,854,986	152,630,606	(52,224,379)
18.2 RAW MATERIAL EXCAVATION			
HIRE OF MACHINERY	15,123,177	8,263,360	(6,859,817)
	15,123,177	8,263,360	(6,859,817)
18.3 ROYALTY			
ROYALTY	86,671,213	47,109,202	(39,562,011)
	86,671,213	47,109,202	(39,562,011)
18.4 POWER & ENERGY			
POWER-CRUSHER (9%)	6,252,021	3,280,792	(2,971,229)
POWER -MILL (83%)	57,657,528	30,256,196	(27,401,331)
GENERATOR FUEL	222,071	2,745,265	2,523,194
	64,131,619	36,282,254	(27,849,366)
18.5 PACKING MATERIAL			
POLYPROPYLENE BAGS	71,166,184	88,665,862	17,499,678
BINDING HOOKS	817,625	402,691	(414,934)
	71,983,809	89,068,553	17,084,744
18.6 LICENCE AND APPROVALS			
MINING LICENSE	468,628	991,306	522,679
LAND UTILIZATION CHARGES	13,780,100	5,792,968	(7,987,131)
	14,248,727	6,784,275	(7,464,453)
18.7 DEPRECIATION - DIRECT PRODUCTION			
P&M, ELECTRICAL EQUI. ETC	16,501,489	15,207,224	(1,294,265)
	16,501,489	15,207,224	(1,294,265)
18.8 MILL AND CRUSHER MAINTENANCE			
MILL SPEAR PARTS.-5 ROLLER (NEW	7,149,298	1,676,621	(5,472,677)
MILL SPARES PARTS.-5 ROLLER	779,767	18,629,048	17,849,281
160 TGM MILL MAINTENANCE	11,009,196	4,760,864	(6,248,331)
TGM 160 - 6 ROLLER MILL - 2	10,464,947	2,452,715	(8,012,232)
CRUSHER SPARE PARTS.	636,416	163,390	(473,026)
	30,039,624	27,682,638	(2,356,985)
18.9 OIL AND LUBRICANTS			
Oil & Lubricants - MINE	102,001	167,827	65,827
OIL & LUBRICANT - CRUSHER	305,991	88,021	(217,970)
LUBRICANTS - MILL	2,344,439	2,684,879	340,440
	2,752,431	2,940,728	188,297

18.10 VEHICLE FUEL AND MAINTENANCE				
WHEEL LOADER FUEL - MINE		214,240	57,428	(156,813)
WHEEL LOADER FUEL(NEW) - MINE		1,085,455	902,773	(182,681)
WHEEL LOADER MAINTENANCE - MINE		77,021	46,089	(30,931)
924 K WHEEL LOADER - FUEL - MINE		1,245,699	1,419,200	173,501
924 K WHEEL LOADER MAINTENANCE - MINE		1,756,675	308,784	(1,447,891)
WHEEL LOADER MAINTENANCE (NEW) - MINE		574,536	171,268	(403,268)
INTERNALTRANS.-TRACTOR 49-7541 - MINE		102,480	100,022	(2,458)
INTERNALTRANS-T. 46 SRI 5636 - MINE		1,892	2,467	575
TRAILER -44 Sri 6600 - MINE		366	22,500	22,134
NEW TRACTOR TRAILOR 1 - MINE		22,312	2,870	(19,442)
NEW TRACTOR TRAILOR NO 2 - MINE		4,037	-	(4,037)
NEW WATER BOWSER NCGA 4634 - MINE		12,204	214,955	202,751
TIPPER NCLR 2142 - MINE		162,293	1,314,380	1,152,088
TIPPER - NCLL 6146 - MINE		230,320	106,130	(124,191)
WPLL 9354 DRUM TRUCK - MINE		23,333	82,345	59,013
NCLS-9309 Dump Truck - MINE		305,503	279,696	(25,807)
DUMP TRUCK / (LL - 9354 LAL) - F - MINE		45,351	50,219	4,867
TIPPER / (LL - 6146) - F - MINE		442,703	310,878	(131,826)
DUMP TRUCK / (LJ - 9309 EICHER) - F - MINE		719,304	409,122	(310,183)
TIPPER / (LA - 2142 LAL) - F - MINE		345,958	182,120	(163,838)
INTERNALTRANS-TRACTOR 270-0809 - MINE		72,219	166,035	93,816
INTERNALTRANS-TRACTOR 49-2011 - MINE		53,818	116,952	63,135
INTERNALTRANS-T. 44 SRI 6603 - MINE		2,264	3,517	1,253
INTERNALTRANS-T. 44 SRI 6606 - MINE		2,540	4,167	1,627
INTERNALTRANS-T. 44 SRI 6607 - MINE		2,365	3,517	1,152
WHEEL LOADERS (FURUKAWA) - F - CRUSHER		214,240	57,428	(156,813)
WHEEL LOADERS (FURUKAWA) - M - CRUSHER		73,221	31,148	(42,073)
WHEEL LOADERS (WA 180) - F - CRUSHER		1,085,455	705,978	(379,477)
WHEEL LOADERS (WA 180) - M		257,535	86,639	(170,897)
WHEEL LOADERS (CAT 924 - K) - F - CRUSHER		1,288,777	1,163,820	(124,958)
WHEEL LOADERS (CAT 924 - K) - M - CRUSHER		1,289,402	176,350	(1,113,051)
DUMP TRUCK / (LJ - 9309 EICHER) - M - CRUSHER		305,503	224,526	(80,977)
DUMP TRUCK / (LJ - 9309 EICHER) - F - CRUSHER		719,304	299,800	(419,504)
TIPPER / (LL - 6146) - F - CRUSHER		442,703	180,827	(261,876)
TIPPER / (LL - 6146) - M - CRUSHER		229,770	49,649	(180,122)
DUMP TRUCK / (LL 9354 LAL) - F - CRUSHER		45,351	25,989	(19,362)
DUMP TRUCK / (LL - 9354 LAL) - M - CRUSHER		23,333	44,927	21,594
TIPPER / (LA - 2142 LAL) - F - CRUSHER		345,958	116,296	(229,663)
TIPPER / (LA - 2142 LAL) - M - CRUSHER		158,493	184,730	26,238
TRACTOR F & M - CRUSHER		3,600	28,017	
INTERNAL TRANSPORT - CRUSHER		283,210	326,839	43,629
FORKLIFT FUEL - MILL		-	491,598	491,598
FORKLIFT MAINT - MILL		2,370	156,003	153,633
FORKLIFT FUEL - MILL		-	345,914	345,914
FORKLIFT MAINT - MILL		-	121,126	121,126
FORKLIFT FUEL (UNI CARRIER) - MILL		2,400	439,692	437,292
FORKLIFT MAINTENANCE (UNI CARRIER) - MILL		-	79,289	79,289
FORKLIFT (NISSAN) - F - MILL		860,296	162,623	(697,674)
FORKLIFT (NISSAN) - M - MILL		320,809	214,751	(106,058)
FORKLIFT (MITSUBISHI) - F - MILL		378,993	24,980	(354,013)
FORKLIFT (MITSUBISHI) - M - MILL		131,696	118,060	(13,636)
WHEEL LOADERS (WA 180) - M - MILL		257,535	76,149	(181,387)
WHEEL LOADERS (CAT 924 - K) - F - MILL		1,288,777	939,363	(349,415)
WHEEL LOADERS (CAT 924 - K) - M - MILL		1,289,402	195,662	(1,093,740)
WHEEL LOADERS (FURUKAWA) - F -MILL		214,240	57,428	(156,813)
WHEEL LOADERS (FURUKAWA) - M-MILL		77,021	31,148	(45,873)
FORKLIFT (UNI CARRIER) - F-MILL		981,625	-	(981,625)
FORKLIFT (UNI CARRIER) - M-MILL		155,131	271,545	116,414
WHEEL LOADERS (WA 180) - F-MILL		1,085,455	655,095	(430,360)
		21,316,496	14,360,820	(6,980,093)

18.11 TOOLS, EQUIPMENT AND MAINTENANCE			
MINING EQUIP. & MAINT. - MINE	-	18,200	18,200
COMPRESSOR MAINT. - MINE	17,200	81,187	63,987
PERSONNEL SAFETY EQUIP. - MINE	71,151	97,072	25,921
PERSONNEL SAFETY EQUIP. - CRUSHER	25,445	15,478	(9,967)
TOOLS & IMPLEMENTS - CRUSHER	856,666	7,625	(849,041)
PERSONNEL SAFETY EQUIP. - MILL	854,531	697,577	(156,954)
TOOLS & IMPLEMENTS - MILL	1,019,537	181,620	(837,917)
BAG CLOSER MACHINE EXP. - MILL	321,108	26,890	(294,218)
GENERATOR MAINTENANCE - WS	4,090	64,417	60,328
MAINT. OF TOOLS & EQUIPMENT -WS	1,102,860	1,178,037	75,177
LAB EXPENSES	2,438,827	166,072	(2,272,755)
LAB BUILDING MAINT.	261,597	3,963	(257,635)
WORK SHOP BUILDING	104,892	159,047	54,155
CRUSHER BUILDING	24,226	360,813	336,587
Grizly Maintenance	253,799	-	(253,799)
MINING OFFICE	35,102	14,444	(20,658)
WATER SUPPLY MAINT	1,301,466	126,418	(1,175,047)
FINISHED GOODS STORES MAINTENANCE	2,644,125	-	(2,644,125)
MILL BUILDING	76,424	53,476	(22,948)
WEIGHING SCALE MAINT.	186,207	40,190	(146,017)
WEIGH BRIDGE MAINTENANCE	6,246	139,954	133,708
	11,605,499	3,432,480	(8,173,019)
TOTAL EXPENSES	539,229,070	403,762,140	(135,491,347)
EXPENSES WITH OPENING STOCK	631,557,731	431,029,679	(200,552,469)
CLOSING STOCK as at 31.03.2024	(97,536,694)	(92,328,660)	5,208,034
COST OF SALES - LPL	534,021,036	338,701,018	(195,320,018)
DIRECT COST - CFMP	-	747,860	747,860
19. FACTORY & ADMINISTRATION OVERHEADS	2023/24	2022/23	Variance
		<i>Re-Stated</i>	
19.1 STAFF REMUNERATIONS AND PAYMENTS			
STAFF REMUNERATION - P&A	23,321,421	20,524,993	(2,796,428)
STAFF REMUNERATION-A & F	13,914,482	11,990,871	(1,923,611)
STAFF REMUNERATION-AUDIT	2,703,436	3,056,694	353,258
STAFF REMUNERATION-ESTATE	7,506,488	7,051,530	(454,958)
STAFF REMUNERATION-IT	2,112,433	1,729,186	(383,247)
STAFF REMUNERATION-SECURITY	29,847,526	25,803,363	(4,044,163)
STAFF REMUNERATION-SUPPLIES	6,692,742	5,418,068	(1,274,673)
STAFF REMUNERATION-TRANSPORT	24,768,821	19,350,950	(5,417,871)
STAFF REMUNERATION-HEAD OFFICE	9,313,558	8,850,085	(463,473)
STAFF REMUNERATION-MAIN STORES	27,263,399	18,263,199	(9,000,200)
STAFF WELFARE	19,429,740	19,964,058	534,318
MEDICAL SCHEME	2,673,657	2,925,966	252,309
ANNUAL BONUS	8,044,081	1,922,268	(6,121,813)
MEDICAL LEAVE ENCASHMENT	11,641,816	3,776,386	(7,865,430)
GRATUITY	13,290,119	9,710,038	(3,580,081)
STAFF TRAINING - HO	69,422	-	(69,422)
STUDENT SCHOLARSHIP SCHEME	294,000	461,000	167,000
STAFF TRAINING - SITE	819,705	254,070	(565,635)
	203,706,846	161,052,726	(42,654,120)
19.2 POWER & ENERGY			
POWER (8%) - EPPAWALA OFFICE	5,557,352	2,916,260	(2,641,092)
ELECTRICITY - HO	1,382,087	676,025	(706,061)
	6,939,439	3,592,285	(3,347,153)

19.3 TRAVELLING & SUBSISTANCE			
VEHICLE HIRING	199,404	337,576	138,172
TRAVELING & SUBSISTENCE - SITE	4,602,779	5,735,581	1,132,802
TRAVELING & SUBSISTENCE - HO	1,153,041	1,478,970	325,929
	5,955,224	7,552,127	1,596,904
19.4 TELEPHONE, POSTAGE & COMMUNICATION			
POSTAGE & TELEGRAMS	183,985	70,263	(113,722)
COMPUTER S/W & H/W MAINTANCE.	81,368	50,721	(30,647)
TELEPHONE-02549121	4,437	22,930	18,493
TELEPHONE-02549290	2,757	15,194	12,437
TELEPHONE-02549400	3,621	39,677	36,056
TELEPHONE-2249601	5,154	27,008	21,854
TELEPHONE-2249647	3,476	22,250	18,774
ADSL/LEASED LINE CHGS	449,577	389,541	(60,035)
ATTENDANCE & PAYROLL FEE	486,066	461,168	(24,898)
POSTAGE & STAMPS	35,683	23,520	(12,163)
PRINTING & STATIONARY	682,898	670,729	(12,169)
TEL 459907	6,513	105,483	98,970
TEL 459908	151,189	138,379	(12,811)
TEL-459906	2,545	42,303	39,759
TEL-459909	48,841	39,083	(9,757)
TELEPHONE BILL REIMBURSEMENT	338,087	93,709	(244,378)
TEL 472698	15,916	15,323	(593)
COMPUTER H/W & S/W MAINT:	637,252	580,401	(56,851)
IP VPN CHARGES	1,038,705	1,000,033	(38,671)
ADVERTISEMENTS	1,945,917	519,547	(1,426,371)
	6,123,986	4,327,264	(1,796,723)
19.5 BUILDING & OTHER MAINTENANCE			
OFFICE EQUIPMENT.	46,469	758	(45,711)
OFFICE UPKEEP & MAINT.	673,499	89,447	(584,052)
ELECTRICAL EQUIPMENT.	841,625	1,310,172	468,546
PREMISES/SERVICES	811,301	297,114	(514,187)
MAIN STORES	114,986	86,684	(28,302)
SECURITY AND TRANSPORT OFFICE	267,414	1,783	(265,631)
CANTEEN & WELFARE BUILDING	22,479	20,793	(1,686)
EXECUTIVE QUARTERS	127	13,385	13,258
WORKERS QUARTERS near Cannel	1,162,802	5,768	(1,157,034)
GM's QUARTERS	2,780	1,232	(1,548)
WORKERS QUARTERS Town	-	3,990	3,990
Chairman's QUARTERS	27,527	107,484	79,956
S.O.'s QUARTERS	-	2,914	2,914
SERVICE STATION	784	10,100	9,316
SECURITY HUT- 2 [BARRIER]	868	-	(868)
FIRST AID BUILDING	-	17,277	17,277
GENERATOR BUILDING	104,475	116	(104,358)
MAIN OFFICE	144,925	29,472	(115,453)
WEIGH BRIDGE BUILDING	16,488	-	(16,488)
WORKERS REST ROOM MINING	6,099	4,838	(1,261)
WORKERS REST ROOM - MILL	146,248	72,288	(73,959)
DRIVERS' REST ROOM	-	642	642
Vehicle Garage	567	-	(567)
G.M./A.G.M. OFFICE	17,610	1,815	(15,795)
TOILETS	148,063	62,554	(85,510)
MAIN WATER TANK	1,975	-	(1,975)
Chairman's/ED'S QUARTERS	-	3,561	3,561
POWER LINE MAINT.	127,227	395,841	268,614
TEL. LINE MAINT.	9,000	9,690	690
RAW MATERIAL STORES	93,450	-	(93,450)
OFFICE EQUIPMENT MAINTENANCE	-	21,840	21,840
RENT-HEAD OFFICE	1,914,068	1,510,604	(403,464)
LAND LEASE	609,626	789,626	180,000
WATER	180,417	124,289	(56,128)
	7,492,901	4,996,076	(2,496,824)

19.6 BOOKS, PRINTING & STATIONERY			
PRINTING & STATIONERY	2,026,571	1,863,475	(163,096)
BOOKS & PERIODICALS	57,937	9,090	(48,847)
NEWSPAPERS & PERIODICALS	9,900	126,370	116,470
	2,094,409	1,998,935	(95,474)
19.7 INSURANCE AND SAFETY			
SECURITY ITEMS	10,000	4,000	(6,000)
FIRE EXTINGUISHERS	324,038	25,223	(298,815)
ACCIDENT INSURANCE	890,407	483,538	(406,869)
CASH IN TRANSITS INSURANCE	39,379	30,261	(9,119)
SITE INSURANCE	428,605	338,162	(90,443)
	1,692,429	881,184	(811,245)
19.8 MEETING, LEGAL AND PROFESSIONAL EXP.			
AUDIT FEES	372,740	400,000	27,260
DIRECTORS FEES	2,019,075	954,015	(1,065,060)
DIRECTORS EXPENSES	274,841	246,010	(28,831)
TENDER BOARD EXPENSES	120,000	46,000	(74,000)
PROFESSIONAL CHARGES	2,579,075	1,190,850	(1,388,225)
SECRETARIAL FEES	1,010,106	551,279	(458,827)
LEGAL EXPENSES	2,169,779	17,500	(2,152,279)
AUDIT & MGT.COMM.EXPENNCES	423,113	332,272	(90,842)
	8,968,728	3,737,926	(5,230,803)
19.9 VEHICLE & MAINTENANCE			
DUMP TRUCK VEHI. NO.NCLJ9309	-	106,599	106,599
VEHI. No. NC GA 1627	245,402	358,201	112,799
VEHI. NO.NCJR 9672	821,960	312,100	(509,860)
VEHI. NO.NCJR 9680	1,051,239	225,592	(825,647)
VEHI. NO.NC PA 7906	400,894	350,504	(50,390)
VEHI. NO.252-5963	44,251	17,600	(26,651)
VEHI. NO.154 - 3641	7,497	5,937	(1,559)
VEHI. NO.NCMA-8755	1,560,085	828,875	(731,210)
VEHI. BUS.NCNB 5469	667,528	733,916	66,388
VEHI. NO.WPPC 6891	1,444,486	1,076,744	(367,742)
VEHI. DOUBLE CAB - WPPF 5672	1,629,789	853,716	(776,073)
VEHI. DOUBLE CAB - WPPF 5673	1,753,499	1,705,892	(47,607)
SERVICE STATION MATERIALS	462,368	182,987	(279,381)
VEHI. NO.WPKQ4329	3,091,370	1,122,226	(1,969,144)
VEHI. NO.HK-4629	8,902	7,794	(1,108)
MOTOR BIKE - NC BCB 8782	13,805	16,779	2,974
MOTOR BIKE - NC BCB 8777	28,606	25,213	(3,393)
	13,231,683	7,930,676	(5,301,007)
19.10 GENERAL EXP & PROVISIONS			
Bad & Doubtful Debtos	(333,380)	(799,357)	(465,977)
DEPRECIATION-Indirect	28,994,717	27,491,809	(1,502,908)
FESTIVAL EXPENSES	-	275,073	275,073
SUNDRY EXPENSES	3,200,908	824,008	(2,376,900)
GENERAL STOCK WRITTEN OFF	905,303	-	(905,303)
GENERAL EXPENSES	633,757	967,738	333,982
RESEARCH AND DEVELOPMENT	740,130	573,225	(166,906)
	34,141,434	29,332,495	(4,808,939)
	290,347,077	225,401,693	(64,945,384)

20. SELLING & DISTRIBUTION EXPENSES				
		2023/24	2022/23	Variance
STAFF REMUNERATION-MARKETING		6,654,702	8,220,355	1,565,653
MKT - HOT LINE 071 4 223 222		28,064	25,546	(2,518)
SALES PROMOTION		46,621	34,095	(12,525)
BUSINESS PROMOTION		327,806	181,243	(146,563)
MINERAL TAX		5,400,231	2,730,433	(2,669,798)
		12,457,424	11,191,672	(1,265,752)
<u>SALES OUTLET</u>				
- WATER SUPPLY		10,073	7,301	(2,772)
- ELECTRICITY		3,271	1,321	(1,950)
- SALES OUTLET-MISCELLANEOUS EXPENSES		836	-	(836)
- TRANSPORT & STOCK HANDLING		-	3,000	3,000
		12,471,602.84	11,203,293.44	(1,268,309.40)
21. FINANCE COST				
		2023/24	2022/23	Variance
Bank Charges		195,133	150,287	(44,845)
OD Interest		3,419,292	9,749,495	6,330,203
		3,614,425	9,899,783	6,285,358

LANKA PHOSPHATE LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31st 2024			
(Expressed In Sri Lankan Rupees)			
		2023/24	2022/23
22	Interest and Other Income		
	22.1 Interest Income		
	Interest Received from Fixed Deposits	108,468,069	103,681,717
	Interest Received from Repo	6,379,098	1,179,780
	Interest Received from Loans Given to Staff	3,297,867	2,676,518
	Sub Total	118,145,034	107,538,015
	22.2 Other Income		
	Miscellaneous Income	1,499,601	1,349,604
	Dividend Received	4,120,166	300,000
	Sub Total	5,619,767	1,649,604
		123,764,800	109,187,619
	Profit Before Taxation is Calculated After Charging / (crediting) Followings.		
	Staff Cost	409,335,027	320,409,745
	Depreciation	45,496,206	42,699,032
	Audit Fees	372,740	400,000
	Directors Fees	2,019,075	954,015
	Directors Expenses	274,841	246,010
	Payment of EPF 22%	50,397,606	43,413,086
	Payment of ETF 3%	6,872,401	5,919,966
	Payment of Gratuity	6,319,320	9,225,655
23	Income Tax Expenses		
	Taxation on Profit for the Year	120,370,720	23,442,290
	Transferred from Deferred Tax	3,563,893	1,854,805
		123,934,613	25,297,095
23.1	Reconciliation of Income Tax Expenses		
	Profit Before Taxation	363,349,438	60,581,651
	Non Business Income	(122,598,580)	(107,838,015)
	Aggregate Disallowable Items	72,280,319	61,897,526
	Prior-year adjustment which are liable for Tax	-	-
	Aggregate Allowable Expenses	(30,260,882)	(35,511,436)
	Acessable income from business	282,770,296	(20,870,274)
	Income from Other Sources & Exempt Income	118,145,034	107,838,015
	Exempt Income	-	-
	Loss Claimed 23.2	-	(20,870,274)
	Acessable income from Investment	118,145,034	86,967,741
	Total Assessable Income	400,915,330	86,967,741
	Qualifying Payment	-	-
	Taxable Income	400,915,330	86,967,741
	Tax on Taxable Income from Business	30% 84,831,088.81	-
	Tax on Taxable Income from Investments	30% 35,443,510.10	13,000,161
		24%	10,400,129
	Tax on Dividend Income	14%	42,000
	Under / (Over) Provision in Respect of Previous Year		-
		96,121	-
	Current Income Tax Expenses	120,370,720	23,442,290
23.2	Tax Losses		
	Losses brought forward	-	-
	Losses / (Profit) incurred	-	20,870,274
		-	20,870,274
	Loss utilised	-	(20,870,274)
	Loss C/F to next Year	-	-

LANKA PHOSPHATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31st 2024

(Expressed In Sri Lankan Rupees)

24 Adjustments relate to Prior Years

24 - I Provision for unpaid Land Utilisation Charges to Forest Conservation Department

Department of Forest Conservation in their letter dated 19.02.2024 has requested Lanka Phosphate Ltd to pay a sum of Rs. 33,907,391.43 (before VAT) as Land utilisation charges for northern quarry production for the period of from 2016 to 2022 since this land belongs to them. This matter had been revealed in the latter part of 2023.

Description

Adjustment as at 31 March 2022

Accrued Charges

Impact to Liabilities

33,907,391

Adjustment Made in the Carrying Values - (31 March 2022) -
Correction of understatement

33,907,391

Impact to Equity

(33,907,391)

Retained Earnings b/f

Adjustment Made in the Statement of Profit or Loss - (for the
Year Ended 31 March 2022) - Correction of Overstatement of
Profits

(33,907,391)

24 - II Unidentified Stock Difference - Raw Material

Company had identified a difference in physical and book balances of raw material, as at 31.03.2023, as follows.

Qty - Mt.	ERP	HERP
Book Balance	16194	816
Balance as per Physical verification	9954	495
shortage	6241	321

Value - Rs.	ERP	HERP
Book Balance	34,177,679.69	1,721,613.51
Balance as per Physical verification	21,006,652.06	1,043,925.58
Difference	13,171,027.63	677,687.92

Provision already made in 2022/23 F/Y

7,285,350.87

1,467,031.61

8,752,382.48

Balance Amount to be adjusted

5,885,676.75

(789,343.68)

5,096,333.07

Total

13,171,027.63

677,687.92

13,848,715.55

Company had called an independent Engineers report to introduce stock verification parameters and estimate the Stock differences, accordingly. As per the Engineers, the reasons for above difference had been mainly due to changes of raw material stock piling method in 2022/23 and high level of moisture contain in the mined output. Board of Directors during year 2022/23 decided to made a provision for Rs. 8,752,382.48 based on the initial inspection report. The total difference identified as per the final verification report to be adjusted in the financial statements in the year 2023/24 as a prior year adjustment.

Adjustment as at 31 March 2022

Adjustment Made in Carrying Values - Closing Raw material Stock

Impact to Assets

(13,848,715.55)

Impact to Profitability

Adjustment Made in the Profit & Loss Statement - Correction of Overstatement

(13,848,715.55)

Adjustment as at 31 March 2023

Provision for Stock Difference

Impact to Liabilities

(8,752,383)

Adjustment Made in the Carrying Values - (31 March 2022) - Reversal of Provision made

(8,752,383)

Impact to Equity

8,752,383

Retained Earnings b/f

Adjustment Made in the Statement of Profit or Loss - (for the Year Ended 31 March
2023) - Correction of understatement of Profits

8,752,383

LANKA PHOSPHATE LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31st 2024			
		<i>(Expressed In Sri Lankan Rupees)</i>	
25	Deferred tax adjustment on Revaluation Reserves		
		<i>2023/24</i>	<i>2022/23</i>
	Revaluation Surplus(Without Motor Vehicle)	55,931,086	55,931,086
	(-) Depreciation on revalued amount as at the year end	(21,379,909)	(17,103,927)
	Revaluation Gain	34,551,177	38,827,159
	Deferred tax liability B/F	11,648,148	8,153,990
	Deferred tax liability C/F	10,365,353	11,648,148
	Adjustment for the year for OCI and Revaluation Reserves	1,282,795	(3,494,158)
26	Earnings Per Share		
	The calculation of Basic Earnings Per Share is based on the Net Profit Attributable to Ordinary Shareholders divided by the Weighted Average Number of Ordinary Shares in issue during the year.		
	Net Profit Attributable to Ordinary Shareholders (Rs.)	239,414,825	44,036,939
	Weighted Average Number of Ordinary Shares (Nos.)	7,251,000	7,251,000
	Earnings Per Share (Rs.)	33.02	6.07

27. Financial risk management

The company's activities are exposed to variety of financial risks such as Market risk (including currency) risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management process focuses on the unpredictability of finance risk and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is performed by the Finance Department under policies approved by the Board of Directors.

The principal financial instruments of the company comprise of short term deposits, money market investments, and cash. The main purpose of these financial instrument is to raise and maintain liquidity for the company's operations, and maximize returns on the company's financial reserves. The company has various other financial instruments such as trade receivables and trade payables which arise directly from its business activities.

(a) Credit risk

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Credit risk arises from cash and cash equivalents and deposit with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

(b) Trade receivables

Trade receivables consist of local customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The company does not have a significant credit risk exposure to any single counterparty or any group of counterparties. The company has established policies and procedures to evaluate the clients before approving credit items.

(c) Liquidity risk

Cash flow forecasting is performed by the Finance Division. The Finance Division monitors rolling forecast of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Surplus cash held over and above balance required for working capital management is invested in State banks. At the reporting date, the company held deposits of Rs. 602,001,770 (31/03/2023 Rs. 560,584,374) that are expected to readily generate cash inflows for managing liquidity risk.

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(d) Interest rate risk

The company has cash and bank balance including deposits placed with government and creditworthy banks. The company monitors interest rate risk by actively monitoring the yield curve trend and interest rate movement.

(e) Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

28. Capital commitments and contingent liabilities

The company has no material capital commitment and contingent liabilities except the following.

	Rs.
- Retention Money on 2 Nos Brand-new Jaw Crushers [Keshara Engineering (Pvt) Ltd – Piliyandala]	4,386,358.40

28.1 Financial commitments

There were no material financial commitments outstanding at the end of the reporting date except followings.

	Rs.
- Electricity Bills Payment – March 2024	6,237,396.84

- Hire of Machinery – D.C.M. Constructions - Maradankadawala	3,245,696.00
- Retention money on WPP Bag supply- Central Polysack	1,596,000.00
- Income Tax SA Payment 2022/23 – 4 th QTR	13,358,858.00
- Unpaid WPP Bag cost – Lanka Polysacks (Pvt) Ltd	17,989,500.00
- Royalty Payable Jan – Mar 2024 to GSMB	18,696,254.36
- Unpaid WPP Bag cost – Central Polysacks (Pvt) Ltd	10,979,569.60
- VAT Payment – March 2024 to IRD	14,655,386.91
- Payment to Mahaweli Authority – Land Utilization fee – Bal. 2023/24	7,074,418.00
- Mineral Tax Jan – Mar 2024	1,170,949.03
- Staff Appreciation Allowance	13,000,000.00
- Wheelloader Hiring Charges – Mar 2024	1,386,950.00
- Interim Dividend to General Treasury	35,000,000.00
- Arrears Land Utilization fee to Forest Conservation Dept. 2016-2022	33,907,391.43
- Unpaid Land Lease – Gallahepitiya Pemarathana Thero for Wariyapola Project Land Jun, 21 – Sep,22	480,000.00

28.2 Pending litigation

1. Supreme Court Application Nos : 204/2023 (F/R) And 203/2023 (F/R) by Sunil Watagala, Attorney-at-Law on behalf of his clients, S. Asoka Abeysiri and S.D Rupasinghe, who were interdicted from their posts.

2. Supreme Court Application Nos : 301/2023 (F/R) by Centre for Environmental Justice (Guarantee) Limited and 02 others, for issuing of Rock Phosphate for export purposes.

29. Substandard Products

Company withheld a stock of 2500mt. of Eppawala Rock Phosphate which seems to be not comply with the SLS 748:2014 specification for Ground Rock Phosphate. However, out of the above stock, 1743.37mt had been remixed and handed over to production process during the year. Standardization of the balance stock is in progress.

30. Retirement benefit obligations

Actuarial Valuation of Gratuity Liabilities as at 31 March 2024

Accounting Disclosures :

	Rs.
<u>Change in the Present Value of The Defined Benefit Obligation (PV-DBO)</u>	
Provision for PV-DBO as at 01 April 2023	= 56,358,581
Interest Cost for the period	= 9,017,373
Current Service Cost for the period	= 4,272,746
Gratuity paid/payable for those who left during the period	= (6,319,320)
Gratuity payments made for those employees who transferred out	= -
Gratuity payments received for those employees who transferred in	= -
Actuarial (Gain)/Loss on PV-DBO	= (2,964,332)
Provision for PV-DBO as at 31 March 2024	= <u><u>60,365,048</u></u>

AMOUNTS RECOGNIZED IN THE BALANCE SHEET AND INCOME STATEMENT

Liability recognised in the balance sheet

Provision for Gratuity as at 31 March 2024	= 60,365,048
Unrecognized actuarial Gains/(Losses) as at 31 March 2024	= -
Liability recognized in the balance sheet as at 31 March 2024	= <u><u>60,365,048</u></u>

Expenses recognised in the income statement

Interest Cost	= 9,017,373
Current Service Cost	= 4,272,746
Expenses recognized in the Income Statement	= <u><u>13,290,119</u></u>

Expenses recognised in Other Comprehensive Income statement

Net Actuarial (Gain)/Loss recognized immediately	= (2,964,332)
Expenses recognised in Other Comprehensive Income statement	= <u><u>(2,964,332)</u></u>

31 Event after the reporting period

No circumstances have arisen since the statement of financial position date which requires adjustments to or disclosure in the financial statements.

32 Related party transactions

32.1 Transaction with Key Management Personnel

Related parties includes key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company. Key management personnel includes the directors of the company. Compensation to key management personnel for the year was as follows:

	2023/2024	2022/2023
	Rs.	Rs.
Short term benefits	4,632,199	3,039,390

32.2 Transaction with other related parties.

During the financial year, no parties and transactions were identified as related parties defined under the LKAS 24.

Corporate information, Significant Accounting Judgments, Estimates & Assumptions.

1. CORPORATE INFORMATION

1.1 Domicile and Legal form

Lanka Phosphate Limited (“The Company”) is a limited liability company registered under the Companies Act No. 07 of 2007. In accordance with Act No. 23 of 1987, the Eppawala Phosphate Project of the State Mining and Mineral Development Corporation was converted to a limited liability company.

The registered office of the company is located at No. 73/1/1, New Kelani Bridge Road, Colombo 14 and Rock Phosphate (Apatite) deposit is located at Eppawala.

1.2 Principal activities and nature of operations

The principal activities of the company are excavating, processing and selling of Rock Phosphate, which is used as fertilizer for perennial agricultural crops. In addition, company commenced the mixing operations of fertilizer at Wariyapola, Kanaththewewa in 2014.

1.3 Reporting Period

The period covered by the financial statements are from 01.04.2023 to 31.03.2024

1.4 Date of authorization for issue

The Financial Statements of company for the year ended 31 March 2024 were authorized for issue to the Auditors by the Board of Directors in May 2024

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company (statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows together with summary of significant accounting policies and notes) are prepared in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs) as issued by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No.07 of 2007.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except in respect of for the following material items in the statement of financial position:

- available for sale financial assets are measured at fair value
- liability of defined benefit obligation is recognized as the present value of the defined benefit obligation
- Phosphate Deposit which is utilized to generate income to the company had not been recognized as an assets in the financial statement since the value of the assets couldn't be measured reliably.

2.3 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency and presentational currency. All financial information presented in Sri Lanka Rupees is rounded to the nearest rupee unless otherwise stated.

2.4 Comparative information

The accounting policies have been consistently applied by the Company with those of the previous financial year in accordance with LKAS 01 - presentation of financial statements.

2.5 Materiality & aggregation

In compliance with LKAS 01 on presentation of financial statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions too are presented separately, if they are material.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the application of certain critical accounting assumptions relating to the future. Further, it requires the management of the company to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and

Estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods. Hence, actual experience and results may differ from these judgments and estimates.

In the process of applying the company's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

a) Taxation

The company is subject to income taxes and other taxes. Significant judgment was required to determine the total provision for current, deferred and other taxes pending the issue of tax guidelines on the treatment of the adoption of SLFRS in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

The company recognized assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income, deferred and tax amounts in the period in which the determination is made.

b) Royalty payment

The company is liable to pay 7% from its determined market value of the mined output (Mill Production) to Geological Survey and Mine Bureau on quarterly basis. Total amount for the year 2023/24 is Rs. 86,671,213.00

c) Useful life-time of the property and equipment

The company reviews the residual values, useful lives and methods of depreciation of assets as at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

d) Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future other than the following uncertainty factors

- Supply of raw material is depend on outside short-term agreements and uncertain sources and no researched and excavations had been done to identify alternative mineral deposits.
- Geological Survey and Mines bureau has estimated that the total Eppawala Deposit contain 31 million metric tons of Rock Phosphate. However, since there is no long term agreement with respect to awarding mining rights, there is a possibility of entering other parties also for mining operations, in future.

However, the board is not aware of any such uncertainties at the moment and therefore, the financial statements continue to be prepared on the going concern basis.

e) Post Balance Sheet Events

No post balance sheet events reported which made a significant impact on the results of the company as of 31st March 2024.

f) Impairment losses on financial assets

The Company assesses at each reporting date or more frequently to determine whether there is any objective evidence whether an impairment loss should be recorded in the statement of comprehensive income.

g) Impairment of available for sale investments

The Company reviews its loan given to the share trust classified as available for sale investments at each reporting date to assess whether they are impaired. This requires similar judgment as applied on the individual assessment of loans and advances.

h) Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and tax credits to the extent it is probable that taxable profits will be available against which these losses/credits can be utilized. Significant management judgments are required to determine the amount of deferred tax

assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies.

i) Defined benefit plans

The carrying value of defined benefit plans is determined using a formula which considers the actuarial assumption. This involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, labour turnover rates, etc. Due to the complexity of the valuation, the underlying assumptions and their long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the yield of Sri Lanka Government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Future salary increases are based on expected future inflation rates and expected future salary increase rate of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the company in preparation of its financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise is indicated.

4.1 Revenue recognition

4.1.1 Sale of goods

Revenue from the sale of goods is recognized when the following conditions are satisfied:

- (a) Buyers have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- (b) When the company can identify each party's rights regarding the goods or services to be transferred;
- (c) When the company can identify the payment terms for the goods or services to be transferred;
- (d) Where the contract has commercial substance.
- (e) When it is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

4.1.2 Interest income

Interest income from fixed deposits and REPO investments are recognized on accrual basis using the Actual Interest Rate. However the interest income from staff loans are recognized on actual basis as and when occurred.

4.1.3 Dividend income

Dividend income is recognized in the statement of comprehensive income on actual basis as and when they are received. (Net Income)

4.1.4 Other income

Other income is recognized on actual basis as and when occurred.

4.2 Expenditure recognition

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in running the business and in maintaining property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income.

For the purpose of presentation of the statement of comprehensive income, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Company's performance. Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income.

4.3 Taxation

4.3.1 Current tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue in respect of the current year and any adjustment to tax payable in respect of prior years. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted as at the reporting date.

4.3.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting period date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose. Deferred tax assets are recognised for all deductible differences. Carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each Statement of financial position date and are recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or subsequently enacted at the reporting date.

4.4 Non-financial asset

4.4.1 Property, Plant and equipment

Recognition and measurement

Property, Plant & equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 - property, plant & equipment. Initially property, plant and equipment are measured at cost.

Cost model

Property, plant and equipment is stated at cost or revalued amount, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.

Subsequent cost

Subsequent expenditure incurred for the purpose of acquiring, extending, or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business is treated as capital expenditure and such expenses are recognized in the carrying amount of an asset. The costs associated with day-to-day servicing of property plant and equipment are recognized in the statement of comprehensive income as incurred.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. Depreciation begins when the item is available for use. Land is not depreciated. The rates of depreciations based on the estimated useful lives are as follows:

Category of Assets	Depreciation Rate (%)
Building	04
Plant & Machinery, Electrical Equipment & Laboratory Equipment	10
Motor Vehicle	20
Office Equipment	20
Furniture & Fittings	20
Electrical Elephant Fence	20
Computer Hardware and Software	20
Land & Land Improvement (Internal Roads)	05

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. Any assets, the value get changed significantly, based on the changes in the technology or due to other reasons, should be depreciated on a reasonable basis or either charge against the income of the company, depending on the nature and the value of the items (eg: Mobile Phones, Cameras)

The Assets, the value is above Rs. 5,000/- could be recognized as Fixed Assets in the financial statement. Any assets value is below Rs. 5,000/-, is considered as immaterial and charge against Income of the company. A record is maintained by respective Department for such assets in order for future verification purpose.

De-recognition

Property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the

difference between the net disposal proceeds and the carrying amount of the asset) is recognized in 'other operating income' in the statement of comprehensive income in the year the asset is derecognized.

4.4.2 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

4.5 Operating leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership over the leased term are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the lease term or on a basis which is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.6 Inventories

Stocks are stated at the lower of cost and net realizable value. Cost is determined on weighted average basis based on the cost of production. It has been the practice to apportion 40% of the costs of the Mine to "Crushed" production (Unprocessed) and to apportion the balance 60% to "Ground" production (Processed) when valuing the Phosphate stocks. Net realizable value is the price at which stock can be sold in the ordinary course of business after allowing for the cost of realization. Provision is made where necessary for obsolete, slow-moving and defective stocks.

4.7 Financial assets – recognition and measurement

Company classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) The Company's business model for managing the financial assets and
- (b) The contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (a) The financial asset is held within the business to collect contractual cash flows and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business with the objective of collecting contractual cash flows and selling financial assets and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4.8 Cash and bank balances

Cash and bank balances are defined as cash in hand and balances with banks.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

Company has obtained Permanent Bank Overdraft facility of Rs.70.0 million From BOC Grandpass (Security held: FD no 00089022366). However, the amount utilized remained zero as at 31.03.2024.

4.9 Stated capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

4.10 Retirement benefit obligations

4.10.1 Defined benefit plan – gratuity

The Company is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983, according to which an obligation to pay gratuity arises only on completion of 5 years of continued service. The valuation has been carried out using the Projected Unit Credit Method by an Actuary under actuarial assumptions. The present value of the Defined Benefit Obligation as at 31st March, 2024 with respect to employees in service based on the assumption and methodology is Rs. 60,365,049.00. The PVDBO calculated using Projected Unit Credit Method as at 31 March 2023 was Rs. 56,358,582.00. Liability is externally funded by way of a Fixed Deposit at Bank of Ceylon, Grandpass branch. The value of the fixed deposit securitised for above purpose, as of year-end is Rs.125, 736.000 (0089022357). The amount invested is reviewed annually, based on the determined liability at the each year end.

4.10.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of comprehensive income as in the periods during which services are rendered by employees.

a. Employees' Provident Fund

The company and employees contribute 12% and 10% respectively on the salary of each employee to the approved Provident Fund.

b. Employees' Trust Fund

The company contributes 3% of the salary of each employee to the Employees' Trust Fund.

4.11 Financial liabilities

Company classify all financial liabilities as subsequently measured at amortised cost, except for:

- (a) Financial liabilities at fair value through profit or loss.
- (b) Financial liabilities that arise when a transfer of a financial asset does not qualify for de recognition or when the continuing involvement approach applies.

4.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

4.13 Cash flow statement

The cash flow statement has been prepared using the indirect method, as stipulated in LKAS 7- statement of cash flows. Cash and cash equivalents comprise of cash in hand, cash at bank and bank overdrafts.

4.14 Segmental information

A Segment is a distinguishable component engaged in providing services and that is subject to risks and returns that are different to those of other segments. The company does not have distinguishable components to be identified as a segment as all operations are treated as one segment.

NOTICE OF THE MEETING

NOTICE IS HEREBY GIVEN to the shareholders of Lanka Phosphate Limited that the Annual General Meeting of the Shareholders of Lanka Phosphate Limited would be held on December 2024 at 3.00pm at the Head Office of Lanka Phosphate Limited at No. 73 1/1, New Kelani Bridge Road, Colombo 14 for the following purposes:

1. To confirm the Minutes of the Annual General Meeting held on 19th December 2023.
2. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31.03.2024 and the Balance Sheet as at 31.03.2024 and the Report of the Auditors thereon.
3. To receive, consider and adopt the Annual Report.
4. To declare a dividend for the year 2023/24 as recommended by Board to the Treasury as the sole Shareholder of the Company.
5. To re-elect Directors who retire (at the Annual General Meeting) in terms of the Article 92 & 93 of the Articles of Association of the Company and who being eligible offer for re-election in term of the Article 94 of the Article of Association of the Company.
6. To declare that the Auditor General be the Auditor of the Company for the year 2024/2025.
7. Any other business of which due notice has been given.

By Order of the Board,

Messer Kalrupco Management Services (Pvt) Ltd.

Company Secretaries to Lanka Phosphate Limited

Notes:

A shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a member of the company. A form of proxy is attached for this purpose.

FORM OF PROXY

Lanka Phosphate Ltd

P R O X Y

I/We

Of

Being a member of the above named Company hereby appoint

.....ofor

Failing him

Of

As my/our proxy to vote for me/us an on my/our behalf at the Annual General Meeting of the company to be held on December 2024 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Signed thisday oftwo thousand and twenty four

Signature

NOTE

- **A Proxy may vote as he thinks fit on any resolution brought before the Meeting**
- **A Proxy need not to be a Member of the Company**
- **Instructions as to completion are noted on the reverse hereof**