CONTENT

1. 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 2014/2015.I have pleasure in welcoming you to the 2014/ 2015 Annual General Meeting of the Company and present to you the Annual Report & Accounts for the year ended 31st March 2015.

During the year of under review, Manthai Salt Ltd achieved a turnover of Rs. 49,018,196 generating Rs. 5,206,287 profit before tax. Looking back on our performance from the beginning we can justifiable be proud of our achievements. Production and trading activity during the year showed a remarkable improvement, year 2014/2015 and company has created record by paying Rs. 3,597,467 as government taxes and remitting Rs. 235,025 to the General Treasury as dividends.

I am pleased to report to the share holders that the company was able to play the roll as the facilitator to develop & sustain the viable salt industry in Sri Lanka. The results achieved during the year 2014/2015, the earnings per share was Rs 5.36.

A total approved cadre for the year was 104. The existing cadre strength was 40 as at 31.03.2015. I am pleased to record that we continue to receive the fullest cooperation from all employees at all levels.

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

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

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

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

M.M.AMEEN
CHAIRMAN
28.12.2015

2. MESSAGE FROM THE GENERAL MANAGER

It is a great opportunity to express my message in the occasion of Annual General Meeting that Mantai Salt Ltd. carried out its activities, functions progressively and made profit in the period from 1st April 2014 to 31st March, 2015.

Though several Salterns in north have assigned under Mantai Salt limited, in the current financial year it was able operate Mannar Saltern only due to various reasons. The Ministry and the board have taken initial action to reutilize the Chemmani Saltern for the aquaculture project through public and private partnership. Meanwhile the Elephantpass saltern administration again has come under Mantai Salt Limited from February 2015 as per the Extra Gazette notification No. 1897/15 of 15th January 2015.

In this financial year our team could able to Manufactur 5219.85 MT of salt for the year 2014/2015 against the budgeted quantity of 5500 MT and 5176.10 MT of salt was sold in the form of Common salt, iodized salt 1 Kg packets, industrial salt & crushed salt and the total net turnover for the year is Rs 49 Million. Actual profit before taxation for this year Rs 5,206,286.54 as per accounts prepared.

We are very proud to say that our company not only providing service to the customers and consumers by selling the salt in reasonable price also have paid Rs. 3,597,467.00 as an Income tax to the government which includes the reasonable dividend amount to Treasury as well.

In this period The renovation of phase –I component of Eleiphantpass saltern almost completed by 95%. In the 2015 budget Elephantpass Saltern received Rs 5 million and that helped to complete lots of pending work. The Board and Management have prepared strategic plan to run this Saltern effectively & efficiently to get maximum return. The production of this Saltern will be started in early January of 2016 and proposed to harvest 8000MT in first year.

The Management has set the goal to make Mantai Salt Limited to be one of the key salt producer in SriLanka with 20% of market share in 2020.

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

In Conclusion I personally thank the Hon Minister , Secretary Ministry of Industry and Commerce , the Chairman, Board of Directors and my team for their heartiest contribution to the success of this company.

Mr. M.J.Thuwan Manzil.
General Manager.

3. CORPORATE INFORMATION

Name of the Company	Mantai Salt Limited (Government Own Company)
Line Ministry	Ministry of Industry & commerce
Head Office	21, 2/1,E.S.Fernando Mawatha, 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) (01.04.2014-30.10.2014) Mr. M.M. Ameen (Chairman) (01.11.2014-31.03.2015) Mr.M.I.M.Mohamed(Working Director) (01.04.2014-30.10.2014) Mr.A.K.M.Shihabdeen(Working Director) (01.11.2014-30.03.2015) Mr.Upali Gunawardane (01.04.2014-30.04.2014) Mr.J. Marcellus Pieris (01.04.2014-31.03.2015) Mr.S.R.W.M.R.P.Sathkumara (Treasury) (01.04.2014-31.12.2014) Mr. P.A.S.A. Kumara (Treasury)) (01.03.2015-31.03.2015) Mr.M.H.M.Niyas (01.04.2014-30.04.2014) Mr.M.R.Salley (01.11.2014-31.01.2015) Mr. M.M.M.Uwais (01.11.2014-31.03.2015) Mr. M.V.S.Jayasooriya (01.11.2014-31.12.2014)
Observer	Mrs.I. Ranathunga (MI&C-Director Cooperation)
Board Secretary	Corporate Affairs (Pvt) Ltd

Auditor	B.R.DE SILVA & CO. Chartered Accountants, 22/4,Vijaya Kumaranathunga Mw, Colombom 05
Bankers	Bank of Ceylon

4. INTRODUCTION

4.1 Company Profile

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

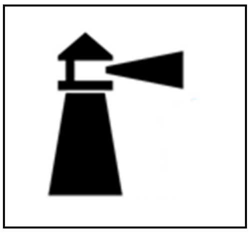
The Salt Corporation was started in 1938 and went through different administrative control and finally it was named as Mantai Salt Ltd from 2001 and now functioning under the purview of Ministry of Industry and Commerce. The salt is being recognized as best in quality (97. % is Nacl) in compare to the harvested salt in other part of the country.

The Mantai Salt not only functions as a natural resource utilization center also giving employment opportunities to the vulnerable people in the Mannar District. As at today there are 40 permanent staff and 40 seasonal staff are employed by the institution.

Mantai Salt Ltd is governing by the board which comprised by the members represent from Treasury and other Government & Private sector representatives and it comes under the purview of Ministry of Industry and Commerce. The Corporation and Statutory Board Division of the Ministry is monitoring and facilitating the legal and accountable matters of the company. As it is a government enterprise it is registered under the company Act. No. 7 of 2007 as a Limited Company to abide for the company rules. Meanwhile the institution is certified by the Sri Lanka Standard Institution to ensure the quality. And also the company is being audited by the authorized auditors nominated by the Treasury.

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

Vision Statement



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

"Development of salt - based enterprises in the North 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".

4.2 Details about Production site

a) **Mannar Saltern**

Total production area of Mannar Saltern is 163 acres. Annual salt production is 5500 MT approximately, which is 5% of total salt production in Sri Lanka. This market share of 5% will be increased to 5.5% 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.

b) Elephant Pass Saltern.

In 2001 Elephant Pass administration came under Mantai Salt Limited by the Cabinet decision. Anyhow Mantai Salt could not operate Elephant Pass Saltern due to the conflict situation (it was under LTTE Control Area). After liberated the Northern area in 2009 the

Saltern taken over by the Ministry of Traditional Industry & Small Enterprise Development and they did renovation activity for a worth of 100 Mn on area of 350 acres. Meanwhile Cabinet approved Rs.125Mn for Phase-2 activity in 2015. The Saltern now again transferred to Mantai Salt Limited administration by the latest Gazette Notification of 21st Sept. 2015. Mantai Salt Ltd now planning to complete Phase-1 project and to start Phase-2 in 2016. Elephant Pass is a giant Saltern in Northern Region. It is expected to produce around 20,000 MT per annum in near future in extending total production area up to 700 acres.

c) **Chemmani Saltern**

The total extent of Chemmani Saltern is 200 acres of which 80 acres were 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 adjourning 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. Now the Ministry has proposed to go for a Public and Private Partnership (PPP) under restructuring process to do aquaculture project.

4.3 Production details

Year	Production (MT)		
	Mannar	Chemmani	Total
2011/2012	4147.	135	4282
2012/2013	4527.	-	4527
2013/2014	4653.	-	4653
2013/2014	6099.6	-	6099.6
2014/2015	5219.8		5219.8

4.4 Sales

Year	Sales (MT)	Revenue (MN) Rs.
2011/2012	4016	43.5
2012/2013	3801	38.9
2013/2014	4498	46.3
2014/2015	5176.1	49.0

5 Existing key areas for development.

a) Mannar Saltern

1) 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 Sri Lanka Standard Institute's requirement. The Organization has planned to purchase a new set of plant with the drier and centrifuge with the capacity to produce 2 M.Ton /hour.

2) Though the company managed to develop its production site 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 1950 and it is subject to demolish. So there is an instant need for the office building in Mannar. MSL has put a proposal to the Ministry of Finance to provide allocation for 12 million to complete Stage-1 of administration block.
3) After the development of the crystal salt plant and with the projected target from 5500 MT to 6000 MT the marketing activities should be improved. The Board of Mantai Salt 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 in Mannar.

b) Elephant Pass Saltern

1. Complete the Phase-1 renovation and rehabilitation work to start production in 350 acres.
2. Renovate and rehabilitate the phase-1 project to start production in another 350 acres.
3. Develop infrastructure facilities to accommodate & facilitate office staff and labours

c) Chemmani Saltern

Action will be taken along with Ministry to go for possible private partnership for aquaculture project.

5.1 Considerable out-put of these development Activities.

- The production and sales of the crystalized salt will help to penetrate and expand the market area and it will ensure the viability in market to the company.

- The storing or stock holding period will be reduced by the increased and faster sales.

- The existing staff's employment will be confirmed by the organization's sustainability and further employment opportunity will be created based on the expansion needs.

- The increasing profit will lead to give more welfare facilities and benefits to the employees.

- The requirement of the Sri Lanka Standard Institute will be fulfilled and the quality is maintained.

- The production and retail sales will contribute to eradicate Iodine deficiency problem by making product available in the rural market for reasonable price.

- Balance 350 acres in Elephant Pass Saltern will be renovated and other infrastructure facilities will be developed such as construction of field office, mechanical center and Pump house etc. 8000 MT salt is expected to harvest in 1st year of Maha season.

- Chemmani Saltern will be reactivated through Public Private Partnership of aquaculture project.
- Considerable dividend will be paid to the Treasury and also the Government will receive taxes such as VAT and NBT for nation development which will lead ultimate benefit for public.

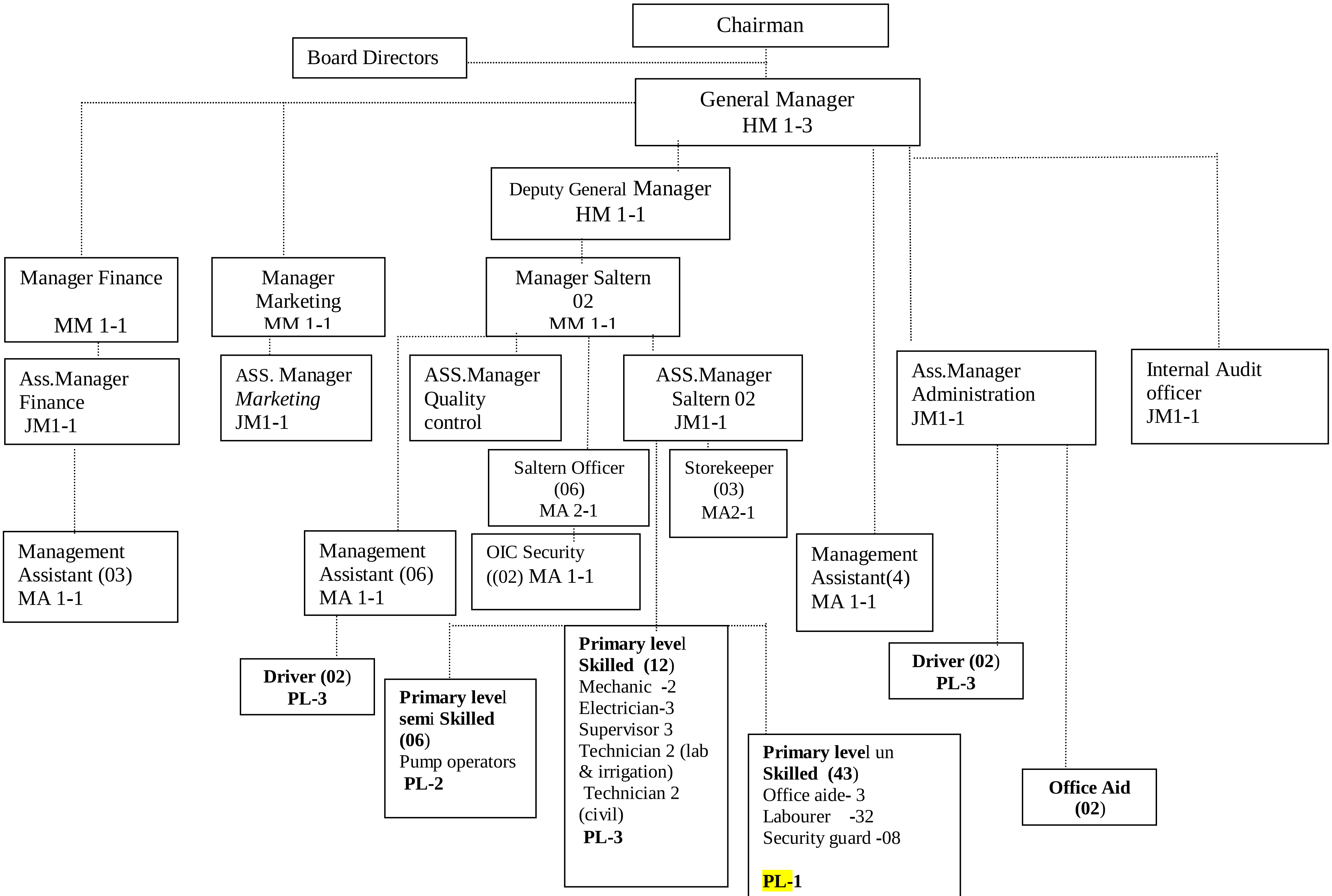
6. FINANCIAL HIGHLIGHTS

For the Year ended 31st March		2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
Production	MT	5220	4653	4527	4282	2930
Sales	MT	5176	4498	3801	4016	3143
Revenue	Rs.	49,018,196	46,348,727	38,820,175	43,586,657	28,751,016
Gross Profit	Rs.	18,346,244	12,067,352	13,315,888	14,276,589	5,038,988
Net Profit	Rs.	1,608,820	7,372,990	499,230	3,876,691	254,104
Net Assets						
Total Non-Current Assets	Rs.	122,368,934	115,373,334	106,601,764	105,859,472	86,225,431
Total Current Assets	Rs.	23,177,470	22,840,106	27,616,701	25,621,000	22,454,607
Less-Non-Current Liabilities	Rs.	(8,251,015)	(5,298,833)	(3,189,514)	(3,352,662)	(3,129,082)
Less-Current Liabilities	Rs.	(5,216,776)	(1,605,556)	(7,092,891)	(8,820,338)	(11,304,289)
		132,078,612	131,309,051	123,936,060	119,307,472	94,246,667
Shareholder's Funds						
Issued Share Capital	Rs.	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Reserves	Rs.	102,078,612	101,309,051	93,936,060	89,307,472	64,246,667
		132,078,612	131,309,051	123,936,060	119,307,472	94,246,667
Revenue to Government						
Income Tax	Rs.	3,597,467	2,317,558	-	-	196,115
Earnings per share	Rs.	5.36	24.58	1.66	12.92	0.85

7. DETAILS OF KEY MANAGEMENT STAFF

#	Name	Position
01	Mrs.B.D.L.M.Dharmasena	Acting General Manager (21.04.2014-30.08.2014)
02	Mr. M.J.Thuwan Manzil	General Manager (01.09.2014-31.03.2015)
03	Mr.D.L.C.A.Gunerathne	Manager Finance (01.04.2014-31.08.2014)
04	Mr. Kithsiri Somaratne	Manager Finance (01.11.2014-31.03.2015)
05	Mr. S.Tokaly	Manager Mannar Saltern (01.04.2014-31.03.2015)
06	Mr. A. Kisotharan	Assistant Production Manager(01.04.2014-31.03.2015)
07	Mr. M.F.Faizal	Assistant Production Manager(01.04.2014-31.03.2015)

8. THE ORGANISATION STRUCTURE



8.1 Existing staff in Mantai Salt Limited.

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	01	01
Peon	02	02
Electrician		01
Pump operator		03
Mechanic		01
Labour		07
Security Guard		04
Total Staffs	09	31

02.12.2015

9. **Directors' Report**

The Directors of the company present herewith their report together with the audited Balance Sheet and Statements of Income for the year ended 31st March 2015.

Principal Activities

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

Financial Highlights

Financial year ended 31 st March 2015

	Rs.
Sale of salt	
Mannar Saltern	49,018,196
Total Turnover	**49,018,196**
Cost of sales	(30,671,951)
Gross Profit	**18,346,244**
Net Profit / (after tax) for the period	**1,608,820**
Earnings per share	**5.36**

Directors.

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

Mr. A.K.M.Shihabdeen (Chairman) (01.04.2014-30.10.2014)
Mr. M.M. Ameen (Chairman) (01.11.2014-31.03.2015)

Mr.M.I.M.Mohamed(Working Director) (01.04.2014-30.10.2014)
Mr.A.K.M.Shihabdeen(Working Director) (01.11.2014-30.03.2015)

Mr.Upali Gunawardane (01.04.2014-30.04.2014)
Mr.J. Marcellus Pieris (01.04.2014-31.03.2015)
Mr.S.R.W.M.R.P.Sathkumara (Treasury) (01.04.2014-31.12.2014)
Mr. P.A.S.A. Kumara (Treasury)) (01.03.2015-31.03.2015)
Mr.M.H.M.Niyas (01.04.2014-30.04.2014)
Mr.M.R.Salley (01.11.2014-31.01.2015)
Mr. M.M.M.Uwais (01.11.2014-31.03.2015)
Mr. M.V.S.Jayasooriya (01.11.2014-31.12.2014)

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 2014/2015.

By order of the Board

Company Secretary

10. INDEPENDENT AUDITOR'S REPORT TO THE SHARE HOLDERS OF MANTAI SALT LIMITED

1. Report on the Financial Statements

We have audited the accompanying Financial Statements Mantai Salt Ltd, which comprise the Statement of Financial Position as at 31st March, 2015 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.

2. Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

3. Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion, the financial statements give a true and fair view of the Financial Position of the Company as at 31st March, 2015, and its financial performance and Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

5. Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above.

b) In our opinion:
   - We have obtained all the information and explanations that were required for the audit and as far as it appears from our examination, proper accounting records have been kept by the Company

   - The financial statements of the Company comply with the requirements of section 151 of the Companies Act.

B. R. DE SILVA & CO.
Chartered Accountants

Colombo 05.

Date..……..…....………

AUDITED ACCOUNTS 2014/2015

MANTAI SALT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	2014/2015	2013/2014
		Rs. Cts.	Rs.
Revenue	(3)	49,018,196.00	46,348,727
Cost of Sales		(30,671,951.50)	(34,281,374)
Gross Profit		18,346,244.50	12,067,353
Other Operating Income	(4)	2,623,393.99	8,674,130
		20,969,638.49	20,741,483
Administrative Expenses		15,618,271.95	(9,342,631)
Sales & Distribution Expenses		(122,000.00)	(1,689,434)
Operating Profit		5,229,366.54	9,709,418
Finance Expenses	(5)	(23,080.00)	(18,870)
Profit before Tax	(6)	5,206,286.54	9,690,548
Income Tax	(7)	(3,597,466.94)	(2,317,558)
Profit for the year after Tax		1,608,819.60	7,372,990

MANTAI SALT LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2015

	Notes	31.03.2015	31.03.2014
ASSETS		**Rs. Cts.**	**Rs.**
Non-Current Assets			
Property, Plant & Equipment	**(8)**	66,187,768.13	66,850,080
Financial Assets	**(9)**	33,579,485.38	23,072,826
Deferred Revenue Expenditure	**(10)**	22,601,680.47	25,450,428
		122,368,933.98	115,373,334
Current Assets			
Inventories	**(11)**	17,981,969.78	13,785,010
Trade & Other Receivables	**(12)**	5,006,649.85	6,288,243
Cash & Cash Equivalents	**(13)**	188,850.46	2,766,853
		23,177,470.09	22,840,106
Total Assets		**145,546,404.06**	**138,213,440**
EQUITY & LIABILITIES			
Capital and Reserves			
Stated Capital	**(14)**	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	**(15)**	31,708,935.45	30,939,374
Total Equity		**132,078,612.45**	131,309,051
Non-Current Liabilities			
Deferred Tax Liability	**(16)**	3,037,973.29	1,488,929
Retirement Benefit Obligations	**(17)**	5,213,042.00	3,809,904
		8,251,015.29	5,298,833
Current Liabilities			
Trade & Other Payables	**(18)**	3,341,895.03	2,790,790
Income Tax Payable	**(19)**	1,874,881.30	(1,185,234)
		5,216,776.33	1,605,556
Total Equity and Liabilities		**145,546,404.07**	**138,213,440**

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

…………..……………… ……………………

Mr. Kithsiri Somaratne **DATE**

FINANCE MANAGER

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

Signed for and on behalf of the Board by,

		NAME	SIGNATURE
DIRECTOR	1.	……………………………	……………………
DIRECTOR	2.	……………………………	……………………
DATE OF APPROVAL BY THE BOARD		………………………..	

MANTAI SALT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2015

	Stated Capital	Government Grants	Revaluation Reserves	Revenue Reserves	Total
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Balance as at 1st April 2013	30,000,000.00	51,740,318.00	14,500,000.00	23,566,383.36	119,806,701.36
Net Profit for the year	-	-	-	7,372,990.49	7,372,990.49
Capital Contribution by Government	-	4,129,359.00	-	-	4,129,359.00
Balance as at 31st March 2014	30,000,000.00	55,869,677.00	14,500,000.00	30,939,373.85	131,309,050.85
Net Profit for the year	-	-	-	1,608,819.60	1,608,819.60
Dividend 2014/ 2015	-	-	-	(839,258.00)	(839,258.00)
Balance as at 31st March 2015	30,000,000.00	55,869,677.00	14,500,000.00	31,708,935.45	132,078,612.45

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2015

	2014/2015	2013/2014
	Rs.	Rs.
Cash Flow from Operating Activities		
Operating Profit / (Loss) before Tax	5,206,287	9,690,548
Adjustments for		
Depreciation	1,485,640	1,570,251
Amortization	3,376,540	3,323,761
Gratuity Provision	1,403,138	620,390
Write-off of Bad Debts	-	1,446,513
Write-off of Income Tax Receivable	1,185,234	-
Write-off of Payables	-	(3,967,114)
Write-off of Income VAT Receivable	3,348,681	-
Provision for Bonus	-	1,350,000
Fixed Deposit Interest Income	(1,598,825)	(1,751,901)
Profit on disposal on Fixed Assets	-	(33,005)
	9,200,409	2,558,895
Operating Profit for the year before Changes in Working Capital	14,406,695	12,249,443
Changes in Working Capital		
(Increase)/Decrease in Inventories	(4,196,960)	(225,911)
(Increase)/Decrease in Trade & Other Receivables	(1,281,593)	4,332,289
Increase/(Decrease) in Trade & Other Payables	551,105	(4,302,102)
	(4,927,448)	(195,724)
Cash Generated from Operations	9,479,247	12,053,719
Dividend paid	(839,258)	-
Bonus Paid	(879,687)	(700,553)
WHT Paid	(173,542)	(142,705)
	(1,892,487)	(843,258)
Net cash in flow from Operating Activities	7,586,760	11,210,461
Cash flow from Investing Activities		
Purchase of Property, Plant & Equipment	807,618	(479,239)
Sale Proceed of disposal of Fixed Assets	-	41,000
Investment Withdrawals	9,316,701	-
Investment in Fixed Deposits	(21,360,114)	(13,194,339)
Fixed Deposit Interest Income	1,598,825	1,751,901
Land Development Cost	(527,792)	-
Net cash in flow from Investing Activities	(10,164,762)	(11,880,676)
Net Increase in Cash & Cash equivalents during the year	(2,578,003)	(670,216)
Cash & Cash Equivalents at the beginning of the year	2,766,853	3,437,069
Cash & Cash Equivalents at the end of the year	188,850	2,766,853
Analysis of Cash and Cash Equivalents at the end of the year		
Cash at Bank	186,850	2,549,994
Cash In Hand	2,000	216,859
	188,850	2,766,853

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

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 of salt production in Sri Lanka. It manufactures common salt and distributes in the form of Located Salt, Crush salt and Industrial Salt in Sri Lanka.

1.3 The notes to the Financial Statements on pages (05) to (25), form an integral part of the Financial Statements.

1.4 The number of employees at the end of the year was 41 (2015).

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, 2015

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 Occurring after the Reporting Period

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

Contd.…

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

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

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

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

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

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

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.…

Property, Plant & Equipment (Contd..)

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

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

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

Subsequent costs

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

Repairs and Maintenance

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

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

Depreciation

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

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

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

Capital work-in-progress

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

2.2.3 Amortization

Land Development cost is amortized over 10 years @ 10%

2.2.4 Leases

Finance Leases

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

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

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

2.2.5 Financial Instruments — Initial Recognition and Subsequent Measurements

a) Financial Assets

Initial 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 pervious impairment loss recognized in the Income Statement, is removed from Other Comprehensive Income and recognized in the Income Statement.

Contd.…

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

Available 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.

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

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 Obligation Benefits

a) Retirement Obligation Benefit - Gratuity

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

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

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

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MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

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 cash 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

		2014/2015	2013/2014
		Rs. Cts.	Rs.
(3)	**REVENUE**		
	Sale of Salt - Mannar	49,018,196.00	46,348,727
		49,018,196.00	46,348,727
(4)	**OTHER INCOME**		
	Factory Quarters Rent	134,756.18	135,683
	Interest Income received in Special Advance	123,727.15	-
	Interest on Staff Loans	2,016.00	99,150
	Fixed Deposit Interest	1,598,825.20	1,751,902
	Other Income	643,969.46	1,889,390
	Write-off Payables	-	4,765,000
	Disposal Profit on PPE	-	33,005
	Fishing Lease	35,100.00	-
	Boat Yard	85,000.00	-
		2,623,393.99	8,674,131
(05)	**FINANCE CHARGES**		
	Bank Charges	23,080.00	18,700
		23,080.00	18,700
(6)	**PROFIT BEFORE TAX**		
	Net Profit before tax is stated after charging all expenses including the following;		
	Chairperson's Emoluments	787,150.93	720,000
	Board Member's Fees	324,300.00	370,100
	Depreciation & Amortization	4,984,872.33	4,862,180
	Audit Fee	75,000.00	70,000
	EPF & ETF Surcharge	8,661.16	27,578
(7)	**INCOME TAX SUMMARY**		
	Income Tax Provision for the Year	2,048,423.00	828,628
	Deferred Tax Provision for the Year	1,549,043.94	1,488,930
		3,597,466.94	2,317,558

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015

		2014/2015 Rs. Cts.	2013/2014 Rs.
(7.1)	Accounting Profit Before Tax	5,206,286.54	9,690,548
	Income does not part from Trade or Business	(1,724,568.35)	(1,884,057)
	Adjustments related to Disallowable Items	10,061,088.46	5,667,599
	Adjustments related to Depreciation Allowance	(2,170,571.00)	(2,310,913)
	Adjustments related to Allowances	-	-
	Fixed Asset Disposal Tax Profit	-	41,000
	Profit/(Loss)from Trade or Business	11,372,235.65	11,204,177
	Statutory Income from Interest	2,098,134.25	1,543,948
	Brought forward Loss Claimable	-	(4,461,844)
	Statutory Income	13,470,369.90	8,286,281
	Statutory Tax Rate 12,174,542@ 12%	12%	10%
	Statutory Tax Rate 2,098,134 @ 28%	28%	
	Provision for the year	2,048,423.00	828,628

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

(8) PROPERTY, PLANT & EQUIPMENT

Type of Asset	Cost as at 01.04.2014	Additions	Disposals	Cost as at 31.03.2015	Rate of Dep	Acc. Dep. As 01.04.2014	Dep. For the year	Acc. Dep. Or Disposals	Acc. Dep. As 31.03.2015	W.D.V. as at 31.03.2015	W.D.V. as at 31.03.2014
	Rs. Cts	Rs. Ct	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%	211,856.82	55,560.00	-	267,416.82	288,183.18	343,743
Photocopier	220,000.00	-	-	220,000.00	10%	158,168.49	22,000.00	-	180,168.49	39,831.51	61,832
Fax Machine	85,650.00	-	-	85,650.00	10%	81,974.57	3,675.00	-	85,649.57	0.43	3,675
Cellular Phone	26,490.00	-	-	26,490.00	10%	10,293.52	2,649.00	-	12,942.52	13,547.48	16,196
Furniture	215,961.37	-	-	215,961.37	10%	167,766.60	21,596.14	-	189,362.74	26,598.63	48,195
Calculator	2,740.00	-	-	2,740.00	10%	2,004.00	274.00	-	2,278.00	462.00	736
Camera	26,100.00	-	-	26,100.00	10%	7,243.64	2,610.00	-	9,853.64	16,246.36	18,856
Printer Machine HP	23,000.00	13,000.00	-	36,000.00	10%	6,206.84	2,300.00	-	8,506.84	27,493.16	16,794
Name Board	35,400.00	-	-	35,400.00	10%	9,970.19	3,540.00	-	13,510.19	21,889.81	25,430
Office Equipment - Wall Clock	2,600.00	-	-	2,600.00	10%	2,600.00		-	2,600.00	-	(377)
Other Equipment - Fans	7,000.00	-	-	7,000.00	10%	4,900.00	700.00	-	5,600.00	1,400.00	2,100
Motor Cycle	-	-	-	-	10%	-	-	-	-	-	-
Petty Cash Box	2,800.00	-	-	2,800.00	10%	396.67	280.00	-	676.67	2,123.33	2,403
Laptop	75,078.57	113,000.00	-	188,078.57	10%	1,251.31	7,507.86	-	8,759.17	179,319.40	73,827
Web Page Desiging	-	23,500.00		23,500.00		-	-	-	-	23,500.00	-
Chairman Room Furniture's	-	98,838.50		98,838.50		-	-	-	-	98,838.50	
Iron Cubboard 2 No's	-	20,700.00		20,700.00		-	-	-	-	20,700.00	
	1,278,419.94	**269,038.50**	**-**	1,547,458.44		**664,632.65**	**122,692.00**	**-**	**787,324.65**	**760,133.79**	**613,410**

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

(8) PROPERTY, PLANT & EQUIPMENT (CONTD)

Type of Asset	Cost as at 01.04.2014	Additions	Disposals	Cost as at 31.03.2015	Rate of Dep	Acc. Dep. As 01.04.2014	Dep. For the year	Acc. Dep. On Disposals	Acc. Dep. As 31.03.2015	W.D.V. as at 31.03.2015	W.D.V. as at 31.03.2014
	Rs. Cts	Rs. Cts.	Rs. Cts.	Rs. Cts.		Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. C
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%	454,956.20	165,125.20	-	620,081.40	2,682,422.60	2,847,548
Machinery & Equipment	1,816,387.02	-	-	1,816,387.02	10%	418,290.68	181,638.70	-	599,929.38	1,216,457.64	1,398,096
Buildings	844,160.00	-	-	844,160.00	5%	437,049.63	42,208.00	-	479,257.63	364,902.37	407,110
Pump House Building	271,652.50		-	271,652.50	5%	2,263.77	13,582.63	-	15,846.40	255,806.10	269,389
Drying Pad Building	17,205.00		-	17,205.00	5%	501.81	860.25	-	1,362.06	15,842.94	16,703
Furniture & Fittings	236,921.00		-	236,921.00	10%	236,921.00	-	-	236,921.00		(14,923)
Laboratory Equipment	1,013,780.22		-	1,013,780.22	10%	158,289.77	101,378.02	-	259,667.78	754,112.44	855,490
Name Board	32,300.00		-	32,300.00	10%	10,450.00	3,230.00	-	13,680.00	18,620.00	21,850
Electric Weighing Machine	124,437.00		-	124,437.00	10%	124,437.00	-	-	124,437.00	-	-
Push Carts	88,380.00		-	88,380.00	10%	76,907.00	8,838.00	-	85,745.00	2,635.00	11,473
Water Pump	603,124.00		-	603,124.00	10%	596,055.35	7,069.00	-	603,124.35	-	7,069
Calculators (2)	4,900.00		-	4,900.00	10%	2,479.56	490.00	-	2,969.56	1,930.44	2,420
Aluminium Folding Ladder	4,100.00		-	4,100.00	10%	4,100.00		-	4,100.00	-	(410)
Crushing Machine	356,845.00		-	356,845.00	10%	356,845.00	-	-	356,845.00	-	-
Refrigerator	33,500.00		-	33,500.00	10%	30,150.00	3,350.00	-	33,500.00	-	3,350
Motor Bicycle	99,475.00		-	99,475.00	10%	89,528.50	9,947.50	-	99,476.00	-	9,947
Motor Tricycle	207,992.00		-	207,992.00	10%	187,193.60	20,799.20	-	207,992.80	-	20,798
Fan	34,025.00		-	34,025.00	10%	9,802.29	3,402.50	-	13,204.79	20,820.21	24,223
Tractor	1,728,900.00		-	1,728,900.00	10%	517,254.24	172,890.00	-	690,144.24	1,038,755.76	1,211,646
Computers	301,862.00	63,900.00	-	365,762.00	10%	149,189.07	30,186.20	-	179,375.27	186,386.73	152,673
Tools	55,560.00		-	55,560.00	10%	32,103.00	5,556.00	-	37,659.00	17,901.00	23,457
Sprayer	25,900.00		-	25,900.00	10%	14,346.00	2,590.00	-	16,936.00	8,964.00	11,554
Laptop	-	131,000.00	-	131,000.00	10%	-	-		-	131,000.00	-
Tractor Trailer	-	303,000.00	-	303,000.00	10%	-	-		-	303,000.00	-
Tent for Salt Heap	-	22,000.00	-	22,000.00	10%	-	-		-	22,000.00	-
Top Scale Balance	-	6,229.54	-	6,229.54	10%	-	-		-	6,229.54	-
ADSL Router	-	3,190.00	-	3,190.00	10%	-	-		-	3,190.00	-
Plan of Circuit Bungalow Construction	-	9,260.00		9,260.00	10%	-	-		-	9,260.00	-

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

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

Type of Asset	Cost as at 31.03.2014	Additions	Disposals	Cost as at 31.03.2015	Rate of Dep	Acc. Dep. As 31.03.2014	Dep. For the year	Acc. Dep. Or Disposals	Acc. Dep. As 31.03.2014	W.D.V. as at 31.03.2015	W.D.V. as at 31.03.2014
	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%	60,732.00	13,500.00	-	74,232.00	60,768.00	74,268
Water Tank	10,900.00		-	10,900.00	10%	5,193.00	1,090.00	-	6,283.00	4,617.00	5,707
Photocopier	167,000.00		-	167,000.00	10%	74,258.00	16,700.00	-	90,958.00	76,042.00	92,742
Water Filter	7,550.00		-	7,550.00	10%	2,991.00	755.00	-	3,746.00	3,804.00	4,559
Telephone	6,450.00		-	6,450.00	10%	2,271.16	645.00	-	2,916.16	3,533.84	4,179
Cycle	12,750.00		-	12,750.00	10%	5,278.00	1,275.00	-	6,553.00	6,197.00	7,472
Truck TATA	1,156,250.00		-	1,156,250.00	10%	488,793.00	115,625.00	-	604,418.00	551,832.00	667,457
Generator	100,929.00		-	100,929.00	10%	39,623.70	10,092.90	-	49,716.60	51,212.40	61,305
Welding Plant	56,900.00		-	56,900.00	10%	20,110.00	5,690.00	-	25,800.00	31,100.00	36,790
Fax Machine	40,500.00		-	40,500.00	10%	14,280.00	4,050.00	-	18,330.00	22,170.00	26,220
Water Proof Weighing Scale ,	91,672.73		-	91,672.73	10%	25,266.51	9,167.27	-	34,433.78	57,238.95	66,406
Subsumable Pump	1,210,109.70		-	1,210,109.70	10%	325,013.37	121,010.97	-	446,024.34	764,085.36	885,096
Sealer Machine 8"	3,200.00		-	3,200.00	10%	875.83	320.00	-	1,195.83	2,004.17	2,324
Weighbridge	1,995,772.80		-	1,995,772.80	10%	518,527.20	199,577.28	-	718,104.48	1,277,668.32	1,477,246
Pen Drive	2,000.00		-	2,000.00	10%	591.91	200.00	-	791.91	1,208.09	1,408
Bed	14,000.00		-	14,000.00	10%	3,920.00	1,400.00	-	5,320.00	8,680.00	10,080
Steel Cabinet 4 Drawers	27,027.50		-	27,027.50	10%	3,932.56	2,702.75	-	6,635.31	20,392.19	23,095
Lamp Charger	1,550.00		-	1,550.00	10%	403.00	155.00	-	558.00	992.00	1,147
Key Board	3,000.00		-	3,000.00	10%	747.00	300.00	-	1,047.00	1,953.00	2,253
Stitching Charge for tarpaulin	17,010.00		-	17,010.00	10%	4,152.30	1,701.00	-	5,853.30	11,156.70	12,858
	59,163,481.47	**538,579.54**	**-**	59,702,061.01		**5,506,073.01**	**1,279,098.37**	**-**	**6,785,171.37**	**52,916,889.64**	**53,642,075**

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

(8) PROPERTY, PLANT & EQUIPMENT

Type of Asset	Cost as at 01.04.2014	Additions	Disposals	Cost as at 31.03.2015	Rate of Dep	Acc. Dep. As 01.04.2014	Dep. For the year	Acc. Dep. On Disposals	Acc. Dep. As 31.03.2015	W.D.V. as at 31.03.2015	W.D.V. as at 31.03.2014
	Rs. Cts	Rs. Cts.	Rs. Cts.	Rs. Cts.		Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts
Chemmani Factory							-				-
Land - (as per valuation report)	12,100,000	-	-	12,100,000.00		-	-	-	-	12,100,000.00	12,100,000
Office Building	161,236	-	-	161,236.00	5%	72,556.60	8,061.80	-	80,618.40	80,617.60	88,679
Building - Temporary Shed	4,080	-	-	4,080.00	5%	1,836.00	204.00	-	2,040.00	2,040.00	2,244
Water Pump	489,125	-	-	489,125.00	10%	215,063.00	48,912.50	-	263,975.50	225,149.50	274,062
Water Tank - Cart	37,500	-	-	37,500.00	10%	20,197.00	3,750.00	-	23,947.00	13,553.00	17,303
Hero Push Bicycle	21,060	-	-	21,060.00	10%	13,967.00	2,106.00	-	16,073.00	4,987.00	7,093
Furniture	63,400	-	-	63,400.00	10%	63,204.00	196.00	-	63,400.00	-	196
Equipment	16,386	-	-	16,386.00	10%	16,386.00		-	16,386.00	-	-
Kitchen Utensils	2,385	-	-	2,385.00	10%	2,385.00		-	2,385.00	-	-
Calculator	1,200	-	-	1,200.00	10%	1,200.00		-	1,200.00	-	-
Name Board	9,880	-	-	9,880.00	10%	4,853.00	988.00	-	5,841.00	4,039.00	5,027
Hydro Meters	3,700	-	-	3,700.00	10%	3,330.00	370.00	-	3,700.00	-	370
Telephone Installations	41,820	-	-	41,820.00	10%	37,638.00	4,182.00	-	41,820.00	-	4,182
Spring Balance	19,500	-	-	19,500.00	10%	11,105.00	1,950.00	-	13,055.00	6,445.00	8,396
Tools -Sprayer	8,500	-	-	8,500.00	10%	5,040.00	850.00	-	5,890.00	2,610.00	3,460
Fax Machinery	17,250	-	-	17,250.00	10%	8,459.00	1,725.00	-	10,184.00	7,066.00	8,791
CDMA Phone	4,620	-	-	4,620.00	10%	1,224.00	462.00	-	1,686.00	2,934.00	3,396
Generator	100,928	-	-	100,928.00	10%	29,531.60	10,092.80	-	39,624.40	61,303.60	71,396
	13,102,570	-	-	**13,102,570.00**		**507,975.20**	83,850.10	**-**	**591,825.30**	**12,510,744.70**	12,594,594
Total	**73,544,471.41**	**807,618.04**	-	**74,352,089.45**		**6,678,680.86**	**1,485,640.47**	**-**	**8,164,321.32**	**66,187,768.13**	**66,850,080**

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

		31.03.2015 Rs. Cts.	31.03.2014 Rs. Cts.
(9) FINANCIAL ASSESTS			
Held to Maturity Financial Asset's			
Fixed Deposit - BOC	7284904	5,267,867.88	4,852,941
Fixed Deposit - BOC	73045101	6,580,170.50	6,138,219
Fixed Deposit - BOC	75176906	4,360,000.00	4,000,000
Fixed Deposit - BOC	75418720	-	4,081,666
Fixed Deposit - BOC	75581491	-	2,000,000
Fixed Deposit - BOC	75527111	2,184,000.00	2,000,000
Fixed Deposit - BOC	76057453	4,187,447.00	-
Fixed Deposit - BOC	77012345	3,000,000.00	-
Fixed Deposit - BOC	77141898	4,000,000.00	-
Fixed Deposit - BOC	77141921	4,000,000.00	-
		33,579,485.38	23,072,826

(10) DEFERRED REVENUE EXPENDITURE

	Cost as at 01.04.2014 Rs. Cts.	Additions Rs. Cts.	Cost as at 31.03.2015 Rs. Cts.	Rate of Amortization	Amo. as at 01.04.2014 Rs. Cts.	Amo. For the year Rs. Cts.	Acc. Amo. As 31.03.2014 Rs. Cts.	W.D.V. as at 31.03.2015 Rs. Cts.	W.D.V. as at 31.03.2014 Rs.
Land Development	33,237,606.00	527,792.33	33,765,398.53	10%	7,787,178.21	3,376,539.85	11,163,718.06	22,601,680.47	25,450,428
	33,237,606.00	527,792.33	33,765,398.53		7,787,178.21	3,376,539.85	11,163,718.06	22,601,680.47	25,450,428

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

		31.03.2015	31.03.2014
		Rs. Cts.	Rs.
(11)	**INVENTORIES**		
	Finished Goods	15,950,473.00	11,377,366
	Diesel & Kerosene Oil	77,182.37	56,722
	Packing Material	154,809.85	722,165
	Building Materials	148,468.77	266,524
	Pump Spare Parts	1,181,198.39	866,926
	Printing & Stationery	291,636.40	196,862
	Tool Items	105,725.00	117,005
	Chemical Items	55,800.00	15,400
	Machinery Spare Parts	16,676.00	166,040
		17,981,969.78	13,785,010

		31.03.2015	31.03.2014
(12)	**TRADE & OTHER RECEIVABLES**		
	Trade Debtors	100,000.00	-
	Treasury Fund (Elephant Pass Project)	1,991,922.54	
	Fixed Deposit Interest Receivable	-	392,034
	Over Paid VAT Receivable	-	3,348,681
	Deposits & Advances		
	Telephone deposit	32,838.00	32,838
	Refundable Deposit - Water Connection	3,000.00	3,000
	Rent Advance	50,000.00	50,000
	Advance Wages - Mannar		22,415
	Quarters Electricity - Mannar	25,027.05	25,027
	Quarters Water - Mannar	27,703.91	27,704
	Staff debtors		
	Festival advances	345,500.00	275,662
	Staff Loans	2,317,438.71	2,013,062
	Prepayments	34,819.64	34,820
	Special Staff Loans	78,400.00	63,000
		5,006,649.85	6,288,243

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

		31.03.2015	31.03.2014
		Rs. Cts.	Rs.
(13)	**CASH & CASH EQUIVALENTS**		
	Cash at bank		
	Bank of Ceylon - Metropolitan Branch	17,464.08	2,277,206
	- Mannar Branch	55,432.38	158,834
	- Jaffna Branch	113,954.00	113,954
	Cash in Hand		
	Petty Cash - Head Office	2,000.00	2,643
	- Mannar		5,485
	Cash in Transit Mannar		208,731
		188,850.46	2,766,853
(14)	**STATED CAPITAL**		
	Stated Capital -300,000 Ordinary Shares (Issued and Fully paid)	30,000,000.00	30,000,000
(15)	**REVENUE RESERVE**		
	Balance as at 01st April	30,939,373.85	23,566,384
	Add: Profit for the year	1,608,819.60	7,372,990
	Less: Dividend Paid During Year	(839,258.00)	-
	Balance as at 31st March	31,708,935.45	30,939,374
(16)	**DEFERRED TAX LIABILITIES**		
	Balance as at 01st April	1,488,929.35	-
	Add: Provision for the year	1,549,043.94	1,488,929
	Balance as at 31st March	3,037,973.29	1,488,929

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

		31.03.2015	31.03.2014
		Rs. Cts.	Rs.
(17)	**RETIREMENT BENEFIT OBLIGATIONS**		
	Balance as at 01st April	3,809,904.00	3,189,514
	Add: Provision for the year	1,403,138.00	620,390
		5,213,042.00	3,809,904
	Less: Payments During the year	-	-
	Balance as at 31st March	5,213,042.00	3,809,904
	Normal Retirement Age (Years)	60	60
	Expected Rate of Future Salary Increments	5%	5%
	Discount Rate (d)	10%	10%
	Staff Turnover Factor	10%	10%

		31.03.2015	31.03.2014
(18)	**TRADE & OTHER PAYABLES**		
	Refundable Deposits -Mannar	7,800.00	7,800
	Unclaimed Salaries	-	41,579
	Accrued Expenses	429,601.04	58,978
	Salaries Payable	608,685.30	1,119,365
	PAYE -(H/O & Mannar)	20,865.16	5,179
	EPF Payable	423,915.24	408,576
	ETF Payable	63,587.28	61,286
	Audit Fee Payable	75,000.00	70,000
	Union membership	14,500.00	14,500
	Income Received in Advance	698,752.00	210,153
	Bonus Provisions	-	649,447
	Value Added Tax (VAT)	840,060.46	123,527
	Nation Building Tax (NBT)	159,128.55	20,400
		3,341,895.03	2,790,790

MANTAI SALT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 ST MARCH 2015

		31.03.2015	31.03.2014
		Rs. Cts.	Rs.
(19)	**INCOME TAX**		
	Balance as at 01st April	(1,185,233.70)	-
	Add: Provision for the year	2,048,423.00	828,628
	ESC Paid	-	(1,628,057)
	Income Tax Written-off	-	
	ESC Written-off	1,185,233.70	
	WHT Paid	(173,541.70)	(385,805)
	Balance as at 31st March 2015	1,874,881.30	(1,185,234)
(20)	**COMPENSATION FOR KEY MANAGEMENT PERSONNEL**		
	Directors' Emoluments	1,717,150.93	1,090,100
	Other Benefits	-	-
		1,717,150.93	1,090,100

(21) CAPITAL COMMITMENTS

There have been no material Capital Commitments outstanding as at 31st March 2015.

(22) CONTINGENT LIABILITIES

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

(23) EVENTS OCCURING AFTER THE REPORTING PERIOD

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

MANTAI SALT

DETAILED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2015

	Add. Notes	2014/2015 Rs. Cts.	2013/2014 Rs.
Revenue	**(A)**	49,018,196.00	46,348,727
Cost of Sales	**(B)**	(30,671,951.50)	(34,281,374)
Gross Profit		18,346,244.50	12,067,353
Other Operating Income	**(C)**	2,623,393.99	8,674,130
		20,969,638.49	20,741,483
Administrative Expenses	**(D)**	(15,618,271.95)	(9,342,631)
Sales & Distribution Expenses	**(E)**	(122,000.00)	(1,689,434)
Operating Profit		5,229,366.54	9,709,418
Finance Expenses	**(F)**	(23,080.00)	(18,870)
Profit before Tax		5,206,286.54	9,690,548
Income Tax		(3,597,466.04)	(2,317,558)
Profit for the year after Tax		1,608,819.60	7,372,990

MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

			2014/2015 Rs. Cts.	2013/2014 Rs.
(A)	**REVENUE**			
	Sale of Salt - Mannar		49,018,196.00	46,348,727
			49,018,196.00	46,348,727
(B)	**COST OF SALES**	**Sub Note**		
	Direct Wages		10,250,391.57	9,789,228
	Production Overheads	1	4,837,706.18	5,920,767
	Factory Operating Cost	2	20,156,960.75	19,322,093
	Cost of Production		35,245,058.50	35,032,088
	Add - Opening Stock As at 01st April		11,377,366.00	10,626,652
	Less - Closing Stock As at 31st March		(15,950,473.00)	(11,377,366)
	Cost of Sales		30,671,951.50	34,281,374

Sub Note 1

PRODUCTION OVERHEAD

Fuel	659,254.25	515,073
Machinery Upkeep	1,627,678.60	935,571
Production Tools Maintenance	202,558.00	231,637
Electricity	944,779.79	1,003,691
Water	53,507.63	19,433
Packing Materials	1,316,227.91	3,204,438
Chemical Expenses	33,700.00	10,924
	4,837,706.18	5,920,767

Sub Note -2

FACTORY OPERATING COSTS

Staff Salaries & Wages	11,029,054.98	9,844,230
EPF	1,261,728.29	1,181,308
ETF	315,432.86	295,327
Bonus	161,168.07	1,200,000
Staff Welfare	200,455.00	175,787
Tea Allowance	306,970.00	267,451
Telephone	265,700.00	257,237
Printing & Stationery	94,565.00	59,005

MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

	2014/2015	2013/2014
	Rs. Cts.	Rs.
Sub Note 2		
PRODUCTION OVERHEAD (COND….)		
Postage	16,830.00	9,570
Travelling	103,464.00	56,095
Over Time	263,175.67	269,846
Office Maintenance	130,639.75	6,460
Office Equipment Maintenance	42,500.00	28,710
Building Maintenance	302,880.00	340,465
Transport	60,714.00	69,950
Vehicle Maintenance	766,921.86	289,469
Depreciation of Property, Plant & Equipment	1,362,948.47	1,440,931
Amortization of Land Development Cost	3,376,539.85	3,323,761
Newspapers & Periodicals	21,710.00	9,120
Rates & Taxes	-	2,283
Safety Items	25,000.00	18,000
Caretaker Allowance	-	155,000
Miscellaneous	48,562.95	22,088
	20,156,960.75	19,322,093

(C) OTHER INCOME

	2014/2015	2013/2014
Factory Quarters Rent	134,756.18	135,683
Income Received In Special Advance	123,727.15	-
Interest on Staff Loans	2,016.00	99,150
Fixed Deposit Interest	1,598,825.20	1,751,902
Other Income	643,969.46	1,889,390
Write-off Payables	-	4,765,000
Disposals Profit on PPE	-	33,005
Fishing Lease	35,100.00	-
Boat Yard	85,000.00	-
	2,623,393.99	8,674,130

MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

	2014/2015 Rs. Cts.	2013/2014 Rs.
(D) ADMINISTRATIVE EXPENSES		
Chairman Allowances	787,150.93	720,000
Board Member's Fees	324,300.00	370,100
Fuel	488,013.00	510,945
Staff Salaries	3,141,709.30	3,370,006
Tea Expenses	143,218.00	155,998
Over Time Payments	-	2,399
Bonus	69,072.03	150,000
EPF	440,524.29	382,801
ETF	110,131.05	95,700
Gratuity Provision	1,403,138.00	620,390
Staff Welfare	250,035.00	123,137
Rent	500,000.00	661,250
Electricity	28,003.54	32,843
Printing & Stationery	436,673.50	404,404
Postage	12,565.00	11,435
Travelling	236,321.73	201,692
Office Equipment Upkeep	156,465.00	148,648
Office Maintenance	79,100.00	44,255
Audit Remunaration - External Audit Fee	75,000.00	70,000
Other	94,151.35	-
Newspapers & Periodicals	14,850.00	12,390
Depreciation of Property, Plant & Equipment	122,692.00	129,320
Table Salt Plant Expenses	486,489.90	-
Vehicle Allowances	930,000.00	840,000
Telephone HO	9,315.36	-
Secretarial Fee	55,370.00	18,550
Donation expenses	-	25,000
Internal Audit Fee	-	19,230
Legal Fee	25,000.00	81,970
Training Expenses	23,100.00	5,000
Miscellaneous		2,228
AGM Fee	32,870.00	48,812
Audit Management Fee	46,830.00	41,800
Consultation Fee	110,940.00	-
Professional Charges/Assessment	122,503.12	14,750
EPF & ETF Surcharge	8,661.16	27,578
Mannar Inspection & Visiting Charges	81,448.00	-
Staff Uniforms	238,716.01	-
Written Off VAT	3,348,681.00	-
Written Off Overpaid Income Tax	1,185,233.69	-
	15,618,271.95	9,342,631

MANTAI SALT LIMITED

ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

		2014/2015	2013/2014
		Rs. Cts.	Rs.
(E)	**SELLING AND DISTRIBUTION EXPENSES**		
	Exhibition Expenses	-	168,320
	Advertisements	122,000.00	74,601
	Provision for Bad Debts	-	1,446,513
		122,000.00	1,689,434
(F)	**FINANCE EXPENSES**		
	Bank Charges		
	Head Office	9,380.00	11,860
	Mannar	13,700.00	7,010
		23,080.00	18,870