

MANTAI SALT LIMITED



MINISTRY OF INDUSTRY AND COMMERCE

ANNUAL REPORT & ACCOUNTS

2013.04.01 – 2014.03.31

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CORPORATE INFORMATION

Name of the Company	Mantai Salt Ltd (Government Own Company)
Line Ministry	Ministry of Industry & commerce.
Head Office	21,2/1,E.S.FernandoMw,GalleRoad, Colombo 06.
Mannar Saltern	Grand Bazaar, Mannar.
Chemmani Saltern	No. 321, A V Road, Ariyalai, Jaffna.
Company Registration No.	[N(PBS)942] New No. PB1078
Tax Payer Identification No. (TIN No.)	134009420
Shares Holders	General Treasury
Board of Directors	Mr. A.K.M.Shihabdeen (Chairman) Mr. S.R.W.M.R.Sathkumara Mr. W.A.U.Gunawardena Mr. M.H.M.Niyas
Board Secretary	Corporate Affairs (Pvt) Ltd.
Auditor	B.R.DE SILVA &CO. Chartered Accountants, 22/4,Vijaya Kumaranathunga Mw, Colombo 05.
Bankers	Bank of Ceylon

MANTAI SALT LTD.

Introduction

Mantai Salt Ltd. (MSL) has long history in salt production in Sri Lanka. It manufactured common salt and distribute in the form of Iodated salt ,crushed salt, industrial salt, in our country.

Year		Name of Institute
From	To	
1938	1965	Salt Department
1966	1990	Sri Lanka National Salt Corporation
1991	1996	Lanka Salt Ltd.
1997	2001/Sept.	Mannar Saltern under G.A. Mannar
2001/Oct.	Up to date	Mantai Salt Ltd.

Vision Statement

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

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

Mission Statement

The Mission of the company is as follows.

“Operation of Salterns, manufacture, processing and marketing of salt and by-products in the North and Eastern Region”.

Mannar Saltern

Total extent of Mannar Saltern is 240 acres of which 110 acres were in production area up to 2010. 53 acres were developed in 2011 with the financial assistance from the Ministry of Industry and Commerce and now the total production area is 163 acres. Annual salt production is 4500 MT approximately, which is 2.6% of total salt production in Sri Lanka. This market share of 2.6% will be increased to 5% after further development of Mannar Saltern in near future.

As it is being a profit making organization it manages to do some development and maintenance activities along with staff salaries and welfare through the profit. Meanwhile the organization is depending on government and other donors to do major development & investment activities.

Chemmani Saltern

The total extent of Chemmani Saltern is 200 acres of which 80 acres are used for salt manufacture. The production activities were carried out with using the available resources. The production staff of Chemmani Saltern used their maximum efforts on salt production for last several years, but expected quantity of salt could not be produced due to poor soil condition and lack of obtaining sufficient quality sea Braine and also fresh water seepage from adjoining land.

Since Saltern have been running at a lost for several years due to low productivity, salt production from this area has been suspended from the year 2012.

Production

Year	Production (MT)		
	Mannar	Chemmani	Total
2011/2012	4,147	135	4,282
2012/2013	4,527	-	4,527
2013/2014	4,653	-	4,653

Sales

Year	Sales (MT)	Revenue (MN)
2011/2012	4,016	43.5
2012/2013	3,801	38.9
2013/2014	4,498	46.3

Development

100% of the development work has been completed with utilizing 25 MN under the development project of 25 MN allocated by Treasury.

Iodated Salt in 1 KG Packet

Production and distribution of iodated salt in 1 Kg laminated packet under the brand name of “Raja Salt” was established and reached the target of 50,000 packets per month and demand is increasing.

Quality

The institution is certified by the SriLanka Standard Institution to ensure the quality. And also the company is being audited by the authorized auditors nominated by the treasury.

Finance

This organization is a profit earning company and it is generating the finance by production and sales of common salt and it is managed by its own funds with providing reasonable dividends to the Treasury.

Future Plan

- For the time being the Mannar saltern is selling the iodized crust salt as a major component, but the market trend is now changing toward the table salt (powder salt), so it is being a vital to cater the market demand to ensure company sustainability. Therefore the company is in the process of establishing the iodizing table salt plant (the output is 2 ton per hour) in Mannar. Our proposal for plant consists of wet-mill, an elutriator, centrifuge, iodizing unit, drier, table salt silos and packeting machine in pouches. Tender is being called and the supplier's documents are under the process of assessment by the technical committee.
- Though the company managed to develop its production side it is struggling to develop the infrastructure for its administrative complex. The head office still located in the rented building, The Mannar office building constructed in 1940 and it is subject to demolish. So there is an instant need for the office building in Mannar.
- The currently running crystal salt Iodine mixing plant is donated by UNDP in 2004 and it is subject to replace with the new machine to maintain SriLanka Standard Institute's requirement.
- After the development of the table salt plant and with the projected target from 4500 MT to 6000 MT the marketing activities should be improved. The board now in the process of appointing a Marketing officer that will give an emergent need for the vehicle to use for marketing and administrative purpose.

ORGANISATION CHART

Staff Position	Head Office	Mannar
General Manager	01	-
Manager Finance	01	-
Manager Saltern	-	01
Internal audit officer	01	-
Assistant Manager Saltern	-	02
Saltern officer		01
Storekeeper		01
Management Assistant	03	06
Supervisor		01
Driver		02
Peon	02	02
Electrician		01
Pump operator		03
Mechanic		01
Labour		08
Security Guard		03
Total Staffs	08	32

15.10.2014

Directors' Report

The Directors of the company present herewith their report together with the audited Balance sheet and Statements of Income for the year ended 31st March 2014.

Principal Activities

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

Financial Highlights

Financial year ended 31st March 2014

	Rs.
<u>Sale of salt</u>	
Mannar Saltern	46,348,726
Total Turnover	46,348,726
Cost of sales	(34,281,374)
<u>Gross Profit</u>	
Gross Profit	12,067,352
<u>Net Profit / (After tax) for the period</u>	7,372,990
Earnings per share	24.58

Directors.

The following were the Directors of the company during the year.

Mr. A K M Shihabdeen	- Chairman
Mr. S.R W M R Sathkumara	- Director
Mr. W A U Gunawardana	- Director
Mr. M H M Niyas	- Director

Directors' Shareholding

The Directors do not hold any shares of the Company.

Directors' Interest in contracts

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

Auditors

The present auditor of the company is B R DE Silva &Co, Chartered Accountants , for the financial year 2013/2014.

By order of the Board

Company Secretary

CHAIRMAN'S REVIEW

I, as the Chairman of Mantai salt Ltd, I do here by express my review of the company Annual Accounts for the year 2013/2014. I have pleasure in welcoming you to the 2013/ 2014 Annual General Meeting of the Company and present to you the Annual Report & Accounts for the year ended 31st March 2014.

During the year of under review, Manthai Salt Ltd achieved a turnover of Rs 46,348,726 .generating Rs 9,690,548 profit before tax .Looking back on our performance from the beginning we can justifiably be proud of our achievements Production and trading activity during the year showed a remarkable improvement, year 2013/2014. And company has created record by paying 2,317,557 Rupees as government taxes and remitting 839,258 rupees to the General Treasury as Dividends.

I am pleased to report to the share holders that the company was able to play the role as the facilitator to develop & sustain the viable Salt Industry in Sri Lanka.

The results achieved during the year 2013/2014, the earnings per share was Rs 24.58.

A total approved cadre for the year was 104. The Existing cadre strength was 40 as at 31.03.2014. I am pleased to record that we continue to receive the fullest cooperation from all employees at all levels.

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

We are also gratified by the continuous encouragement & support given to us by Ministry of Industry & commerce, Department of public enterprise, Finance Ministry, State Authorities as well as the Customers.

Mantai salt Ltd is thus geared to meeting all challenges and respond quickly and effectively to the needs of our customers and thus ensure its continued success.

I dedicate my sincere thanks to my colleagues on the board for the invaluable guidance & support extended to me.

A.K.M.SHIHABDEEN
CHAIRMAN

15.10.2014

MESSAGE FROM THE GENERAL MANAGER

It is a great opportunity to express my message in the occasion of Annual General Meeting that Mantai Salt Ltd. carried out its activities, functions progressively and achieved the following results during the period from 1st April 2013 to 31st March, 2014.

OVERVIEW

Manufactured 4653.28 MT of salt for the year 2013/2014 against the budgeted quantity of 5500 MT and 4498.47 MT of salt was sold in the form of iodated salt 1 Kg packets, industrial salt & crushed salt and the total net turnover for the year is Rs 46.3 Million. Actual profit before taxation for this year Rs 9,690,548.00 as per accounts prepared.

Mannar Saltern

Total extent of Mannar Saltern is 240 acres of which 110 acres is in production area up to 2010. 53 acres were developed in 2011 and now the present total production area is 163 acres. Average salt production before development was 4000 MT. Which is 2.6% of total salt production in Sri Lanka. But in 2013/14 the production rate came 4653.28 MT against to the target of 5500 MT. it is decided to increase the target for 6000MT in 2014/15.

Chemmani Saltern

The total extent of Chemmani Saltern is 200 acres of which 80 acres are used for salt manufacture. The production activities were carried out with using the available resources. The production staff of Chemmani Saltern used their maximum efforts on salt production for last several years, but expected quantity of salt could not be produced due to poor soil condition and lack of obtaining sufficient quality sea brain and also fresh water seepage from adjoining land. Therefor the production process is temporarily suspended until further analysis done.

Mantai salt is phasing problem of the penetration of competitors from other parts of the Island. To overcome this issue Mantai salt strategically increased its production capacity and reduced the cost of production. As a second strategy the company now moving to inbuilt the table salt plant (2TPH) to make powder salt and to increase its supply area specially the food production industries in the western part of the country.

The respective ministries, board members, dedicated staffs are in the move to face the challenge and to succeed.

I would happy to thank at this moment to all the stakeholders and well-wishers who helping us in the company development.

Mr. M.J.Thuwan manzil.
General Manager.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MANTAI SALT LIMITED

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of Mantai Salt Limited, the Consolidated Financial Statements of the Company and its subsidiaries as at that date, which comprise the Statement of Financial Position as at 31st March, 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant Accounting Policies and other explanatory notes. The Financial Statements of the Company as of 31st March 2013 were audited by another auditor whose report dated 16th October 2013, expressed an unqualified opinion on those financial statements.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

3. Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

We, therefore, believe that our audit provides a reasonable basis for our opinion.



4. Opinion

In our opinion, so far as it appears from our examination of the Financial Statements, the Company maintained proper accounting records for the year ended 31st March, 2014 and the Financial Statements give a true and fair view of the Company's state of affairs as at 31st March, 2014 and its Profit and Cash Flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

5. Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Sections 151 (2) of the Companies Act No.07 of 2007.

B. R. DE SILVA & CO.
Chartered Accountants

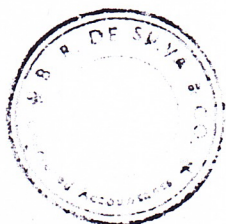
Date

DS/AMJ/



MANTAI SALT LIMITEDSTATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2014

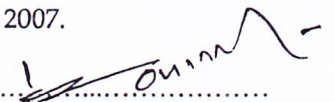
	Notes	<u>2013/2014</u>		<u>2012/2013</u>
		Rs.	Cts.	Rs.
Revenue	(3)	46,348,726.58		38,820,175
Cost of Sales		(34,281,374.34)		(25,504,287)
Gross Profit		12,067,352.24		13,315,888
Other Operating Income	(4)	8,674,130.01		1,624,907
		20,741,482.25		14,940,795
Administrator Expenses		(9,342,630.42)		(10,117,665)
Sales & Distribution Expenses		(1,689,433.83)		(4,297,025)
Operating Profit		9,709,418.00		526,105
Finance Expenses	(5)	(18,870.00)		(26,875)
Profit before Tax	(6)	9,690,548.00		499,230
Income Tax	(7)	(2,317,557.52)		-
Profit for the year after Tax		7,372,990.48		499,230
Earnings Per Share	(8)	<u>24.58</u>		<u>2</u>



MANTAI SALT LIMITEDSTATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2014

	Notes	31.03.2014 Rs. Cts.	31.03.2013 Rs.
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant & Equipment	(9)	66,850,080.45	67,949,088
Financial Assets	(10)	23,072,825.89	9,878,487
Deferred Revenue Expenditure	(11)	25,450,427.99	28,774,189
		<u>115,373,334.33</u>	<u>106,601,764</u>
<u>Current Assets</u>			
Inventories	(12)	13,785,009.52	13,559,099
Trade & Other Receivables	(13)	6,288,243.06	10,620,532
Cash & Cash Equivalents	(14)	2,766,853.37	3,437,069
		<u>22,840,105.95</u>	<u>27,616,701</u>
Total Assets		<u><u>138,213,440.28</u></u>	<u><u>134,218,465</u></u>
<u>EQUITY & LIABILITIES</u>			
<u>Capital and Reserves</u>			
Stated Capital	(15)	30,000,000.00	30,000,000
Government Grants		55,869,677.00	55,869,677
Revaluation Reserve		14,500,000.00	14,500,000
Revenue Reserve	(16)	30,939,373.84	23,566,383
Total Equity		<u>131,309,050.84</u>	<u>123,936,060</u>
<u>Non-Current Liabilities</u>			
Deferred Tax Liability	(17)	1,488,929.35	-
Retirement Benefit Obligations	(18)	3,809,904.00	3,189,514
		<u>5,298,833.35</u>	<u>3,189,514</u>
<u>Current Liabilities</u>			
Trade & Other Payables	(19)	2,790,789.79	7,092,891
Income Tax Payable	(20)	(1,185,233.70)	-
		<u>1,605,556.09</u>	<u>7,092,891</u>
Total Equity and Liabilities		<u><u>138,213,440.28</u></u>	<u><u>134,218,465</u></u>

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


 Mr. Kithsiri Somaratne
 FINANCE MANAGER

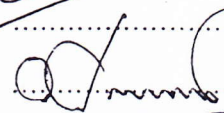
03/10/2014
 DATE

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

Signed for and on behalf of the Board by, **A.K.M. Shihabdeen**
 Chairman

Mantai Salt Limited
 (Ministry of Industry & Commerce)
 1st Floor, 250, ...
 Tel: 250, ...

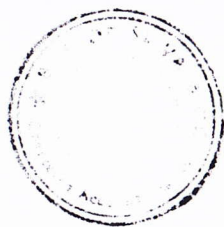
DIRECTOR 1.  NAME SIGNATURE

DIRECTOR 2.  NAME SIGNATURE

DATE OF APPROVAL BY THE BOARD 03/10/2014

MANTAI SALT LIMITEDSTATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2014

	<u>Stated</u> <u>Capital</u>		<u>Government</u> <u>Grants</u>		<u>Revaluation</u> <u>Reserves</u>		<u>Revenue</u> <u>Reserves</u>		<u>Total</u>	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Balance as at 1st April 2012	30,000,000.00		51,740,318.00		14,500,000.00		23,067,153.64		119,307,471.64	
Net Profit for the year		-		-		-	499,229.72		499,229.72	
Capital Contribution by Government		-	4,129,359.00			-		-	4,129,359.00	
Dividend 2012/2013		-		-		-		-		-
Balance as at 31st March 2013	30,000,000.00		55,869,677.00		14,500,000.00		23,566,383.36		123,936,060.36	
Net Profit for the year		-		-		-	7,372,990.48		7,372,990.48	
Dividend 2013/ 2014		-		-		-		-		-
Balance as at 31st March 2014	30,000,000.00		55,869,677.00		14,500,000.00		30,939,373.84		131,309,050.84	



MANTAI SALT LIMITEDSTATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2014

	<u>2013/2014</u>	<u>2012/2013</u>
	Rs.	Rs.
Cash Flow from Operating Activities		
Operating Profit / (Loss) before Tax	9,690,548	499,230
<u>Adjustments for</u>		
Depreciation	1,570,251	1,507,318
Amortization	3,323,761	368,825
Gratuity Provision	620,390	267,476
Write-off of Bad Debts	1,446,513	-
Write-off of Payables	(3,967,114)	-
Provision for Bounus	1,350,000	-
Fixed Deposit interest income	(1,751,901)	(972,871)
Profit on disposal on fixed assets	(33,005)	-
	<u>2,558,895</u>	<u>1,170,748</u>
Operating Profit for the year before Changes in Working Capital	<u>12,249,443</u>	<u>1,669,977</u>
<u>Changes in working capital</u>		
(Increase)/Decrease in Inventories	(225,911)	(4,033,253)
(Increase)/Decrease in Trade & Other Receivables	4,332,289	1,413,029
Increase/(Decrease) in Trade & Other Payable	(4,302,102)	(1,727,451)
	<u>(195,724)</u>	<u>(4,347,675)</u>
<u>Cash Generated from Operations</u>	<u>12,053,719</u>	<u>(2,677,698)</u>
Gratuity paid	-	(430,622)
Bounus Paid	(700,553)	
WHT Paid	(142,705)	-
	<u>(843,258)</u>	<u>(430,622)</u>
<u>Net cash in flow from Operating Activities</u>	<u>11,210,461</u>	<u>(3,108,320)</u>
<u>Cash flow from Investing Activities</u>		
Purchase of property, plant & equipment	(479,239)	(2,816,129)
Sale Proceed of disposal of Fixed Assests	41,000	
Investment Withdrawal	-	6,000,000
Investment in fixed deposits	(13,194,339)	(1,878,487)
Fixed Deposit Interest Income	1,751,901	972,871
Land Development Cost	-	(3,923,817)
Grant Received from ministry of Trade & Commerce	-	4,129,359
<u>Net cash in flow from Investing Activities</u>	<u>(11,880,676)</u>	<u>2,483,797</u>
<u>Net Increase in cash & cash equivalents during the year</u>	<u>(670,216)</u>	<u>(624,523)</u>
Cash & Cash Equivalents at the beginning of the year	3,437,069	4,061,592
Cash & Cash Equivalents at the end of the year	<u>2,766,853</u>	<u>3,437,069</u>
<u>Analysis of Cash and Cash Equivalents at the end of the year</u>		
Cash at Bank	2,549,994	3,433,504
Cash In Hand	216,859	3,565
	<u>2,766,853</u>	<u>3,437,069</u>

MANTAI SALT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH, 2014**1. Corporate Information****1.1 Reporting Entity**

Mantai Salt Limited is a limited liability company incorporated and domiciled in Sri Lanka and public enterprise under the Ministry of Industry and Commerce (Fully owned by the Government) in Sri Lanka. The registered office of the Company is located at 21, 2/1 E.S. Fernando Mawatha, Colombo 06 and the principal place of business is situated at Grand Bazaar, Mannar.

1.2 Principal Activities and Nature of Operations

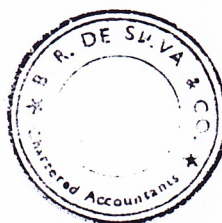
During the year, the principal activity of the Company was to carry on the long history in salt production in Sri Lanka. It manufactures common salt and distribute in the form of Iodated Salt, Crush salt and Industrial Salt in Sri Lanka.

1.3 The notes to the Financial Statements on pages (05) to (23), form an integral part of the Financial Statements.

1.4 The number of employees at the end of the year was 45 (2014).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 General Policies****2.1.1 Statement of Compliance**

The Financial Statements have been prepared on cost basis in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants and the requirements of the Companies Act No.7 of 2007.



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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

2.1.2 Basis of Preparation

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

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

These Financial Statements are presented in Sri Lankan Rupees (Rs), which is the Company's presentation currency.

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

2.1.3 Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with Sri Lanka Accounting Standard requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, Income and Expenses. Actual results may differ from estimates.

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

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

2.1.4 Materiality and Aggregation

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

2.1.5 Events after the Reporting Period

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

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

2.1.6 Taxation

a) Current Taxes

The charge for taxation is based on the income for the year adjusted for disallowable items in accordance with the provisions of the Inland Revenue Act No. 10 of 2006.

b) Deferred Taxation

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

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

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

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

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

2.1.7 Borrowing Costs

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

2.2 Valuation of Assets and their Measurement Bases

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

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

2.2.1 Cash and Cash Equivalents

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

Statement of Cash Flows

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

2.2.2 Property, Plant & Equipment

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

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



Contd....

MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014Property, Plant & Equipment (Contd..)

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

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

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

Subsequent costs

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

Repairs and Maintenance

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



Contd....

MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014Depreciation

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

<u>Asset Class</u>	<u>Basis</u>
All Building	Over 20 years @ 5%
All Plant & Machinery	Over 10 years @ 10
All Equipment	Over 10 Years @ 10%
All Furniture	Over 10 years @ 10%

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

Capital work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in property, plant and equipment as well as system development, awaiting capitalization.

2.2.3 Amortization

Land Development cost is amortized over 10 years @ 10%

2.2.4 LeasesFinance Leases

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

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



Contd....

MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 20142.2.5 Financial Instruments – Initial Recognition and Subsequent Measurementsa) Financial AssetsInitial Recognition and Measurements

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a period established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

The company's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

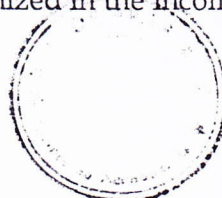
The subsequent measurement of financial assets depends on their classification as follows:

a) Available for sale Financial Assets

At each Reporting Date, an assessment is made of whether there is any objective evidence of impairment in the value of a financial asset. Impairment losses are recognized if, and only if, there is objective evidence of impairment as a result of one or more event that occurred after the initial recognition of financial assets (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

If Available for Sale Financial Assets is impaired, the difference between the financial asset's acquisition cost (net of any principal repayments and amortization) and the current fair value, less any previous impairment loss recognized in the Income Statement, is removed from Other Comprehensive Income and recognized in the Income Statement.

Contd....



MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014Available for sale Financial Assets (Contd..)

Investments in unquoted shares are measured at cost less impairment since their fair value cannot be measured reliably. If there is an indication of possible impairment, the carrying amount is reduced to management's best estimate of the amount that the Company would receive for the asset if it were to be sold at the Reporting Date.

b) Financial Assets Held to Maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Company positively intends and is able, to hold to maturity. Held to maturity investments are initially recorded at fair value plus any directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest rate method, less any impaired losses.

A sale or reclassification or a more than significant amount of Held to maturity investment would result in the reclassification of all investment securities as available for sale for current and the subsequent two financial years.

c) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such Financial Assets are subsequently measured at transition cost less provision for impairment. Sales are made on normal credit terms and the receivables do not bear an interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost.

At the end of each reporting period, the carrying amounts of Trade and Other Receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so impairment loss is recognized immediately in profit or loss.


Contd....

MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014**2.2.6 Inventories**

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

2.2.7 Liabilities and Provisions

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

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

2.2.7.1 Retirement Obligations Benefit**a) Retirement Obligation Benefit - Gratuity**

Gratuity is a Defined Benefit Plan. In order to meet this liability, a provision is carried forward in the Statement of Financial Position, based on formula method as stated in LKAS 19 - Employee Benefit. However under the payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The gratuity liability is neither funded nor actuarially valued.

b) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in accordance with the respective Statutes and Regulations.



Contd....

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

2.3 Statement of Comprehensive Income

2.3.1 Revenue Recognition

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

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

Other income is recognized on an accrual basis. Interest income is recognized on an accrual basis.

2.3.2 Expenditure Recognition

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



MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	Rs.
(3) <u>REVENUE</u>			
Sale of Salt - Mannar	46,348,726.58		38,820,175
	<u>46,348,726.58</u>		<u>38,820,175</u>
(4) <u>OTHER INCOME</u>			
Factory Quarters Rent	135,683.36		125,615
Interest on Staff Loans	99,150.43		88,246
Fixed Deposit Interest	1,751,901.37		972,871
Other Income	1,889,389.69		438,175
Write-off Payables	4,765,000.16		-
Disposal Profit on PPE	33,005.00		-
	<u>8,674,130.01</u>		<u>1,624,907</u>
(5) <u>FINANCE EXPENSES</u>			
Bank Charges	18,870.00		26,875
	<u>18,870.00</u>		<u>26,875</u>
(6) <u>PROFIT BEFORE TAX</u>			
<u>Net Profit before tax is stated after charging all expenses including the following:</u>			
Chairperson Emoluments	720,000.00		720,000
Board Member's Fees	370,100.00		392,000
Depreciation & Amortization *	4,894,011.26		1,876,142
Audit Fee	70,000.00		86,637
EPF & ETF Surcharge	27,577.98		-
(7) <u>INCOME TAX SUMMARY</u>			
Income Tax Provision for the Year	(7.1)	828,628.17	-
Deferred Tax Provision for the Year		1,488,929.35	-
		<u>2,317,557.52</u>	<u>-</u>



MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014

	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	Rs.
(7.1) Accounting Profit Before Tax	9,690,548.00		499,230
Income does not part from Trade or Business	(1,884,056.80)		-
Adjustments related to Disallowable Items	5,667,599.42		3,374,815
Adjustments related to Depreciation Allowances	(2,310,912.79)		(2,265,557)
Adjustments related to Allowances	-		(4,354,439)
Fixed Asset Disposal Tax Profit	41,000.00		-
Profit/(Loss) from Trade or Business	11,204,177.83		(2,745,951)
Statutory Income from Interest	1,543,947.85		-
Brought forward Loss Claimable	(4,461,843.99)		-
Statutory Income	8,286,281.69		-
Statutory Tax Rate	10%		10%
Provision for the year	828,628.17		-

(8) EARNINGS PER SHARE

Earnings per share is calculated by dividing net profit for the year attributable to ordinary shareholders of the company by number of ordinary shares outstanding at the year end.

	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	'Rs.
Amount Used as the Numerator			
Net Profit / (Loss) for the year	7,372,990.48		499,230
Number of ordinary shares used as the Denominator			
Ordinary Shares in issue applicable to			
Earnings per Share	300,000		300,000
Earnings per Share (Rs.)	24.58		2



MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 ST MARCH 2014

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(9) PROPERTY, PLANT & EQUIPMENT

Type of Asset	Cost as at		Additions		Disposals		Cost as at		Rate of Dep	Dep. as at		Dep. For		Acc. Dep. On		Acc. Dep. As		W.D.V. as at		W.D.V. as at	
	31.03.2013						31.03.2014			31.03.2013		the year		Disposals		31.03.2014		31.03.2014		31.03.2013	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.		Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	
Head Office																					
Computer with accessories	555,600.00		-		-		555,600.00		10%	156,296.82		55,560.00		-		211,856.82		343,743.18		399,303	
Photocopier	220,000.00		-		-		220,000.00		10%	136,168.49		22,000.00		-		158,168.49		61,831.51		83,832	
Fax Machine	85,650.00		-		-		85,650.00		10%	73,409.57		8,565.00		-		81,974.57		3,675.43		12,240	
Cellular Phone	26,490.00		-		-		26,490.00		10%	7,644.52		2,649.00		-		10,293.52		16,196.48		18,845	
Furniture	215,961.37		-		-		215,961.37		10%	146,170.46		21,596.14		-		167,766.60		48,194.77		69,791	
Calculator	2,740.00		-		-		2,740.00		10%	1,730.00		274.00		-		2,004.00		736.00		1,010	
Camera	26,100.00		-		-		26,100.00		10%	4,633.64		2,610.00		-		7,243.64		18,856.36		21,466	
Printer Machine HP	23,000.00		-		-		23,000.00		10%	3,906.84		2,300.00		-		6,206.84		16,793.16		19,093	
Name Board	35,400.00		-		-		35,400.00		10%	6,430.19		3,540.00		-		9,970.19		25,429.81		28,970	
Office Equipment - Wall Clock	2,600.00		-		-		2,600.00		10%	2,976.85		-		-		2,976.85		(376.85)		(377)	
Other Equipment - Fans	7,000.00		-		-		7,000.00		10%	4,200.00		700.00		-		4,900.00		2,100.00		2,800	
Motor Cycle	79,950.00		-		(79,950.00)		-		10%	63,960.00		7,995.00		(71,955.00)		-		-		15,990	
Petty Cash Box	2,800.00		-		-		2,800.00		10%	116.67		280.00		-		396.67		2,403.33		2,683	
Laptop	-		75,078.57		-		75,078.57		10%	-		1,251.31		-		1,251.31		73,827.26		-	
	1,283,291.37		75,078.57		(79,950.00)		1,278,419.94			607,644.05		129,320.45		(71,955.00)		665,009.50		613,410.44		675,647	
Mannar Factory																					
Factory Land	42,900,000.00		-		-		42,900,000.00		-	-		-		-		-		42,900,000.00		42,900,000	
Factory Building	3,302,504.00		-		-		3,302,504.00		5%	289,831.00		165,125.20		-		454,956.20		2,847,547.80		3,012,673	
Machinery & Equipment	1,816,387.02		-		-		1,816,387.02		10%	236,651.98		181,638.70		-		418,290.68		1,398,096.34		1,579,735	
Buildings	844,160.00		-		-		844,160.00		5%	394,841.63		42,208.00		-		437,049.63		407,110.37		449,318	
Pump House Building	-		271,652.50		-		271,652.50		5%	-		2,263.77		-		2,263.77		269,388.73		-	
Drying Pad Building	-		17,205.00		-		17,205.00		5%	-		501.81		-		501.81		16,703.19		-	
Furniture & Fittings	236,921.00		-		-		236,921.00		10%	251,844.25		-		-		251,844.25		(14,923.25)		(14,923)	
Laboratory Equipment	971,630.22		42,150.00		-		1,013,780.22		10%	58,668.00		99,621.77		-		158,289.77		855,490.45		912,962	
Name Board	9,500.00		22,800.00		-		32,300.00		10%	9,500.00		950.00		-		10,450.00		21,850.00		-	
Electric Weighing Machine	124,437.00		-		-		124,437.00		10%	123,248.40		1,188.60		-		124,437.00		-		1,189	
Push Carts	88,380.00		-		-		88,380.00		10%	68,069.00		8,838.00		-		76,907.00		11,473.00		20,311	
Water Pump	603,124.00		-		-		603,124.00		10%	535,742.95		60,312.40		-		596,055.35		7,068.65		67,381	
Calculators (2)	4,900.00		-		-		4,900.00		10%	1,989.56		490.00		-		2,479.56		2,420.44		2,910	
Aluminum Folding Ladder	4,100.00		-		-		4,100.00		10%	4,510.00		-		-		4,510.00		(410.00)		(410)	
Crushing Machine	356,845.00		-		-		356,845.00		10%	321,161.00		35,684.00		-		356,845.00		-		35,684	
Refrigerator	33,500.00		-		-		33,500.00		10%	26,800.00		3,350.00		-		30,150.00		3,350.00		6,700	
Motor Bicycle	99,475.00		-		-		99,475.00		10%	79,581.00		9,947.50		-		89,528.50		9,946.50		19,894	
Motor Tricycle	207,992.00		-		-		207,992.00		10%	166,394.40		20,799.20		-		187,193.60		20,798.40		41,598	
Fan	16,700.00		17,325.00		-		34,025.00		10%	7,437.00		2,365.29		-		9,802.29		24,222.71		9,263	
Tractor	728,900.00		-		-		1,728,900.00		10%	344,364.24		172,890.00		-		517,254.24		1,211,645.76		1,384,536	
Computers	281,862.00		20,000.00		-		301,862.00		10%	119,336.20		29,852.87		-		149,189.07		152,672.93		162,526	
Tools	55,560.00		-		-		55,560.00		10%	26,547.00		5,556.00		-		32,103.00		23,457.00		29,013	
Sprayer	25,900.00		-		-		25,900.00		10%	11,756.00		2,590.00		-		14,346.00		11,554.00		14,144	

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 ST MARCH 2014

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

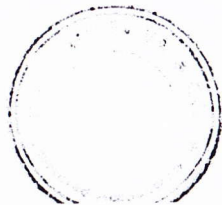
Type of Asset	Cost as at		Additions		Disposals		Cost as at		Rate of Dep	Dep. as at		Dep. For		Acc. Dep. On		Acc. Dep. As		W.D.V. as at		W.D.V. as at	
	31.03.2013						31.03.2014			31.03.2013		the year		Disposals		31.03.2014		31.03.2014		31.03.2013	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.		Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	
Plate Compactor	135,000.00		-		-		135,000.00		10%	47,232.00		13,500.00		-		60,732.00		74,268.00		87,768	
Water Tank	10,900.00		-		-		10,900.00		10%	4,103.00		1,090.00		-		5,193.00		5,707.00		6,797	
Photocopier	167,000.00		-		-		167,000.00		10%	57,558.00		16,700.00		-		74,258.00		92,742.00		109,442	
Water Filter	7,550.00		-		-		7,550.00		10%	2,236.00		755.00		-		2,991.00		4,559.00		5,314	
Telephone	6,450.00		-		-		6,450.00		10%	1,626.16		645.00		-		2,271.16		4,178.84		4,824	
Cycle	12,750.00		-		-		12,750.00		10%	4,003.00		1,275.00		-		5,278.00		7,472.00		8,747	
Truck TATA	1,156,250.00		-		-		1,156,250.00		10%	373,168.00		115,625.00		-		488,793.00		667,457.00		783,082	
Generator	100,929.00		-		-		100,929.00		10%	29,530.80		10,092.90		-		39,623.70		61,305.30		71,398	
Welding plant	56,900.00		-		-		56,900.00		10%	14,420.00		5,690.00		-		20,110.00		36,790.00		42,480	
Fax machine	40,500.00		-		-		40,500.00		10%	10,230.00		4,050.00		-		14,280.00		26,220.00		30,270	
Weighing Scale Water Proof	91,672.73		-		-		91,672.73		10%	16,099.23		9,167.27		-		25,266.51		66,406.22		75,573	
Subsimible Pump	1,210,109.70		-		-		1,210,109.70		10%	204,002.40		121,010.97		-		325,013.37		885,096.33		1,006,107	
Sealer Machine 8"	3,200.00		-		-		3,200.00		10%	555.83		320.00		-		875.83		2,324.17		2,644	
Weightbridge	1,995,772.80		-		-		1,995,772.80		10%	318,949.92		199,577.28		-		518,527.20		1,477,245.60		1,676,823	
Pen drive	2,000.00		-		-		2,000.00		10%	391.91		200.00		-		591.91		1,408.09		1,608	
Bed	14,000.00		-		-		14,000.00		10%	2,520.00		1,400.00		-		3,920.00		10,080.00		11,480	
Steel Cabinet 4 Drawers	14,000.00		13,027.50		-		27,027.50		10%	2,424.00		1,508.56		-		3,932.56		23,094.94		11,576	
Lamp Charger	1,550.00		-		-		1,550.00		10%	248.00		155.00		-		403.00		1,147.00		1,302	
Key Board	3,000.00		-		-		3,000.00		10%	447.00		300.00		-		747.00		2,253.00		2,553	
Stitrhing charge for talpolin	17,010.00		-		-		17,010.00		10%	2,451.30		1,701.00		-		4,152.30		12,857.70		14,559	
	58,759,321.47		404,160.00		-		59,163,481.47			4,170,470.16		1,350,936.09		-		5,521,406.25		53,642,075.21		54,588,851	
<u>Chemmani Factory</u>																					
Land - (as per valuation report)	12,100,000						12,100,000			-		-		-		-		12,100,000.00		12,100,000	
Office Building	161,236						161,236		5%	64,494.80		8,061.80		-		72,556.60		88,679.40		96,741	
Building - Temporary Shed	4,080						4,080		5%	1,632.00		204.00		-		1,836.00		2,244.00		2,448	
Water Pump	489,125						489,125		10%	166,150.50		48,912.50		-		215,063.00		274,062.00		322,975	
Water Tank - Cart	37,500						37,500		10%	16,447.00		3,750.00		-		20,197.00		17,303.00		21,053	
Hero Push Bicycle	21,060						21,060		10%	11,861.00		2,106.00		-		13,967.00		7,093.00		9,199	
Furniture	63,400						63,400		10%	56,864.00		6,340.00		-		63,204.00		196.00		6,536	
Equipment	16,386						16,386		10%	16,386.00		-		-		16,386.00		-		-	
Kitchen Utensil	2,385						2,385		10%	2,385.00		-		-		2,385.00		-		-	
Calculator	1,200						1,200		10%	1,200.00		-		-		1,200.00		-		-	
Name Board	9,880						9,880		10%	3,865.00		988.00		-		4,853.00		5,027.00		6,015	
Hydro Meters	3,700						3,700		10%	2,960.00		370.00		-		3,330.00		370.00		740	
Telephone Installation	41,820						41,820		10%	33,456.00		4,182.00		-		37,638.00		4,182.00		8,364	
Spring Balance	19,500						19,500		10%	9,155.00		1,950.00		-		11,105.00		8,395.00		10,345	
Tools -Sprayer	8,500						8,500		10%	4,190.00		850.00		-		5,040.00		3,460.00		4,310	
Fax Machinery	17,250						17,250		10%	6,734.00		1,725.00		-		8,459.00		8,791.00		10,516	
CDMA Phone	4,620						4,620		10%	762.00		462.00		-		1,224.00		3,396.00		3,858	
Generator	100,928						100,928		10%	19,438.80		10,092.80		-		29,531.60		71,396.40		81,489	
	13,102,570		-		-		13,102,570			417,981.10		89,994.10		-		507,975.20		12,594,594.80		12,684,589	
Total	73,145,182.84		479,238.57		(79,950.00)		73,544,471.41			5,196,095.31		1,570,250.64		(71,955.00)		6,694,390.95		66,850,080.45		67,949,088	

MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTSAS AT 31 ST MARCH 2014

		<u>31.03.2014</u>	<u>31.03.2013</u>
		Rs. Cts.	Rs.
(10) <u>FINANCIAL ASSETS</u>			
<u>Held to Maturity Financial Asstes</u>			
Fixed Deposit - BOC	7284904	4,852,941.39	4,360,987
Fixed Deposit - BOC	73045101	6,138,218.75	5,517,500
Fixed Deposit - BOC	75176906	4,000,000.00	-
Fixed Deposit - BOC	75418720	4,081,665.75	-
Fixed Deposit - BOC	75581491	2,000,000.00	-
Fixed Deposit - BOC	75527111	2,000,000.00	-
		<u>23,072,825.89</u>	<u>9,878,487</u>

(11) DEFERRED REVENUE EXPENDITURE

	<u>Cost as at</u>	<u>Additions</u>	<u>Cost as at</u>	<u>Rate of</u>	<u>Amo. as at</u>	<u>Amo. For</u>	<u>Acc. Amo. As</u>	<u>W.D.V. as at</u>	<u>W.D.V. as at</u>
	<u>31.03.2013</u>		<u>31.03.2014</u>	<u>Amortization</u>	<u>31.03.2013</u>	<u>the year</u>	<u>31.03.2014</u>	<u>31.03.2014</u>	<u>31.03.2013</u>
	Rs. Cts.	Rs. Cts.	Rs. Cts.		Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs.
Land Development	33,237,606.00	-	33,237,606.20	10%	4,463,417.59	3,323,760.62	7,787,178.21	25,450,427.99	28,774,189
	<u>33,237,606.00</u>	<u>-</u>	<u>33,237,606.20</u>		<u>4,463,417.59</u>	<u>3,323,760.62</u>	<u>7,787,178.21</u>	<u>25,450,427.99</u>	<u>28,774,189</u>



MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTSAS AT 31 ST MARCH 2014

	<u>31.03.2014</u>		<u>31.03.2013</u>
	Rs.	Cts.	Rs.
(12) <u>INVENTORIES</u>			
Finished Goods	11,377,366.00		10,626,652
Diesel & Kerosene Oil	56,721.62		124,161
Packing Material	722,164.67		1,475,053
Building Materials	266,524.00		340,248
Pump Spare Parts	866,925.95		82,409
Printing & Stationery	196,862.28		206,048
Tool Items	117,005.00		115,685
Chemical Items	15,400.00		26,325
Machinery Spare Parts	166,040.00		562,518
	<u>13,785,009.52</u>		<u>13,559,099</u>
(13) <u>TRADE & OTHER RECEIVABLE</u>			
Trade Debtors	-		2,829,567
Mannar Fishermen's Society	-		1,165,946
Mr. Harichandra	-		262,876
Mr. Abraham	-		75
Trade debtors - C.W.E.	-		17,618
Fixed Deposit Interest Receivable	392,034.43		84,930
Over Paid VAT Receivable	3,348,681.00		3,348,681
Withholding Tax	-		243,100
Suspended Accounts	-		12
<u>Deposits & Advances</u>			
Telephone deposit	32,838.00		32,838
Refundable Deposit - Water Connection	3,000.00		3,000
Rent Advance	50,000.00		40,000
Advance Wages - Mannar	22,414.56		22,415
Quarters Electricity - Mannar	25,027.05		-
Quarters Water - Mannar	27,703.91		-
<u>Staff debtors</u>			
Festival advance	275,662.07		261,362
Staff Loans	2,013,062.40		2,273,292
Prepayments	34,819.64		34,820
Special Staff Loans	63,000.00		-
	<u>6,288,243.06</u>		<u>10,620,532</u>

	31.03.2014	31.03.2013
	Rs. Cts.	Rs.
(14) <u>CASH & CASH EQUIVALENTS</u>		
<u>Cash at bank</u>		
Bank of Ceylon - Metropolitan Branch	2,277,205.71	3,032,033
- Mannar Branch	158,834.37	287,517
- Jaffna Branch	113,954.00	113,954
<u>Cash in Hand</u>		
Petty Cash - Head Office	2,643.00	285
- Mannar	5,485.05	3,305
- Chemmani	-	(25)
Cash in Transist Mannar	208,731.24	-
	<u>2,766,853.37</u>	<u>3,437,069</u>
(15) <u>STATED CAPITAL</u>		
Stated Capital -300,000 Ordinary Shares	30,000,000.00	30,000,000
(Issued and Fully paid)		
(16) <u>REVENUE RESERVE</u>		
Balance on 01st April	23,566,383.36	23,067,153
<u>Add: Profit for the year</u>	7,372,990.48	499,230
<u>Less: Dividend Paid During Year</u>	-	-
Balance on 31st March	<u>30,939,373.84</u>	<u>23,566,383</u>
(17) <u>DIFERRED TAX LIABILITY</u>		
Balance on 01st April	-	-
<u>Add: Provision for the year</u>	1,488,929.35	-
Balance on 31st March	<u>1,488,929.35</u>	-



MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2014

	<u>31.03.2014</u>		<u>31.03.2013</u>
	Rs.	Cts.	Rs.
(18) RETIREMENT BENEFIT OBLIGATIONS			
Balance on 01st April	3,189,514.00		3,352,660
Add: Provision for the year	620,390.00		267,476
	3,809,904.00		3,620,136
Less: Payments During the year	-		(430,622)
Balance on 31st March	3,809,904.00		3,189,514
Normal Retirement Age (Years)	60		60
Expected Future Salary Increment Rate (r.)	5%		5%
Discount Rate (d)	10%		10%
Staff Turnover Factor	10%		10%
(19) TRADE & OTHER PAYABLES			
Goods & Services Tax	-		452,359
Refundable Deposits -Mannar	7,800.00		5,800
Lanka Salt Northern Region	-		763,513
Unclaimed Salaries	41,579.45		50,219
Advance Sales	-		500
Accrued Expenses	58,977.17		390,149
Salaries Payable	1,119,365.42		275,816
Casual Wages Payable	-		458,152
PAYE -(H/O & Mannar)	5,178.95		18,460
Water Quarters Mannar	-		(18,960)
Electricity Quarters Mannar	-		(28,832)
EPF Payable	408,576.01		312,108
ETF Payable	61,286.36		45,692
Audit Fee Payable	70,000.00		84,700
Union membership	14,500.00		14,500
Income Received in advance	210,152.81		-
Bonus Provisions	649,446.90		-
Value Added Tax (VAT)	123,526.56		3,774,791
Nation Building Tax (NBT)	20,400.16		572,355
Economic Service Charges (ESC)	-		(78,431)
	2,790,789.79		7,092,891

MANTAI SALT LIMITEDNOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2014

	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	Rs.
(20) <u>INCOME TAX</u>			
Balance on 01st April		-	-
Add: Provision for the year	828,628.17		-
ESC paid	(1,628,057.00)		-
WHT Paid	(385,804.87)		-
Balance on 31st March	<u>(1,185,233.70)</u>		<u>-</u>

(21) COMPENSATION FOR KEY MANAGEMENT PERSONNEL

Directors' Emoluments	1,090,100.00	1,112,000
Other Benefits	-	-
	<u>1,090,100.00</u>	<u>1,112,000</u>

(22) CAPITAL COMMITMENTS

There were no material Capital Commitments outstanding as at 31st March 2014.

(23) CONTINGENT LIABILITY

There were no material event occurred after the reporting period that would require adjustments to or disclosures in the Financial Statements.

(24) EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period that would require adjustments to or disclosures in the Financial Statements.



MANTAI SALT

DETAILED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2014

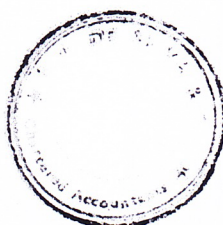
	<u>Add.</u> <u>Notes</u>	<u>2013/2014</u> Rs. Cts.	<u>2012/2013</u> Rs.
Revenue	(A)	46,348,726.58	38,820,175
Cost of Sales	(B)	<u>(34,281,374.34)</u>	<u>(25,504,287)</u>
Gross Profit		12,067,352.24	13,315,888
Other Operating Income	(C)	<u>8,674,130.01</u>	<u>1,624,907</u>
		20,741,482.25	14,940,795
Administrator Expenses	(D)	(9,342,630.42)	(10,117,665)
Sales & Distribution Expenses	(E)	<u>(1,689,433.83)</u>	<u>(4,297,025)</u>
Operating Profit		9,709,418.00	526,105
Finance Expenses	(F)	<u>(18,870.00)</u>	<u>(26,875)</u>
Profit before Tax		9,690,548.00	499,230
Income Tax		(2,317,557.52)	-
Profit for the year after Tax		<u><u>7,372,990.48</u></u>	<u><u>499,230</u></u>



MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

		<u>2013/2014</u>		<u>2012/2013</u>
		Rs.	Cts.	Rs.
(A)	<u>REVENUE</u>			
	Sale of Salt - Mannar	46,348,726.58		38,820,175
		<u>46,348,726.58</u>		<u>38,820,175</u>
(B)	<u>COST OF SALES</u>			
		<u>Sub Note</u>		
	Direct Wages	9,789,228.19		9,314,542
	Production Overheads	1	5,920,767.42	5,852,980
	Factory Operating Cost	2	19,322,092.73	14,187,617
	Cost of Production		<u>35,032,088.34</u>	<u>29,355,139</u>
	Add - Opening Stock As at 01st April		10,626,652.00	6,775,800
	Less - Closing Stock As at 31st March		(11,377,366.00)	(10,626,652)
	Cost of Sales		<u>34,281,374.34</u>	<u>25,504,287</u>
	<u>Sub Note 1</u>			
	<u>PRODUCTION OVERHEAD</u>			
	Fuel	515,073.25		1,137,294
	Machinery Upkeep	935,571.55		640,493
	Production Tools Maintenance	231,636.67		112,203
	Electricity	1,003,690.56		988,966
	Water	19,432.87		44,351
	Packing Materials	3,204,437.52		2,885,053
	Chemical Expenses	10,925.00		5,620
	Thatching Material Expenses	-		39,000
		<u>5,920,767.42</u>		<u>5,852,980</u>
	<u>Sub Note -2</u>			
	<u>FACTORY OPERATING COSTS</u>			
	Staff Salaries & Wages	9,844,230.19		9,097,731
	EPF	1,181,307.62		1,515,710
	ETF	295,326.91		378,927
	Bonus	1,200,000.00		464,229
	Staff Welfare	175,787.00		129,895
	Tea Allowance	267,451.00		209,440
	Telephone	257,237.36		69,280
	Printing & Stationery	59,005.30		93,979

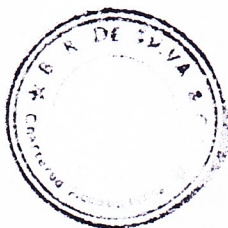


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MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

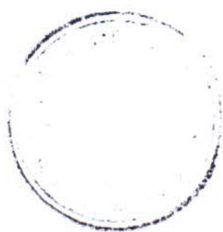
	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	Rs.
<u>Sub Note 2</u>			
PRODUCTION OVERHEAD (COND....)			
Postage	9,570.00		20,583
Travelling	56,095.00		105,198
Over Time	269,846.05		118,243
Office Maintenance	6,460.00		2,200
Office Equipment Maintenance	28,710.00		56,781
Building Maintenance	340,465.00		(209,509)
Transport	69,950.00		73,954
Vehicle Maintenance	289,468.88		226,078
Depreciation of Property, Plant & Equipment	1,440,930.70		1,383,934
Amortization of Land Development Cost	3,323,760.60		368,825
Newspapers & Periodicals	9,120.00		9,170
Rates & Taxes	2,283.12		-
Safety Items	18,000.00		-
Caretaker Allowance	155,000.00		-
Miscellaneous	22,088.00		72,969
	<u>19,322,092.73</u>		<u>14,187,617</u>
 (C) <u>OTHER INCOME</u>			
Factory Quarters Rent	135,683.36		125,615
Interest on Staff Loans	99,150.43		88,246
Fixed Deposit Interest	1,751,901.37		972,871
Other Income	1,889,389.69		438,175
Write-off Payables	4,765,000.16		-
Disposals Profit on PPE	33,005.00		-
	<u>8,674,130.01</u>		<u>1,624,907</u>



MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	Rs.
(D) <u>ADMINISTRATIVE EXPENSES</u>			
Chairman Allowance	720,000.00		720,000
Board Member's Fees	370,100.00		392,000
Fuel	510,943.98		574,638
Staff Salaries	3,370,006.13		3,768,072
Tea Expenses	155,998.49		202,588
Over Time Payments	2,399.24		23,511
Bonus	150,000.00		86,250
EPF	382,800.74		387,369
ETF	95,700.18		96,842
Gratuity Provision	620,390.00		152,132
Staff Welfare	123,136.83		63,348
Rent	661,250.00		540,000
Electricity	32,842.52		66,690
Telephone	-		205,542
Printing & Stationery	404,403.00		511,910
Postage	11,435.00		8,892
Travelling	201,692.06		168,630
Office Equipment Upkeep	148,648.35		123,419
Office Maintenance	44,255.00		29,350
Audit Fees	70,000.00		86,637
Newspapers & Periodicals	12,390.00		11,065
Depreciation of Property, Plant & Equipment	129,320.45		123,384
Vehicle Allowance	840,000.00		1,080,000
Water Charges	-		28,100
Sectraterial Fee	18,550.00		24,720
Advertisements	-		355,441
Donation expenses	25,000.00		35,000
Internal audit Fee	19,230.00		20,000
Legal Fee	81,970.00		30,000
Tender Expenses	-		60,000
Training Expenses	5,000.00		3,000
Miscellaneous	2,228.00		14,000
AGM Fee	48,812.47		39,800
Audit Management Fee	41,800.00		28,000
Consultation Fee	-		55,000
Professional Charges	14,750.00		2,335
EPF & ETF Surcharge	27,577.98		-
	<u>9,342,630.42</u>		<u>10,117,665</u>



MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	Rs.
(E) <u>SELLING AND DISTRIBUTION EXPENSES</u>			
Exhibition Expenses	168,319.91		50,000
Transport	-		3,584,025
Advertisements	74,600.69		-
Fuel Marketing Vehicle	-		108,000
MV Allow Marketing Department	-		300,000
Provision for Bad Debts	1,446,513.23		-
Sales Discount	-		255,000
	<u>1,689,433.83</u>		<u>4,297,025</u>
 (F) <u>FINANCE EXPENSES</u>			
<u>Bank Charges</u>			
Head Office	11,860.00		10,825
Mannar	7,010.00		16,050
	<u>18,870.00</u>		<u>26,875</u>

