

**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 31<sup>st</sup> 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 31<sup>st</sup> March 2013 were audited by another auditor whose report dated 16<sup>th</sup> 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 31<sup>st</sup> March, 2014 and the Financial Statements give a true and fair view of the Company's state of affairs as at 31<sup>st</sup> 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 .....

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**MANTAL SALT LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST MARCH 2014**

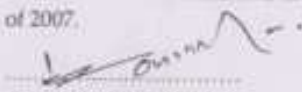
	Notes	2013/2014		2012/2013
		Rs.	Cts.	Rs.
Revenue	(3)	46,348,726.58		38,820,175
Cost of Sales		(34,281,374.34)		(25,504,287)
<b>Gross Profit</b>		<b>12,067,352.24</b>		<b>13,315,888</b>
Other Operating Income	(4)	8,674,130.01		1,624,907
		20,741,482.25		14,940,795
Administrator Expenses		(9,342,630.42)		(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		<u>7,372,990.48</u>		<u>499,230</u>
Earnings Per Share	(8)	<u>24.58</u>		2



**MANTAI SALT LIMITED****STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2014**

ASSETS	Notes	31.03.2014	31.03.2013
		Rs. Cts.	Rs.
<b>Non-Current Assets</b>			
Property, Plant & Equipment	(9)	86,850,080.45	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>
<b>Current Assets</b>			
Inventories	(12)	13,785,009.52	13,559,099
Trade & Other Receivables	(13)	6,288,243.06	10,620,532
Cash & Cash Equivalents	(14)	2,766,833.37	3,437,069
		<u>22,840,105.95</u>	<u>27,616,701</u>
<b>Total Assets</b>		<u><b>138,213,440.28</b></u>	<u><b>134,218,465</b></u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital and Reserves</b>			
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
<b>Total Equity</b>		<u>131,309,050.84</u>	<u>123,936,060</u>
<b>Non-Current Liabilities</b>			
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>
<b>Current Liabilities</b>			
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>
<b>Total Equity and Liabilities</b>		<u><b>138,213,440.28</b></u>	<u><b>134,218,465</b></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

DIRECTOR

DIRECTOR

DATE OF APPROVAL BY  
THE BOARD

NAME

SIGNATURE

03/10/2014

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2014

	<u>Stated Capital</u>		<u>Government Grants</u>		<u>Revaluation Reserves</u>		<u>Revenue 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	<u>30,000,000.00</u>		<u>55,869,677.00</u>		<u>14,500,000.00</u>		<u>23,566,383.36</u>		<u>123,936,060.36</u>	
Net Profit for the year	-		-		-		7,372,990.48		7,372,990.48	
Dividend 2013/ 2014	-		-		-		-		-	
Balance as at 31st March 2014	<u>30,000,000.00</u>		<u>55,869,677.00</u>		<u>14,500,000.00</u>		<u>30,939,373.84</u>		<u>131,309,050.84</u>	



**MANTAL SALT LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2014**

	2013/2014	2012/2013
	Rs.	Rs.
<b>Cash Flow from Operating Activities</b>		
Operating Profit / (Loss) before Tax	9,690,548	499,230
<b>Adjustments for</b>		
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 Bonus	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>
<b>Operating Profit for the year before Changes in Working Capital</b>	<u>12,249,443</u>	<u>1,669,977</u>
<b>Changes in working capital</b>		
(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>
<b>Cash Generated from Operations</b>	<u>12,053,719</u>	<u>(2,677,698)</u>
Gratuity paid	-	(430,622)
Bonus Paid	(700,553)	-
WHT Paid	(142,705)	-
	<u>(843,258)</u>	<u>(430,622)</u>
<b>Net cash in flow from Operating Activities</b>	<u>11,210,461</u>	<u>(3,108,320)</u>
<b>Cash flow from Investing Activities</b>		
Purchase of property, plant & equipment	(479,239)	(2,816,129)
Sale Proceed of disposal of Fixed Assets	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
<b>Net cash in flow from Investing Activities</b>	<u>(11,880,676)</u>	<u>2,483,797</u>
<b>Net Increase in cash &amp; cash equivalents during the year</b>	<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>
<b>Analysis of Cash and Cash Equivalents at the end of the year</b>		
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>

**MANTAL SALT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> 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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**MANTAL SALT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> 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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**MANTAL SALT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> 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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**MANTAL SALT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> 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:



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**MANTAL SALT LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****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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**MANTALSALT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**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:

<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 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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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

**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 previous impairment loss recognized in the Income Statement, is removed from Other Comprehensive Income and recognized in the Income Statement.

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**MANTALSALT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

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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**MANTALSALT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> 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.



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**MANTAL SALT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> 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.





**MANTALSALT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2014**

	2013/2014		2012/2013
	Rs.	Cts.	Rs.
<b>(3) REVENUE</b>			
Sale of Salt - Mannar	46,348,726.58		38,820,175
	<u>46,348,726.58</u>		<u>38,820,175</u>
<b>(4) OTHER INCOME</b>			
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>
<b>(5) FINANCE EXPENSES</b>			
Bank Charges	18,870.00		26,875
	<u>18,870.00</u>		<u>26,875</u>
<b>(6) PROFIT BEFORE TAX</b>			
<i>Net Profit before tax is stated after charging all expenses including the following:</i>			
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		-
<b>(7) INCOME TAX SUMMARY</b>			
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>



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



NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 ST MARCH 2014

## (iv) PROPERTY, PLANT &amp; EQUIPMENT

Type of Asset	Cost as at 31.03.2013		Additions		Disposals		Cost as at 31.03.2014		Rate of Dep.	Dep. as at 31.03.2013		Dep. For the year		Acc. Dep. On Disposals		Acc. Dep. As at 31.03.2014		W.D.V. as at 31.03.2014		W.D.V. as at 31.03.2013	
	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.		Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.	Rs.	Cs.
<b>Head Office</b>																					
Computer with accessories	305,600.00	-	-	-	-	-	305,600.00	10%	156,296.82	22,560.00	-	-	-	-	211,836.82	343,743.18	390,303				
Photocopier	220,000.00	-	-	-	-	-	220,000.00	10%	156,168.48	22,000.00	-	-	-	-	158,168.48	64,831.51	83,632				
Fax Machine	85,650.00	-	-	-	-	-	85,650.00	10%	73,809.37	8,560.00	-	-	-	-	41,974.37	3,625.43	12,740				
Cellular Phone	26,490.00	-	-	-	-	-	26,490.00	10%	2,644.32	2,649.00	-	-	-	-	10,293.52	16,196.48	15,845				
Furniture	215,961.37	-	-	-	-	-	215,961.37	10%	146,170.46	21,396.14	-	-	-	-	167,766.61	48,194.77	60,791				
Calculator	2,740.00	-	-	-	-	-	2,740.00	10%	1,700.00	274.00	-	-	-	-	2,604.00	736.00	1,010				
Camera	26,100.00	-	-	-	-	-	26,100.00	10%	4,623.64	2,610.00	-	-	-	-	7,213.64	18,886.36	71,866				
Printer Machine HP	23,000.00	-	-	-	-	-	23,000.00	10%	3,966.44	2,300.00	-	-	-	-	6,266.44	16,733.56	19,813				
Name Board	35,400.00	-	-	-	-	-	35,400.00	10%	6,433.19	3,540.00	-	-	-	-	9,973.19	25,426.81	26,970				
Office Equipment - Wall Clock	2,600.00	-	-	-	-	-	2,600.00	10%	2,976.85	-	-	-	-	-	2,976.85	(26.85)	(377)				
Other Equipment - Fans	7,000.00	-	-	-	-	-	7,000.00	10%	4,200.00	700.00	-	-	-	-	4,900.00	2,100.00	2,660				
Motor Cycle	79,950.00	-	-	-	-	(79,950.00)	-	-	63,960.00	7,995.00	(71,955.00)	-	-	-	-	-	15,990				
Party Cash Box	2,800.00	-	-	-	-	-	2,800.00	10%	116.67	280.00	-	-	-	-	386.67	2,413.33	2,683				
Laptop	-	-	75,078.57	-	-	-	75,078.57	10%	-	-	1,251.31	-	-	-	1,251.31	73,827.26	-				
<b>Mamlat Factory</b>																					
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	1,616,367.02	-	-	-	-	-	1,616,367.02	10%	256,631.98	181,658.79	-	-	-	-	418,290.68	1,198,076.34	1,579,775				
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	-	271,632.30	-	-	-	-	271,632.30	5%	-	2,263.77	-	-	-	-	2,263.77	269,368.53	-				
Drying Pad Building	-	17,205.00	-	-	-	-	17,205.00	5%	-	501.81	-	-	-	-	501.81	16,703.19	-				
Furniture & Fittings	256,921.00	-	-	-	-	-	256,921.00	10%	251,844.25	-	-	-	-	-	251,844.25	(4,925.25)	(14,923)				
Laboratory Equipments	971,630.22	42,150.00	-	-	-	-	1,013,780.22	10%	56,668.00	99,621.77	-	-	-	-	156,289.77	857,490.45	912,962				
Name Board	9,500.00	22,800.00	-	-	-	-	32,300.00	10%	4,500.00	950.00	-	-	-	-	30,150.00	21,850.00	-				
Elects. Weighing Machine	124,437.00	-	-	-	-	-	124,437.00	10%	121,248.40	1,188.60	-	-	-	-	124,437.00	-	1,189				
Push Carts	88,380.00	-	-	-	-	-	88,380.00	10%	68,069.00	8,838.00	-	-	-	-	79,907.00	9,473.00	20,311				
Water Pump	603,124.00	-	-	-	-	-	603,124.00	10%	335,742.95	60,312.40	-	-	-	-	396,055.35	2,068.65	62,381				
Calculators (2)	4,900.00	-	-	-	-	-	4,900.00	10%	1,989.36	490.00	-	-	-	-	2,479.36	2,420.64	2,910				
Aluminium 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	-	6,700				
Refrigerator	33,500.00	-	-	-	-	-	33,500.00	10%	26,800.00	3,350.00	-	-	-	-	30,150.00	3,350.00	11,894				
Motor Bicycle	99,475.00	-	-	-	-	-	99,475.00	10%	79,581.00	9,947.50	-	-	-	-	89,528.50	9,946.50	11,894				
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	2,565.29	-	-	-	-	9,002.29	24,222.71	9,263				
Tractor	1,728,900.00	-	-	-	-	-	1,728,900.00	10%	344,364.24	172,890.00	-	-	-	-	517,254.24	1,211,645.76	1,304,536				
Computers	281,862.00	20,000.00	-	-	-	-	301,862.00	10%	119,336.20	28,832.87	-	-	-	-	148,169.07	152,692.93	162,236				
Tools	35,560.00	-	-	-	-	-	35,560.00	10%	26,547.00	3,556.00	-	-	-	-	32,103.00	23,457.00	30,013				
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 31.03 MARCH 2014**

**(c) PROPERTY, PLANT & EQUIPMENT (COND...)**

Type of Asset	Cost as at		Additions		Disposals		Cost as at		Rate of Dep	Dep. as at		Dep. for the year	Acc. Dep. On Disposals		Acc. Dep. As		W.D.V. as at		W.D.V. as at	
	31.03.2013						31.03.2014			31.03.2013			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.
Plate Computer	135,000.00	-	-	-	-	-	135,000.00	-	10%	47,232.00	13,500.00	-	60,732.00	-	74,268.00	-	47,768	-	47,768	
Water Tank	10,900.00	-	-	-	-	-	10,900.00	-	10%	4,103.00	1,090.00	-	5,193.00	-	5,707.00	-	6,397	-	6,397	
Photocopier	167,000.00	-	-	-	-	-	167,000.00	-	10%	57,538.00	16,700.00	-	74,238.00	-	92,762.00	-	100,442	-	100,442	
Water Filter	7,550.00	-	-	-	-	-	7,550.00	-	10%	2,736.00	755.00	-	2,991.00	-	4,559.00	-	5,314	-	5,314	
Telephone	6,450.00	-	-	-	-	-	6,450.00	-	10%	1,626.16	645.00	-	2,271.16	-	4,178.84	-	4,828	-	4,828	
Cycle	12,750.00	-	-	-	-	-	12,750.00	-	10%	4,003.00	1,275.00	-	5,278.00	-	7,472.00	-	8,747	-	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	-	783,082	
Generator	100,929.00	-	-	-	-	-	100,929.00	-	10%	29,330.80	10,092.90	-	39,423.70	-	61,505.30	-	71,398	-	71,398	
Welding plant	56,900.00	-	-	-	-	-	56,900.00	-	10%	14,420.00	5,690.00	-	20,110.00	-	36,790.00	-	42,601	-	42,601	
Fax machine	40,500.00	-	-	-	-	-	40,500.00	-	10%	10,250.00	4,050.00	-	14,300.00	-	26,200.00	-	30,270	-	30,270	
Weighing Scale Water Proof	91,672.73	-	-	-	-	-	91,672.73	-	10%	36,099.23	9,167.27	-	25,266.51	-	46,406.22	-	53,373	-	53,373	
Submersible Pump	1,210,109.70	-	-	-	-	-	1,210,109.70	-	10%	204,002.40	121,010.97	-	325,013.37	-	885,096.33	-	1,006,307	-	1,006,307	
Sealer Machine 8"	3,200.00	-	-	-	-	-	3,200.00	-	10%	85.83	320.00	-	875.81	-	2,324.17	-	2,644	-	2,644	
Pen drive	2,000.00	-	-	-	-	-	2,000.00	-	10%	391.91	200.00	-	591.91	-	1,408.09	-	1,609	-	1,609	
Bed	14,000.00	-	-	-	-	-	14,000.00	-	10%	2,520.00	1,400.00	-	3,920.00	-	10,080.00	-	11,400	-	11,400	
Steel Cabinet 4 Drawers	14,000.00	-	13,027.30	-	-	-	27,027.30	-	10%	2,424.00	1,508.36	-	3,932.36	-	23,094.94	-	21,576	-	21,576	
Lamp Changer	1,550.00	-	-	-	-	-	1,550.00	-	10%	248.00	155.00	-	403.00	-	1,147.00	-	1,301	-	1,301	
Key Board	3,000.00	-	-	-	-	-	3,000.00	-	10%	447.00	300.00	-	747.00	-	2,253.00	-	2,303	-	2,303	
Satellite charge for talpchin	17,010.00	-	-	-	-	-	17,010.00	-	10%	2,451.30	1,701.00	-	4,152.30	-	12,857.70	-	14,309	-	14,309	
	<b>58,759,821.47</b>		<b>404,160.00</b>				<b>59,163,981.47</b>			<b>4,170,470.16</b>	<b>1,350,936.09</b>		<b>5,521,406.25</b>		<b>53,642,075.21</b>		<b>54,990,051</b>		<b>54,990,051</b>	
<b>Chemical Factory</b>																				
Land - (as per valuation report)	12,100,000						12,100,000								12,100,000.00		12,100,000		12,100,000	
Office Building	161,236						161,236	5%	64,494.80	8,061.80	-	-	-	72,556.40	88,579.40	-	96,741	-	96,741	
Building - Temporary Shed	4,080						4,080	5%	1,632.00	204.00	-	-	-	1,836.00	2,344.00	-	2,448	-	2,448	
Water Pump	489,125						489,125	10%	166,150.50	48,912.50	-	-	-	215,065.00	274,062.00	-	322,025	-	322,025	
Water Tank - Cart	37,500						37,500	10%	16,447.50	3,750.00	-	-	-	20,197.00	17,503.00	-	21,055	-	21,055	
Hero Push Bicycle	21,060						21,060	10%	11,861.00	2,106.00	-	-	-	13,967.00	7,093.00	-	9,199	-	9,199	
Furniture	63,400						63,400	10%	26,864.00	6,340.00	-	-	-	45,204.00	196.00	-	6,326	-	6,326	
Equipment	36,366						36,366	10%	16,366.00	-	-	-	-	16,366.00	-	-	-	-		
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%	2,865.00	988.00	-	-	-	4,853.00	5,027.00	-	6,015	-	6,015	
Hydro Meters	3,700						3,700	10%	2,960.00	370.00	-	-	-	3,330.00	370.00	-	740	-	740	
Telephone Installation	41,820						41,820	10%	33,476.00	4,182.00	-	-	-	37,658.00	4,182.00	-	8,564	-	8,564	
Spring Balance	19,500						19,500	10%	6,155.00	1,950.00	-	-	-	11,395.00	8,395.00	-	10,745	-	10,745	
Tools - Sprayer	8,500						8,500	10%	4,190.00	850.00	-	-	-	5,040.00	3,460.00	-	4,710	-	4,710	
Fax Machinery	17,250						17,250	10%	6,734.00	1,725.00	-	-	-	8,459.00	8,791.00	-	10,516	-	10,516	
CDMA Phone	4,620						4,620	10%	762.00	462.00	-	-	-	1,254.00	3,366.00	-	3,828	-	3,828	
Generator	100,928						100,928	10%	36,438.80	10,092.80	-	-	-	29,571.60	71,398.40	-	81,489	-	81,489	
	<b>13,102,570</b>						<b>13,102,570</b>			<b>417,981.10</b>	<b>89,494.10</b>			<b>807,875.20</b>	<b>12,294,594.80</b>		<b>12,864,589</b>		<b>12,864,589</b>	
<b>Total</b>	<b>73,145,162.54</b>		<b>479,320.57</b>		<b>(79,950.00)</b>		<b>73,544,471.41</b>			<b>5,196,095.31</b>	<b>1,576,250.64</b>		<b>(71,953.00)</b>		<b>6,694,396.95</b>		<b>66,850,080.45</b>		<b>67,940,080</b>	

NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 ST MARCH 2014

	31.03.2014		31.03.2013
	Rs.	Cts.	Rs.
<b>(10) FINANCIAL ASSETS</b>			
<b>Held to Maturity Financial Assets</b>			
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**

	Cost as at		Additions	Cost as at		Rate of	Amo. as at	Amo. For	Acc. Amo. As	W.D.V. as at	W.D.V. as at	
	31.03.2013			31.03.2014								Amortization
	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>



**MANTAL SALT LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31 ST MARCH 2014**

	<u>31.03.2014</u>		<u>31.03.2013</u>
	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>
<b>(12) INVENTORIES</b>			
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>
<b>(13) TRADE &amp; OTHER RECEIVABLE</b>			
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
<b>Deposits &amp; Advances</b>			
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		-
<b>Staff debtors</b>			
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>

**MANTALSALT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 ST MARCH 2014**

	<u>31.03.2014</u>		<u>31.03.2013</u>
	Rs.	Cts.	Rs.
<b>(14) CASH &amp; CASH EQUIVALENTS</b>			
<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 Transit Mannar	208,731.24		-
	<u>2,766,853.37</u>		<u>3,437,069</u>
<b>(15) STATED CAPITAL</b>			
Stated Capital -300,000 Ordinary Shares (Issued and Fully paid)	<u>30,000,000.00</u>		<u>30,000,000</u>
<b>(16) REVENUE RESERVE</b>			
Balance on 01st April	23,566,383.36		23,067,153
Add: Profit for the year	7,372,990.48		499,230
Less: Dividend Paid During Year	-		-
Balance on 31st March	<u>30,939,373.84</u>		<u>23,566,383</u>
<b>(17) DEFERRED TAX LIABILITY</b>			
Balance on 01st April	-		-
Add: Provision for the year	1,488,929.35		-
Balance on 31st March	<u>1,488,929.35</u>		<u>-</u>



**MANTAL SALT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 ST MARCH 2014**

	<u>31.03.2014</u>		<u>31.03.2013</u>
	Rs.	Cts.	Rs.
<b>(18) RETIREMENT BENEFIT OBLIGATIONS</b>			
Balance on 01st April	3,189,514.00		3,352,660
Add: Provision for the year	620,390.00		267,476
	<u>3,809,904.00</u>		<u>3,620,136</u>
Less: Payments During the year	-		(430,622)
Balance on 31st March	<u>3,809,904.00</u>		<u>3,189,514</u>
Normal Retirement Age (Years)	60		60
Expected Future Salary Increment Rate (r.)	5%		5%
Discount Rate (d)	10%		10%
Staff Turnover Factor	10%		10%
<b>(19) TRADE &amp; OTHER PAYABLES</b>			
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)
	<u>2,790,789.79</u>		<u>7,092,891</u>



**MANTALSALT LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31 ST MARCH 2014**

	<u>2013/2014</u>		<u>2012/2013</u>
	Rs.	Cts.	Rs.
(20) <b><u>INCOME TAX</u></b>			
Balance on 01st April		-	-
Add: Provision for the year	828,628.17		-
ESC paid	(1,628,057.00)		-
WHT Paid	(385,804.57)		-
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.



**MANTALSALT**

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

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



**MANTALSALT LIMITED**

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

	<u>2013/2014</u>		<u>2012/2013</u>
	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>
<b>(A) <u>REVENUE</u></b>			
Sale of Salt - Mannar	46,348,726.58		38,820,175
	<u>46,348,726.58</u>		<u>38,820,175</u>
<b>(B) <u>COST OF SALES</u></b>		<b><u>Sub Note</u></b>	
Direct Wages	9,789,228.19		9,314,542
Production Overheads	5,920,767.42	1	5,852,980
Factory Operating Cost	19,322,092.73	2	14,187,617
<b>Cost of Production</b>	<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)
<b>Cost of Sales</b>	<u>34,281,374.34</u>		<u>25,504,287</u>
<b><u>Sub Note 1</u></b>			
<b><u>PRODUCTION OVERHEAD</u></b>			
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>
<b><u>Sub Note -2</u></b>			
<b><u>FACTORY OPERATING COSTS</u></b>			
Staff Salaries & Wages	9,844,230.19		9,097,731
EPTF	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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**MANTAL 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.
<b>Sub Note 2</b>			
<b>PRODUCTION OVERHEAD (COND....)</b>			
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>
<b>(C) OTHER INCOME</b>			
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>



**MANTAL SALT LIMITED**

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

	2013/2014		2012/2013
	Rs.	Cts.	Rs.
(D) <b>ADMINISTRATIVE EXPENSES</b>			
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
Secraterial 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>

**MANTALSALT LIMITED**

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

	<u>2013/2014</u>		<u>2012/2013</u>
	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>
(E) <b><u>SELLING AND DISTRIBUTION EXPENSES</u></b>			
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) <b><u>FINANCE EXPENSES</u></b>			
<b><u>Bank Charges</u></b>			
Head Office	11,860.00		10,825
Mannar	7,010.00		16,050
	<u>18,870.00</u>		<u>26,875</u>

