



01-04-2013—31-03-2014

வார்டிக வார்டாவ ஸல கிஐஓ
ANNUAL REPORT & ACCOUNTS
ஆண்டறிககையு஢் கணக்குகளு஢்



ஓன்காஓ ஸோலி லீஓஓஓ
MANTAI SALT LIMITED
஢ாந்தை ஁ப்பு லி஢ிற்றெஓ

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 SriLanka. 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.

Sale of salt

Mannar Saltern 46,348,726

Total Turnover 46,348,726

Cost of sales (34,281,374)

Gross Profit

Gross Profit 12,067,352

Net Profit / (After tax) for the period

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 2014/2015.

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 Rs46,348,726 .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

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