



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

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

LANKA PHOSPHATE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT Mar 31st 2024

<i>(Expressed in Sri Lankan Rupees)</i>				
		31st March, 2024	31st March, 2023	Variance
	Note		<i>(Re-Stated)</i>	
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	5	250,272,258	287,864,579	(37,592,321)
Investment in Equity (GSMB Tech. Services (Pvt) Ltd)	6	1,000,000	1,000,000	-
		251,272,258	288,864,579	(37,592,321)
Current Assets				
Inventories	7	234,119,769	259,306,473	(25,186,704)
Trade Receivables	8	39,571,405	34,427,525	5,143,880
Deposits, Prepayments and Other Receivables	9	160,641,638	165,628,095	(4,986,457)
Fixed Deposits and Treasury Bills	10	602,001,770	560,584,374	41,417,396
Cash and Cash Equivalents	11	181,133,593	1,468,992	179,664,601
		1,217,468,175	1,021,415,459	196,052,715
Total Assets		1,468,740,433	1,310,280,038	158,460,395
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	12	72,510,000	72,510,000	-
Revaluation Reserves		132,550,912	131,268,117	1,282,795
Retained Earnings		850,343,391	807,964,234	42,379,157
Total Equity		1,055,404,302	1,011,742,351	43,661,951
Non - Current Liabilities				
Retiring Benefit Obligations	13	60,365,049	56,358,582	4,006,467
Deferred Tax Liability	14	29,899,148	27,618,049	2,281,099
		90,264,197	83,976,631	6,287,566
Current Liabilities				
Trade Payables		36,366,596	22,463,708	13,902,888
Customer Advances	8	9,734,200	2,236,500	7,497,700
Income Tax Payable	15	79,148,892	23,186,666	55,962,226
Other Payables and Accrued Expenses	16	125,604,796	83,749,039	41,855,757
Bank Overdrafts	11	72,217,451	82,925,144	(10,707,693)
		323,071,934	214,561,058	108,510,877
Total Equity and Liabilities		1,468,740,433	1,310,280,039	158,460,394



I certify that the Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.

	
Finance Manager	General Manager

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

The Board of Directors is Responsible for Preparation and Presentation of these Financial Statements.

These Financial Statements were approved by the Board of Directors and signed on their behalf

	
Chairman	Director
Colombo,	Colombo,

LANKA PHOSPHATE LIMITED				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED Mar 31st 2024				
			<i>(Expressed in Sri Lankan Rupees)</i>	
	Stated Capital	Revaluation Reserves	Retained Earnings	Total
			(Re-stated)	
Balance as at April 01, 2022 (Previously Reported)	72,510,000	134,762,275	861,246,732	1,068,519,007
Adjustment - Unpaid Land Utilisation Charges (NOTE 24 - I)	-	-	(33,907,391)	
Adjustment - Unidentified RM Stock Difference (NOTE 24 - II)			(13,848,716)	
Balance as at April 01, 2022	72,510,000	134,762,275	813,490,625	1,068,519,007
Profit for the Period (Re-States)	-	-	44,036,938	44,036,938
Deferred tax liability on revaluation of PPE		(3,494,158)	-	(3,494,158)
Actuarial Loss on retirement benefit obligation	-	-	(24,563,329)	(24,563,329)
Dividends Paid During the Period	-	-	(25,000,000)	(25,000,000)
Balance as at March 31, 2023	72,510,000	131,268,117	807,964,234	1,059,498,458
Balance as at April 01, 2023	72,510,000	131,268,117	807,964,234	1,059,498,458
Profit for the Period	-	-	239,414,825	239,414,825
Deferred tax liability on revaluation of PPE - (Note 25)		1,282,795	-	1,282,795
Actuarial gain on retirement benefit obligation - (Note 30)	-	-	2,964,332	2,964,332
Dividends Paid During the Period	-	-	(200,000,000)	(200,000,000)
Balance as at Mar 31, 2024	72,510,000	132,550,912	850,343,391	1,103,160,410

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

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

LANKA PHOSPHATE LIMITED

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

(Expressed In Sri Lankan Rupees)

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

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

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

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

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

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

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

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

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

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

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

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

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

LANKA PHOSPHATE LIMITED

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

(Expressed In Sri Lankan Rupees)

24	Adjustments relate to Prior Years			
24 - I	Provision for unpaid Land Utilisation Charges to Forest Conservation Department			
	Department of Forest Conservation in their letter dated 19.02.2024 has requested Lanka Phosphate Ltd to pay a sum of Rs. 33,907,391.43 (before VAT) as Land utilisation charges for northern quarry production for the period of from 2016 to 2022 since this land belongs to them. This matter had been revealed in the latter part of 2023.			
	Description			
	Adjustment as at 31 March 2022			Impact to Liabilities
	Accrued Charges			33,907,391
	Adjustment Made in the Carrying Values - (31 March 2022) - Correction of understatement			33,907,391
				Impact to Equity
	Retained Earnings b/f			(33,907,391)
	Adjustment Made in the Statement of Profit or Loss - (for the Year Ended 31 March 2022) - Correction of Overstatement of Profits			(33,907,391)
24 - II	Unidentified Stock Difference - Raw Material			
	Company had identified a difference in physical and book balances of raw material, as at 31.03.2023, as follows.			
	Qty - Mt.	ERP	HERP	
	Book Balance	16194	816	
	Balance as per Physical verification	9954	495	
	shortage	6241	321	
	Value - Rs.	ERP	HERP	
	Book Balance	34,177,679.69	1,721,613.51	
	Balance as per Physical verification	21,006,652.06	1,043,925.58	
	Difference	13,171,027.63	677,687.92	
	Provision already made in 2022/23 F/Y	7,285,350.87	1,467,031.61	8,752,382.48
	Balance Amount to be adjusted	5,885,676.75	(789,343.68)	5,096,333.07
	Total	13,171,027.63	677,687.92	13,848,715.55
	Company had called an independent Engineers report to introduce stock verification parameters and estimate the Stock differences, accordingly. As per the Engineers, the reasons for above difference had been mainly due to changes of raw material stock piling method in 2022/23 and high level of moisture contain in the mined output. Board of Directors during year 2022/23 decided to made a provision for Rs. 8,752,382.48 based on the initial inspection report. The total difference identified as per the final verification report to be adjusted in the financial statements in the year 2023/24 as a prior year adjustment.			
	Adjustment as at 31 March 2022			
	Adjustment Made in Carrying Values - Closing Raw material Stock			Impact to Assets
				(13,848,715.55)
				Impact to Profitability
	Adjustment Made in the Profit & Loss Statement - Correction of Overstatement			(13,848,715.55)
	Adjustment as at 31 March 2023			
	Provision for Stock Difference			Impact to Liabilities
				(8,752,383)
	Adjustment Made in the Carrying Values - (31 March 2022) - Reversal of Provision made			(8,752,383)
				Impact to Equity
	Retained Earnings b/f			8,752,383
	Adjustment Made in the Statement of Profit or Loss - (for the Year Ended 31 March 2023) - Correction of understatement of Profits			8,752,383

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

27. Financial risk management

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

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

(a) Credit risk

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

(b) Trade receivables

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

(c) Liquidity risk

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

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(d) Interest rate risk

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

(e) Capital risk management

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

28. Capital commitments and contingent liabilities

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

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

28.1 Financial commitments

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

	Rs.
- Electricity Bills Payment – March 2024	6,237,396.84
- Hire of Machinery – D.C.M. Constructions - Maradankadawala	3,245,696.00
- Retention money on WPP Bag supply- Central Polysack	1,596,000.00
- Income Tax SA Payment 2022/23 – 4 th QTR	13,358,858.00
- Unpaid WPP Bag cost – Lanka Polysacks (Pvt) Ltd	17,989,500.00
- Royalty Payable Jan – Mar 2024 to GSMB	18,696,254.36
- Unpaid WPP Bag cost – Central Polysacks (Pvt) Ltd	10,979,569.60
- VAT Payment – March 2024 to IRD	14,655,386.91
- Payment to Mahaweli Authority – Land Utilization fee – Bal. 2023/24	7,074,418.00
- Mineral Tax Jan – Mar 2024	1,170,949.03
- Staff Appreciation Allowance	13,000,000.00
- Wheelloader Hiring Charges – Mar 2024	1,386,950.00
- Interim Dividend to General Treasury	35,000,000.00
- Arrears Land Utilization fee to Forest Conservation Dept. 2016-2022	33,907,391.43
- Unpaid Land Lease – Gallahepitiya Pamarathana Thero for Wariyapola Project Land Jun, 21 – Sep,22	480,000.00

28.2 Pending litigation

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

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

29. Substandard Products

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

30. Retirement benefit obligations

Actuarial Valuation of Gratuity Liabilities as at 31 March 2024

Accounting Disclosures :

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

AMOUNTS RECOGNIZED IN THE BALANCE SHEET AND INCOME STATEMENT

Liability recognised in the balance sheet

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

Expenses recognised in the income statement

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

Expenses recognised in Other Comprehensive Income statement

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

31 Event after the reporting period

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

32 Related party transactions

32.1 Transaction with Key Management Personnel

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

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

32.2 Transaction with other related parties.

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

1. CORPORATE INFORMATION

1.1 Domicile and Legal form

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

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

1.2 Principal activities and nature of operations

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

1.3 Reporting Period

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

1.4 Date of authorization for issue

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Comparative information

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

2.5 Materiality & aggregation

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

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

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the application of certain critical accounting assumptions relating to the future. Further, it requires the management of the company to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the

disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and

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

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

a) Taxation

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

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

b) Royalty payment

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

c) Useful life-time of the property and equipment

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

d) Going concern

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

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

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

e) Post Balance Sheet Events

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

f) Impairment losses on financial assets

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

g) Impairment of available for sale investments

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

h) Deferred tax assets

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

i) Defined benefit plans

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Revenue recognition

4.1.1 Sale of goods

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

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

4.1.2 Interest income

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

4.1.3 Dividend income

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

4.1.4 Other income

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

4.2 Expenditure recognition

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

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

4.3 Taxation

4.3.1 Current tax

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

4.3.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting period date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred tax assets are recognised for all deductible differences. Carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

4.4 Non-financial asset

4.4.1 Property, Plant and equipment Recognition and measurement

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

Cost model

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

Subsequent cost

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

Depreciation

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

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

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

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

De-recognition

Property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in 'other operating income' in the statement of comprehensive income in the year the asset is derecognized.

4.4.2 Impairment of non-financial assets

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

4.5 Operating leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership over the leased term are classified as operating leases. Operating lease payments are recognized as an expense on

a straight-line basis over the lease term or on a basis which is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.6 Inventories

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

4.7 Financial assets – recognition and measurement

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

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

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

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

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

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

4.8 Cash and bank balances

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

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

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

4.9 Stated capital

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

4.10 Retirement benefit obligations

4.10.1 Defined benefit plan – gratuity

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

4.10.2 Defined contribution plan

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

***a.* Employees' Provident Fund**

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

***b.* Employees' Trust Fund**

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

4.11 Financial liabilities

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

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

4.12 Provisions

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

4.13 Cash flow statement

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

4.14 Segmental information

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