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வரையறுக்கப்பட்ட
இலங்கை பொஸ்பேட் நிறுவனம்

LANKA PHOSPHATE LTD
(PB 308)



වාර්ෂික වාර්තාව – 2022/23

ஆண்டு அறிக்கை - 2022/23

ANNUAL REPORT - 2022/22



LANKA PHOSPHATE LTD

ANNUAL REPORT 2022/23

Ministry of Industries
(Division of Primary Industries)

VISION

“To enrich the soil fertility in our motherland by providing phosphorus nutrient with the Optimum utilization of the Eppawala phosphate deposit.”



MISSION

*To
Fulfill the National Requirement
of Phosphate Fertilizer by being Self-Sufficient in
Phosphorus
Through
an Environment friendly and State of the art process”*

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INTRODUCTION

Company Name

Lanka Phosphate Ltd (PB 308)

Domicile and Legal Form

Lanka Phosphate Ltd was incorporated on July 10, 1992 as a Limited Liability Company under the Companies Act No. 17 of 1982 in terms of the conversion of Public Corporations or Government Owned Business undertakings in to Public Companies Act No. 23 of 1987 to take over the Eppawala Phosphate project of the State Mining and Mineral Development Corporation. However, subsequently the Company has re-register under the Companies Act No. 07 of 2007

Principal Activities and Nature of Operations

The principal activities of the company are excavating, processing and selling of Rock Phosphate, which is used as a fertilizer for perennial agricultural crops.

Board of Directors

Mrs.G.A.M.S.P.Ambanwela - Chairperson
Ms. G.W.M.U. Fonseka - Director
Dr. S.H.P. Manjula - Director
Mr.K.D.S. Abepala - Director
Mr. D.M.B.G. Jayathilaka - Director
Mr. L.N.P. Perera - Director

Company Secretary

Messer Kalrupco Management

Services (Pvt) Ltd.

No 06, Balahenamulla Lane, Colombo 06.

Ultimate Parent Company

The company's issued shares are fully owned by the Secretary to the Treasury on behalf of the Government of Sri Lanka

Line Ministry

The Ministry of Industries

State Ministry of Primary Industries

No 561/3, Alvitigala MW

Colombo 05.

Registered Office

No 73 1/1, New Kelani Bridge Rd,
Colombo 14.

Tel : 0112459906/7

Fax : 0112459908

Auditors

Auditor General

National Audit Office

No 306/72, Polduwa Rd,

Battaramulla

Tax Consultants

Amerasekara & Co.

Chartered Accountants

12, Rotunda Gardens, Colombo 03

Bankers

Bank of Ceylon

Peoples Bank

National Savings Bank

BOARD OF DIRECTORS



Mrs. G.A.M.S.P. Ambanwela
Chairperson



Ms. G.W.M.U. Fonseka
Director



Dr. S.H.P. Manjula
Director



Mr. K.D.S. Abeypala
Director

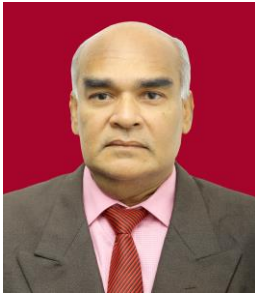


Mr. L.N.P. Perera
Director



Mr. D.M.B.G. Jayathilake
Director

MANAGEMENT TEAM



Mr. H.R.U.D. Bandara
General Manager



Mr. R.M.P Karunarathna
Deputy General Manager



Mr. D.G.U. Chamara
Finance Manager



Mr. S.D Rupasinghe
Operations Manager



Mr. M.M.D.Thilakerathna
Human Resource Manager



Capt. K.G.R.P.Kiriella
Security Manager



Mr. D.R.K.Thilakerathne
Accountant



Mr.R.A.A.P. Ranasinghe
Marketing Executive



Mr. D.B Keeriyawatta
Internal Auditor



Mr. L.L.D.I Pathum
Production Engineer



Mr.A.M. Sanath Bandara
Mechanical Engineer



Mr. S.A. Abeysiri
Supplies Officer



Mr. S.M.A.R.K. Manchanayake
Personnel Officer (Adm. & HR)



Mr. D.R Gunarathna
Mill Officer



Mr. D.S.M Dissanayake
Stores Officer

CHAIRMAN'S STATEMENT

Rock phosphate is an important mineral source with numerous uses and applications in agriculture and other industries. Phosphate is an essential nutrient needed for plant growth and development. Global phosphate consumption has varied from fertilizer industry to detergents industry, ceramic industry and many other industries. In the world market rock phosphate is accepted and marketed as an “organic alternative” to chemical phosphate fertilizer as it is perceived as being more natural and sustainable.

The world phosphate reserves are limited and non-renewable; thus, it should be utilized with effective, optimal and sustainable mining procedures. Eppawala phosphate deposit is a valuable natural phosphate reserve in Sri Lanka with 33-40% of P₂O₅, considered to be one of the richest and unique phosphate deposits in the world. Eppawala Phosphate deposit was discovered in 1971 and the estimates show it consists of 60 million metric tons of phosphate. Rock Phosphate fertilizer is produced by Lanka Phosphate Limited (LPL) through mining and processing to fulfill the local phosphate fertilizer requirement in the country. With the current capacity, LPL produces around 50,000 mt of Eppawala Rock Phosphate (ERP) annually, for local requirement and it reaches to the farmers through private and public fertilizer companies. Currently LPL produces two types of rock phosphate fertilizers namely Eppawala Rock Phosphate (ERP) and High-Grade

Eppawala Rock Phosphate (HERP) which are used as phosphate fertilizer for perennial crops in the country.

Lanka Phosphate Ltd (LPL) was incorporated on 10th July, 1992 in terms of the conversion of public corporations or government owned business undertaking into Public Companies Act, No 23 of 1987 to take over the Eppawala Phosphate Project of the State Mining & Mineral Development Corporation. It is fully owned by the Secretary to the Treasury on behalf of the Government of Sri Lanka. LPL becomes a fully independent organization with the separation from ‘Bogala Graphite Ltd’ in November 1998.

According to the government policy framework, LPL has to play a leading and crucial role in fertilizer manufacturing industry in the country.

The financial year 2022/2023 ended achieving a gross turnover of Rs.546 Million which almost a significant drop when compare to the last year achievement of Rs. 741 million. At the same time the company recorded an operating loss of Rs. 48.6 million after two years period, due 50% sales drop compare to previous year because of less fertilizer mixtures in the country. However, LPL would be able to record a Rs. 60.6 million Profit before Tax (PBT) due to significant increase of bank interest rates and other income for the period concern.

Although the company had planned to introduce system automation and new

technology to the processes, it would not be possible due to lack of funds and liquidity problem of the company.

Company Board of Directors are committed to work out solutions to develop the existing as well as new business opportunities for the optimal utilization of Eppawala Phosphate deposit. It has been recognized the importance and national need of a more soluble type of phosphate fertilizer for short-term crops to be manufactured and action are being taken to manufacture Single Super Phosphate (SSP), locally, as the next immediate requirement in the industry. And also the management is in the process of elevating possibilities to enter in to the export market, having complied with the necessary legal and statutory requirements.

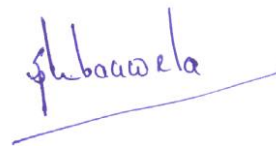
As a responsible state company, LPL works in accordance with government policies and taking steps to adhere to the international quality standards of Rock Phosphate, having introduced standardized processes and infrastructure

facilities with the first priorities even under limited resources.

Furthermore, there are some actions had been taken to introduce human friendly working environments and staff training programs to develop the necessary skills at all levels of staff to be conversant with the new developments in their respective fields.

In conclusion, I greatly appreciate the guidance, encouragement and support extend by Political leadership, Ministry of Industries, General Treasury and Board of Directors for all achievements under many disturbances and limitations, during the year.

I wish all the success to Lanka Phosphate Ltd for its future endures.



G.A.M.S.P.Ambanwela
Chairperson
Lanka Phosphate Limited

REPORT OF THE DIRECTORS

The Directors of Lanka Phosphate Limited, (the Company) present herewith the Audited Accounts for the year ended 31st March 2023 and the Annual Report for the year ended 31st March 2023.

1.0 Company Name

Lanka Phosphate Ltd (Reg. no PB 308)

2.0 Domicile and Legal Form

Lanka Phosphate Ltd was incorporated on July 10, 1992 as a Limited Liability Company under the Companies Act No. 17 of 1982 in terms of the conversion of Public Corporations or Government Owned Business undertakings in to Public Companies Act No. 23 of 1987 to take over the Eppawala Phosphate project of the State Mining and Mineral Development Corporation. However, subsequently the Company has re-register under the Companies Act No. 07 of 2007

3.0 Principal Activities and Nature of Operations

The principal activities of the company are excavating, processing and selling of Rock Phosphate, which is used as a fertilizer for perennial agricultural crops.

4.0 Financial Statement

Directors are satisfied that the financial statement attached hereto gives a true and

fair view of the state of affairs of the Company as at the Balance Sheet date. The Directors consider that in preparing these Financial Statements, suitable accounting policies have been used, which are applied consistently and supported by reasonable and prudent judgment and estimates. They are of the opinion that there been no significant change in the accounting policies which warrant disclosure in this report. The Directors have taken such steps as are responsibly open to them to safeguard the assets of the Company and to prevent and detect fraud or other irregularities.

5.0 Financial Statements and Accounting Policies

The Directors consider that in preparing these Financial Statements, suitable Accounting Policies have been selected which are applied consistently while reasonable and prudent judgments and estimates have been made so that the form and substance of transaction are properly reflected.

6.0 Property, Plant & Equipment, their Valuation and Depreciation

Investment on property plant and equipment for the year is Rs 41,679,878.00. It includes the cost of new TGM 160 Mill Machine, Rs. 36.45 million and Electrical Elephant Fence, 3.2 million, which are significant in amounts.

Details of the status and movements of Property plant and Equipment, their Valuation and deprecation are given in Note 5.0 of Note to the Financial Statements.

7.0 Taxation

The company was taxable at 18% for Business Income and 24% for other income on the taxable income at the beginning of the year. The tax rate was revised to 30% by the IRD at the latter part of the year and accordingly, company had to apply two rates i.e 24% and 30% for 1st and 2nd Parts of the year to comply with the above statutory changes. However, the company had not been able to make a business profit for the year.

8.0 Dividends

Rs. 200.0 million dividend was declared and paid for the year under review.

9.0 Stated Capital

The Stated Capital of the Company altogether Rs. 72,510,000/- consisting of 7,251,000 ordinary shares. There was no change in the Stated Capital for the year under review.

10.0 Shareholding

In terms of Section 2(3) of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987 the sole shareholder is the Company is Secretary to the Treasury (in his official capacity) for on behalf of the state.

As at 31st March 2023, the shareholding details of the company are as follows;
Secretary to the Treasury (in his official capacity) 7,251,000 ordinary shares
Lanka Phosphate Limited is a Shareholder of GSMB Technical Services (Private) Limited and holding 100,000 of ordinary shares (Rs. 10/- each).

The Percentage of said shareholding is 16.66%.

11.0 Changes in Shareholdings

There have been no changes to the Shareholding of the Company as at 31.03.2023.

12.0 Corporate Social Responsibility

No significant contribution had been made by the company for charitable purposes & CSR during the year under review.

13.0 Employees

The total cost of personnel during the year was Rs. 320,409,745.00. The average number of persons employed by the Company at the end of the year was 315.

14.0 Directors

The following Directors held the office at the year end, under review.

Mrs.G.A.M.S.P.Ambanwela - Chairperson
Ms. G.W.M.U. Fonseka - Director
Dr. S.H.P. Manjula - Director
Mr.K.D.S. Abepala - Director
Mr. D.M.B.G. Jayathilaka - Director
Mr. L.N.P. Perera - Director

15.0 Resignation and Appointment of Directors

Mr. K.S.I Subasena – Chairman (14.09.2022), Mr. R.M.Wijesinghe Banda – Director (15.09.2022), Mr. A.P. Moragoda – Director (22.08.2022) , Mr.D.R.T Ruwanpura – Director (22.08.2022), Mr.J.A.W Jayasuriya – Director (22.08.2022), Mr. Sudath Abeywardana – Director (22.08.2022), Mr. W.L.G Samarasinghe – Director (09.01.2023) resigned during the year and, Mr. P. Thilanga Nadeera – Chairman (09.12.2022)

, Prof. Chandana P. Udawatte – Director (22.12.2022) ,Dr. J.D.H Wijewardane – Directors (09.12.2022), Mr. Ruban Wickremaracchi –Director (22.12.2022) newly appointed and again resigned during the year of 2022/23.

16.0 Director remuneration & Expenses

Rs. 3,039,390/- was paid as Directors remuneration, fees and expenses in the year under review.

17.0 Statutory Payments

The Directors, to their best of their knowledge and the belief are satisfied that all statutory payments due to the Government and to Employment Provident Fund and Employees Trust Fund have been paid accurately and on time.

18.0 Compliance

The company has not engaged in activities that contravene the laws or regulations that are applicable in Sri Lanka or elsewhere.

19.0 Going Concern

The Directors are satisfied that the company has adequate resources to continue their operations in the foreseeable future and accordingly the financial statements are prepared on the going concern basis. A disclosure had been made under Notes to Financial Statements.

20.0 Corporate Governance

The Board of Directors ensures good corporate Governance. It is the duty of the Board of Directors to ensure that the performance is in line with the company objectives as a public enterprise as well as the objectives and expectations of the stakeholders.

21.0 Risk Management

The Company consciously fulfills its statutory and legal requirement to ensure that its exposure to legal risk is eliminated or minimized.

22.0 Auditors

Government Auditors, are the present Auditors of the Company.

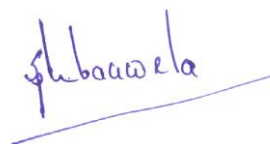
A resolution proposing that the Directors be authorized to determine the remuneration of Auditors will be tabled at the Annual General Meeting.

Total audit fees provided by the company as at 31st March 2023 is Amount to Rs. 400,000.00 for the year under review.

Fees incurred for tax consultation services to Messrs Ameresekara & Company for the year is Rs. 236,432/-.

As far as the Directors are aware, the Auditors did not have any relationship with the Company or its subsidiaries that would have an impact on their independence.

FOR AND BEHALF OF THE BOARD OF DIRECTORS



Chairperson



G.W. MADUSHA UDANI FONSEKA
Director

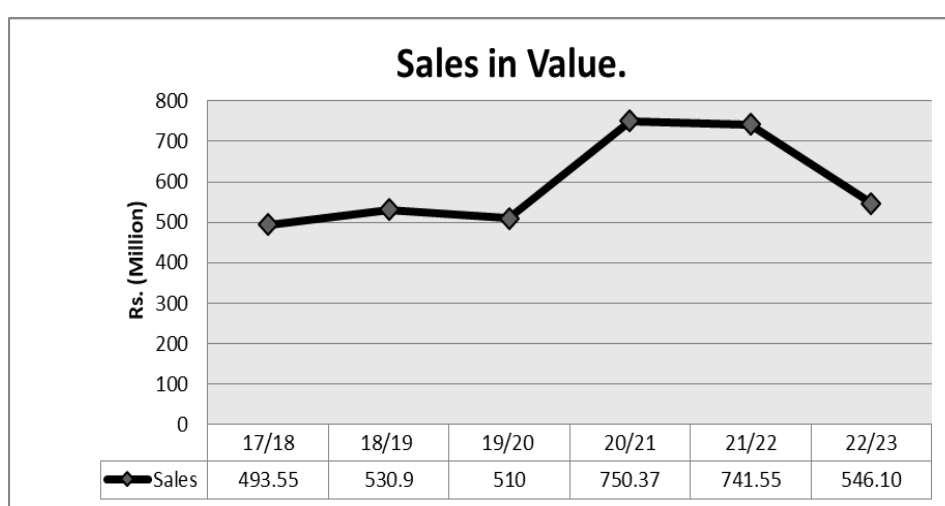
Director

REVIEW OF OPERATIONS 2022/23

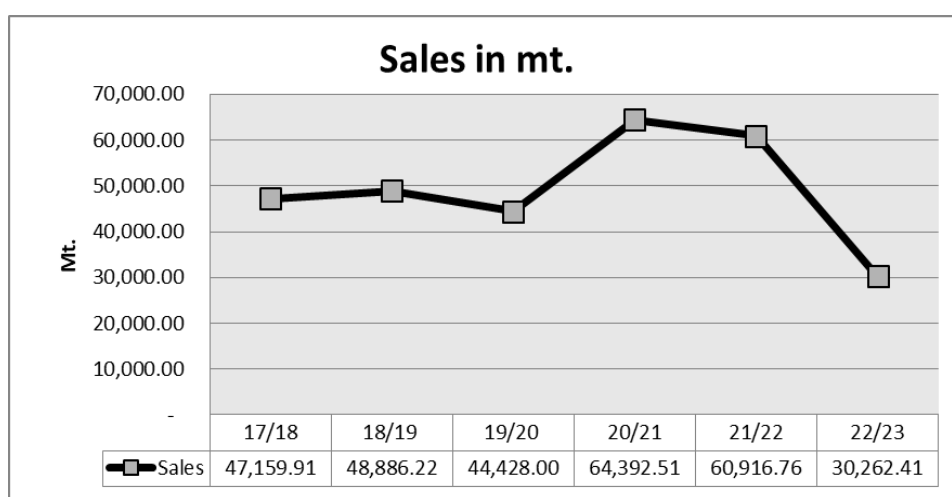
1.0 TURNOVER

Company has recorded a turnover of 546.1 million when compare to the Rs. 741.5 million in 2021/22. This is a remarkable drop over 50% in quantity and 26% in value. Price revision in Oct 2022 had resulted the lower percentage drop in rupee terms. Less demand for rock phosphate is due to high cost of other mixing ingredients (UREA, MOP) and less availability of those material in the market, during the year.

Value (Rs. Million)



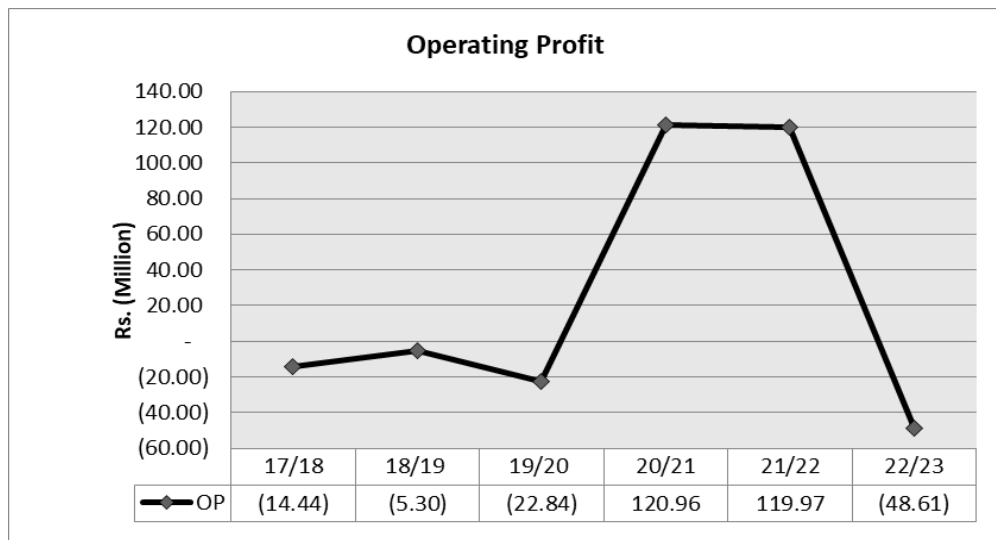
Quantity (mt.)



02. PROFITABILITY

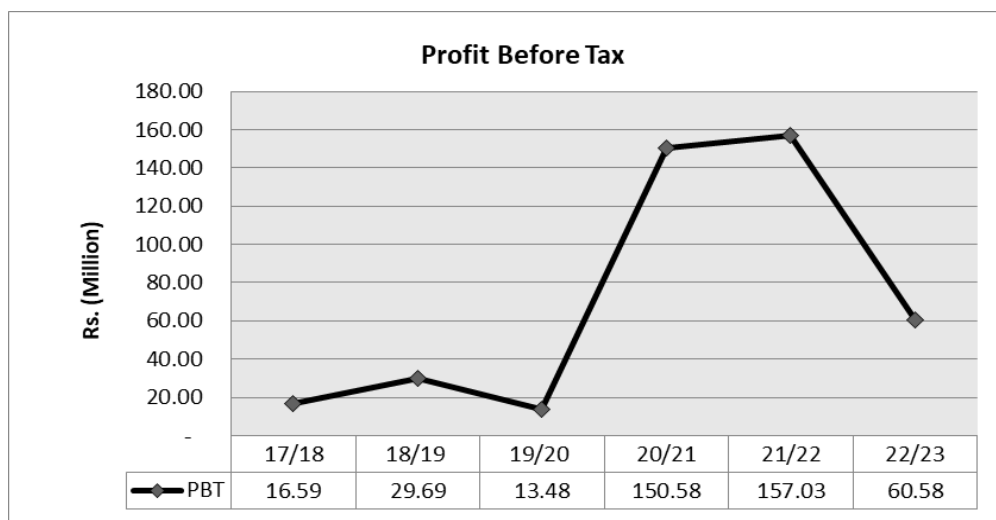
Operating Profit

Company recorded an Operating loss of Rs. 48.61 million for the financial year 2022/23. It is a remarkable drop compare to Rs. 119.97 million operating profit in 2021/22. Less sales and commitment for fixed overheads, had caused for the above results.



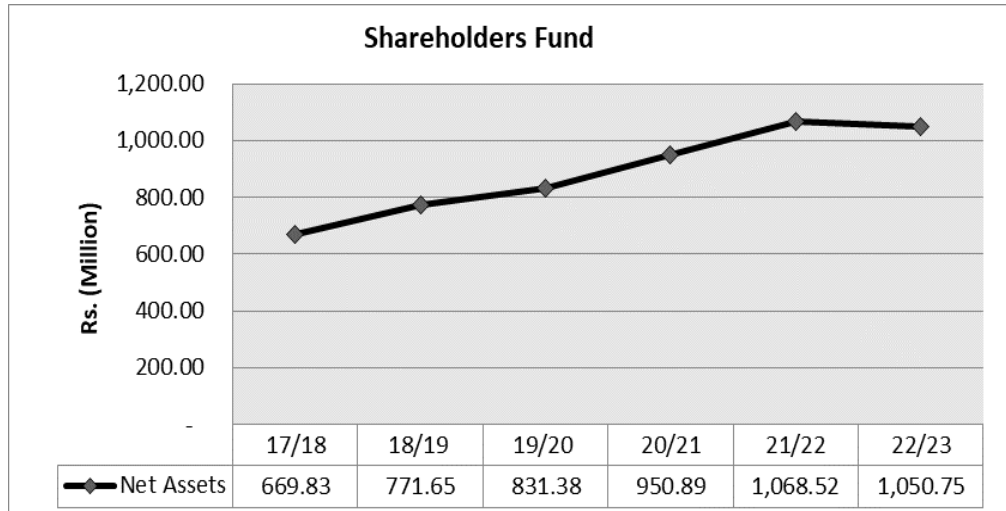
Profit before Tax (PBT)

Despite the operating loss for the year, the company had been able to record a PBT of Rs. 60.58 million due to higher interest income from Fixed Deposits available with the company.



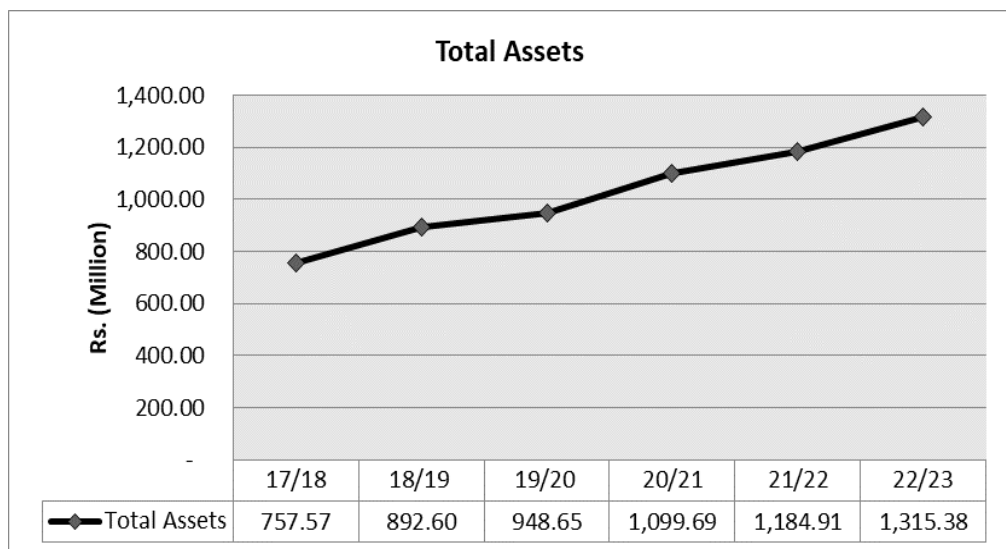
03. SHAREHOLDERS FUND

Net assets position has slightly come down from Rs. 1.07 billion to 1.05 billion despite the negative operational results experienced throughout the year.



04. TOTAL ASSETS

Total Assets value has gone up from Rs. 1.184 billion to 1.315 billion during the year. This is mainly due to increase of General Stocks and Interest Receivable for Fixed Deposits which are categorized as Current Assets of the company.



Projects & Infrastructure Development

- I. The new Mill Machine which had been purchased in 2014, was Installed and added to Production process during the year at the cost of Rs. 36.4 million.
- II. Constructed an Electrical Elephant Fence at Eppawala site for security and safety of Human and Property with the cost of Rs. 3.2 million
- III. Developed the sample testing and quality assurance process by upgrading the existing lab facility up to the National and International certification level - (Lab Accreditation) (Stage I cost Estimate Rs. 5.2 million)
- IV. Actions are being taken to rent the Factory roof at Eppawala for Solar power generation as an Eco friendly project.
- V. Action are being taken to utilize non-operating plants and machinery and use same for regular operations of the company. (Eg: Crusher Machine)
- VI. Expansion of finished good Store's with a roof to Increase loading capacity during rainy days and also on too sunny days without any interruption.
- VII. Action had been taken to renovation of Labour quarters at Eppawala Site for staff motivation and welfare.
- VIII. Actions are being taken to upgrade the existing accounting software package to increase productivity, accuracy and transparency of the operations



General Manager

FINANCIAL HIGHLIGHTS

	(Rs. '000)				
<u>FOR THE YEAR</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
Revenue	546,100	741,553	750,374	510,004	530,975
Profit / (Loss) Before Tax	60,582	157,030	150,582	13,480	29,694
Net Profit / (Loss) for the Year	35,284	122,783	124,017	5,489	33,385
Total Comprehensive income	7,227	147,631	117,494	18,821	109,726
<u>AS AT YEAR END</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
Shareholder's Funds	1,050,746	1,068,519	950,888	831,378	771,646
Working Capital	845,858	798,299	685,183	528,312	477,360
Total Assets	1,315,376	1,184,905	1,099,694	948,648	892,603
Staff Cost	320,410	351,356	325,078	303,310	292,861
No of Employees (No)	315	336	325	333	328
<u>PER SHARE</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
Earnings (Rs.)	4.87	16.93	17.10	0.76	4.68
<u>RATIOS</u>	<u>2022/23</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>
GP Ration	37.8%	46.8%	46%	37%	35.6%
PBT Ratio	11.1%	21.2%	20.1%	2.6%	5.6%
Current Ratio (Times)	5.70	13.97	10.70	14.56	11.67
Return on Shareholders' Funds (%)	3.36%	11.49%	13.04%	0.66%	4.33%

APPROVED CADRE

Category	Salary Code	Designation	No of Positions
Higher Manager	HM - 2-1	General Manager	01
	HM - 1-3	Deputy General Manager - Production	01
		Deputy General Manager – Non Production	01
	HM - 1-1	Finance Manager	01
		Production Manager	01
		Operations Manager	01
		Admin. & HR Manager	01
Middle Manager	MM - 1-1	Accountant	01
		Mechanical Engineer	01
		Production Engineer	01
		Internal Auditor	01
		Assistant Supplies Manager	01
		Assistant Marketing Manager	01
		Security Manager	01
Junior Manager	JM - 1 – 1	Supplies Officer	01
		Admin. Officer (Adm. & HR)	01
		Mill Officer	01
		Stores Officer	01
Management Assistant	MA 2-1		28
	MA 1-1		30
Primary Level	PL - 3		73
	PL - 2		80
	PL - 1		120
TOTAL			349

AUDIT & MANAGEMENT COMMITTEE REPORT

The Audit & Management Committee is a sub Committee which is responsible to the Board of Directors. The Chairman of the Committee is the Director who represents the General Treasury and two other Non-Executive Directors are the other members of the Committee. An officer from Auditor General's Department and the Chief Internal Auditor of the Line Ministry are representing the Committee as observers.

MEETINGS

The Audit & Management Committee was able to meet Four times during the year of 2022/23. The Committee reviewed and evaluated the Audit Reports submitted by the Internal Auditors as well as the external auditors and the efficiency of existing controls in order to ensure the safeguard of the assets of the Company.

CONCLUSION

After scrutinizing the reports thoroughly the committee has given the instructions to the management for rectifying the issues highlighted in relation to the Company's Accounting policies, operational controls and risk management process. Further, some of the crucial matters were referred to the Board of Directors for their due consideration and necessary action



G.W. MADUSHA UDANI FONSEKA
Director

Chairman
Audit and Management Committee
Lanka Phosphate Ltd

REPORT OF THE AUDITORS

As discussed, will be submitted in due course

COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD

LANKA PHOSPHATE LIMITED				
COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD ENDED Mar 31st 2023				
		31st Mar, 2023	31st Mar, 2022	Variance
	Note			
Revenue	17	546,100,063	741,553,282	(195,453,219)
Cost of Sales	18	(339,448,879)	(394,462,952)	55,014,073
Gross Profit		206,651,184	347,090,330	(140,439,146)
Factory & Administrative Overheads	19	(234,154,076)	(211,834,241)	(22,319,835)
Selling and Distribution Cost	20	(11,203,293)	(15,203,221)	3,999,927
Finance Cost	21	(9,899,783)	(87,359)	(9,812,424)
Profit from operation		(48,605,969)	119,965,510	(168,571,478)
Interest and Other Income	22	109,187,619	37,064,579	72,123,040
Profit Before Taxation		60,581,651	157,030,089	(96,448,439)
Income Tax Expenses	23	(25,297,095)	(34,247,300)	8,950,205
Profit for the Year		35,284,555	122,782,789	(87,498,234)
Other Comprehensive Income				
Deferred tax liability on revaluation of PPE	24	(3,494,158)	806,501	(4,300,659)
Actuarial loss on retirement benefit obligations	29	(24,563,329)	24,041,442	(48,604,771)
Total Other Comprehensive Income for the year		(28,057,487)	24,847,943	(52,905,430)
Total Comprehensive Income for the year		7,227,068	147,630,732	(140,403,664)
Earnings Per Share (Rs)	25	4.87	16.93	(12.07)

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.

STATEMENT OF FINANCIAL POSITION AS AT 31.03.2023

LANKA PHOSPHATE LIMITED				
STATEMENT OF FINANCIAL POSITION AS AT Mar 31st 2023				
(Expressed in Sri Lankan Rupees)				
		31st March, 2023	31st March, 2022	Variance
	Note			
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	5	287,864,579	322,800,259	(34,935,680)
Investment in Equity (GSMB Tech. Services (Pvt) Ltd)	6	1,000,000	1,000,000	-
		288,864,579	323,800,259	(34,935,680)
Current Assets				
Inventories	7	264,402,806	135,586,812	128,815,994
Trade Receivables	8	34,427,525	38,470,668	(4,043,143)
Deposits, Prepayments and Other Receivables	9	165,628,095	58,541,717	107,086,378
Fixed Deposits and Treasury Bills	10	560,584,374	580,879,811	(20,295,436)
Cash and Cash Equivalents	11	1,468,992	47,626,120	(46,157,129)
		1,026,511,792	861,105,128	165,406,664
Total Assets		1,315,376,371	1,184,905,387	130,470,984
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	12	72,510,000	72,510,000	-
Revaluation Reserves		131,268,117	134,762,275	(3,494,158)
Retained Earnings		846,967,958	861,246,731	(14,278,773)
Total Equity		1,050,746,075	1,068,519,006	(17,772,931)
Non - Current Liabilities				
Retiring Benefit Obligations	13	56,358,582	31,310,870	25,047,712
Deferred Tax Liability	14	27,618,049	22,269,086	5,348,963
		83,976,631	53,579,956	30,396,675
Current Liabilities				
Trade Payables		22,463,708	1,684,376	20,779,332
Customer Advances	8	2,236,500	1,300,000	936,500
Income Tax Payable	15	23,186,666	25,765,717	(2,579,051)
Other Payables and Accrued Expenses	16	49,841,648	34,056,333	15,785,315
Bank Overdrafts	11	82,925,144	-	82,925,144
		180,653,666	62,806,426	117,847,240
Total Equity and Liabilities		1,315,376,371	1,184,905,387	130,470,984

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



Finance Manager

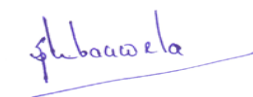


General Manager

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
Colombo,



G.W. MADUSHA UDANI FONSEKA
Director

Director
Colombo,

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

LANKA PHOSPHATE LIMITED				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED Mar 31st 2023				
			<i>(Expressed in Sri Lankan Rupees)</i>	
	Stated Capital	Revaluation Reserves	Retained Earnings	Total
Balance as at April 01, 2021	72,510,000	133,955,774	744,422,502	950,888,275
Profit for the Period	-	-	122,782,789	122,782,789
Deferred tax liability on revaluation of PPE		806,501	-	806,501
Actuarial Loss on retirement benefit obligation	-	-	24,041,442	24,041,442
Dividends Paid During the Period	-	-	(30,000,000)	(30,000,000)
Balance as at March 31, 2022	72,510,000	134,762,275	861,246,732	1,068,519,007
Balance as at April 01, 2022	72,510,000	134,762,275	861,246,732	1,068,519,007
Profit for the Period	-	-	35,284,555	35,284,555
Deferred tax liability on revaluation of PPE - (Note 24)		(3,494,158)	-	(3,494,158)
Actuarial Loss on retirement benefit obligation - (Note 29)	-	-	(24,563,329)	(24,563,329)
Dividends Paid During the Period	-	-	(25,000,000)	(25,000,000)
Balance as at Mar 31, 2023	72,510,000	131,268,117	846,967,958	1,050,746,076
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.				

STATEMENT OF CASH FLOWS FOR THE PERIOD

LANKA PHOSPHATE LIMITED		
CASH FLOW STATEMENT FOR THE PERIOD ENDED Mar 31, 2023		
	(Expressed in Sri Lankan Rupees)	
	31st Mar, 2023	Mar 31st 2022
Cash Flow from Operating Activities		
Profit Before Taxation	60,581,651	157,030,089
Adjustments for ;		
Depreciation	42,699,032	42,132,556
Retiring Benefit Obligations	9,710,038	552,177
Provision for Obsolete Items	-	3,421,598
Provision for Impairment	-	3,450,000
Provision for Stock Difference	8,752,383	
Interest Income	(104,861,497)	(30,638,969)
Dividend Income	(300,000)	(500,000)
Operating Profit Before Working Capital Changes	16,581,607	175,447,451
Working Capital Changes		
Inventories	(137,568,377)	(34,363,360)
Trade Receivables	4,043,143	27,585,868
Deposits, Prepayments and Other Receivables	(10,830,351)	2,282,033
Trade Payables	20,779,332	(8,063,314)
Customer Advances	936,500	-
Other Payables and Accrued Expenses	14,901,928	(9,106,052)
Cash Generated from / (used In) Operations	(91,156,218)	153,782,626
Income Tax Paid	(25,861,838)	(24,983,572)
Payment of Retirement Benefit Obligation	(9,225,655)	(1,518,110)
Net Cash Flow from / (used in) Operating Activities	(126,243,711)	127,280,944
Cash Flow from Investing Activities		
Investment on Property, Plant and Equipment	(6,879,966)	(6,686,075)
Investment in Capital work-in-Progress	-	(16,223,589)
Interest Income Received	8,445,966	30,638,969
Changes in Shortterm Deposits	20,295,436	(119,754,996)
Dividend Income Received	300,000	500,000
Net Cash Flow from Investing Activities	22,161,436	(111,525,691)
Cash Flow from Financing Activities		
Dividend Paid	(25,000,000)	(30,000,000)
Net Cash used in Financing Activities	(25,000,000)	(30,000,000)
Net Changes in Cash and Cash Equivalents During the Year	(129,082,274)	(14,244,747)
Cash and Cash Equivalents at Beginning of the Year	47,626,121	61,870,868
Cash and Cash Equivalents at End of the Year (Note 11)	(81,456,153)	47,626,121
Cash and Cash Equivalents at End of the Year Represented by ;	Mar 31st, 2023	Mar 31, 2022
Cash in Hand and Bank	1,468,992	47,626,121
Bank Overdrafts	(82,925,144)	-
	(81,456,153)	47,626,121

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.

Notes to the Financial Statements

LANKA PHOSPHATE LIMITED					
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31,2023					
(Expressed in Sri Lankan Rupees)					
5	Property, Plant and Equipment				
	Cost / Revaluation	Balance as at April 01,2022	Addition	Disposal	
				Balance as at 31st Mar, 2023	
	Buildings	150,248,121.22			150,248,121
	Internal Roads	65,139,730.22			65,139,730
	Plant and Machinery	90,011,998.00	36,450,928		126,462,926
	Motor Vehicles	96,515,000.00			96,515,000
	Office & Equipment	7,422,592.57	188,865		7,611,457
	Electrical Equipment	2,790,051.93	1,269,348		4,059,400
	Furniture and Fittings	8,411,858.16	584,044		8,995,902
	Electrical Elephant Fence	-	3,157,194		3,157,194
	Computer Hardware and Software	8,434,724.00	29,500		8,464,224
		428,974,076	41,679,878	-	470,653,954
	Depreciation	Balance as at April 01,2022	Charge for the Year	Transfer	Balance as at 31st Mar, 2023
	Buildings	17,816,417	6,009,925		23,826,342
	Internal Roads	25,893,986	3,247,924		29,141,909
	Plant and Machinery	26,689,283	8,882,948		35,572,231
	Motor Vehicles	57,909,000	19,303,000		77,212,000
	Office Equipment	4,307,354	1,515,513		5,822,867
	Electrical Equipment	200,900	314,351		515,251
	Furniture and Fittings	4,572,290	1,737,441		6,309,731
	Electrical Elephant Fence	-	-		-
	Computer Hardware and Software	3,057,514	1,687,930		4,745,444
		140,446,742	42,699,032	-	183,145,775
	Net Book Value	Balance as at April 01,2022	Charge for the Year		Balance as at 31st Mar, 2023
	Buildings	132,431,704	(6,009,925)	-	126,421,779
	Internal Roads	39,245,745	(3,247,924)	-	35,997,821
	Plant and Machinery	63,322,715	27,567,979	-	90,890,695
	Motor Vehicles	38,606,000	(19,303,000)	-	19,303,000
	Office Equipment	3,115,239	(1,326,649)	-	1,788,590
	Electrical Equipment	2,589,152	954,997	-	3,544,149
	Furniture and Fittings	3,839,569	(1,153,397)	-	2,686,171
	Electrical Elephant Fence	-	3,157,194	-	3,157,194
	Computer Hardware and Software	5,377,210	(1,658,430)	-	3,718,780
		288,527,334	(1,019,154)	-	287,508,179
	Capital work-in-Progress	Balance as at April 01,2022	Addition	Transfer	Balance as at 31st Mar, 2023
	Installation of New Mill	7,440,000		(7,440,000)	-
	New TGM 160 Mill	29,926,525	2,363,593	(32,290,118)	-
	Upgration of Power Generating System at Site	356,400			356,400
	Electrical Elephant Fense	-	2,273,807	(2,273,807)	-
		37,722,925	4,637,400	(42,003,925)	356,400
	Total	326,250,259			287,864,579
	Provision for Impairment	(3,450,000)		3,450,000.00	-
		322,800,259			287,864,579
				31st Mar, 2023	2021/22
	Investment in GSMB Technical Services (Pvt) Ltd				
6	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, 2023

		<i>(Expressed in Sri Lankan Rupees)</i>	
		31st Mar, 2023	2021/22
7	Inventories		
	Trade Stocks - Eppawala (Finished goods)	70,278,082	18,916,760.91
	(Raw Material)	35,899,293	22,199,493.23
	General Stocks	177,657,742	101,700,487
		283,835,118	142,816,741
	Provision for Obsolete Stocks	(10,679,929)	(7,229,929)
	PROVISION FOR STOCK DIFFERENCES	(8,752,383)	-
		264,402,806	135,586,812
7.1	Provision for Stock Difference - Raw Material		
	Company 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	12742	121
	shortage	3452	695
	Value - Rs.	ERP	HERP
	Book Balance	34,177,976.32	1,721,628.45
	Balance as per Physical verification	26,892,625.45	254,596.84
	Difference	7,285,350.87	1,467,031.61
	Total Difference (Rs.)		8,752,382.48
	Company has 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 are mainly due to changes of raw material stock piling method during the years and high level of moisture contain in the mined output. Board of Directors, considering the materiality of the difference, decided to make the necessary provisions and make a disclose in the financial statement 2022/23 until properly identify and rectify the above difference.		
	Adjustment as at 31 March 2023		
	Adjustment Made in the Statement of Profit or Loss - Stock Adjustment - Raw material		Impact to Profitability (8,752,382)
	Adjustment Made in the Carrying Values - Provision for Stock Difference		Impact to Liabilities 8,752,382
8	TRADE RECEIVABLES		
	<u>Debtors ERP/HERP Sales - Eppawala</u>		
	Outstanding as at 31.03.2023	42,978,725	47,628,225
	Debtor advance payments Received	(2,236,500)	(1,300,000)
		40,742,225	46,328,225
	Cash Sales Collection A/C - Eppawala	-	-
	Debtors - Coconut Fertiliser Project - Wariyapola	1,218,307	1,410,447
	<u>(-) Provision for Bad & Doubtful Debts</u>		
	- Eppawala Site	(8,551,200)	(8,551,200)
	- Wariyapola Site	(1,218,307)	(2,016,804)
		(9,769,507)	(10,568,004)
		32,191,025	37,170,668
9	Deposits, Prepayments and Other Receivables		
	Staff Loans and Advances	38,112,325	44,232,680
	Deposit and Prepayments	32,510,904	5,091,398
	Interest Receivable from Short Term Investments -FD	95,004,865	9,182,035
	Interest Receivable from Short Term Investments -REPO	-	35,604
		165,628,095	58,541,717

LANKA PHOSPHATE LIMITED			
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31, 2023			
<i>(Expressed in Sri Lankan Rupees)</i>			
		31st Mar, 2023	2021/22
10	Fixed Deposits and Treasury Bills		
	Fixed Deposits	560,584,374	580,879,811
		560,584,374	580,879,811
11	Cash and Cash Equivalents		
	Repo - Bank of Ceylon	-	24,000,000
	Cash at Bank	1,353,991	23,496,120
	Cash in Hand	101,000	126,000
	Stamp Float	14,000	4,000
		1,468,991	47,626,120
	11.1 - CASH AT BANK		
	BOC - Eppawala (A/C No 004641100)	373,959	9,370,437
	PB- Eppawala (170-100180000025)	808,713	4,574,627
	PB - WARIYAPOLA - (A/C No 144-100200000025)	171,319	334,689
	Boc-Grandpass - (A/C No 0009300713)	-	9,216,368
		1,353,991	23,496,120
	Bank Overdrafts		
	People's Bank - Eppawala	-	-
	PB - WARIYAPOLA	-	-
	BOC - Eppawala	-	-
	Boc-Grandpass - (A/C No 0009300713)	82,925,144	-
		82,925,144	-
12	Stated Capital		
	Issued and Fully Paid		
	7,251,000 Ordinary Shares	72,510,000	72,510,000
13	Retiring Benefit Obligation		
	Balance as at April 01, 2022	31,310,870	56,318,245
	Current Service Cost for the period	2,038,120	1,867,198
	Past Service Cost	2,975,288	(5,268,562)
	Interest Cost for the period	4,696,630	3,953,541
	During the Year Payment	(9,225,655)	(1,518,110)
	Actuarial loss on retirement benefit obligations	24,563,329	(24,041,442)
	Balance as at Mar 31, 2023	56,358,582	31,310,870
14	Deferred Tax Liability		
	Balance B/F	22,269,086	21,903,935
	Recognised in Income Statement	1,854,805	1,171,652
	Recognised in OCI	3,494,158	(806,501)
	Balance C/F	27,618,049	22,269,086

15	PROVISION FOR TAXATION		
	Balance B/F	25,765,717	17,673,641
	(+) Provision for the year	23,442,290	33,075,648
	(-) Payments during the year	(25,861,838)	(24,983,572)
		23,346,169	25,765,717
	<u>Credits</u>		
	(-) ESC Receivable	-	-
	(-) With Holding tax Receivable	(159,503)	-
	Balance C/F	23,186,666	25,765,717
16	Other Payables and Accrued Expenses		
	Accrued Expenses	37,490,317	23,624,532
	WHT Payable	2,319,503	-
	Other Payable	10,031,828	10,431,801
		49,841,648	34,056,333
17	Revenue		
	ERP (50KG)	455,195,565	659,600,865
	WARIYAPOLA (ERP) SALES	-	1,907,394
	UREA SALES	-	384,000
	TSP SALES	-	30,000
	HERP	90,298,498	67,305,219
	ERP (25KG)	600,000	1,522,250
	Coconut Fertiliser Sales - Old	-	117,285
	COCONUT FERTILIZER YPM RETAIL SALES	-	28,000
	COCONUT FERTILIZER APM WHOLE SALES	-	6,506,890
	EPPAWALA RUBBER FERTILIZER SALES	6,000	1,808,800
	COCONUT FERTILIZER APM RETAIL SALES	-	68,600
	MOP	-	3,000
	ERP (1KG)	-	9,450
	ERP SALES GOVIJANA SEVA & DEALERS	-	1,370,159
	ERP SALES (10 KG BAGS)	-	595,350
	ERP SALES (05 KG BAGS)	-	296,020
		546,100,063	741,553,282

18. COST OF SALES	2022/23	2021/22	Variance
OPENING STOCK AS AT 01/04/2022	41,116,254	29,367,595	(11,748,660)
<u>DIRECT EXPENSE INCURRED DURING THE YEAR</u>			
18.1 STAFF REMUNERATIONS AND PAYMENTS			
STAFF REMUNERATION-QUARRY	11,186,567	12,134,284	947,717
STAFF REMUNERATION-CRUSHER	22,975,974	27,593,680	4,617,706
STAFF REMUNERATION - MILL	69,161,880	85,736,948	16,575,068
STAFF REMUNERATION - MAINTENANCE	29,608,932	27,943,397	(1,665,535)
STAFF REMUNERATION-ELECTRICAL	6,760,323	7,065,612	305,288
MEDICAL SCHEME	4,388,949	3,984,122	(404,826)
ANNUAL BONUS	2,883,403	2,316,165	(567,238)
MEDICAL LEAVE ENCASHMENT	5,664,579	20,991,234	15,326,655
	152,630,606	187,765,442	35,134,836
18.2 RAW MATERIAL EXCAVATION			
HIRE OF MACHINERY	8,263,360	6,590,621	(1,672,739)
	8,263,360	6,590,621	(1,672,739)
18.3 ROYALTY			
ROYALTY	47,109,202	47,247,383	138,181
	47,109,202	47,247,383	138,181
18.4 POWER & ENERGY			
POWER-CRUSHER (9%)	3,280,792	2,565,816	(714,976)
POWER -MILL (83%)	30,256,196	23,662,526	(6,593,670)
GENERATOR FUEL	2,745,265	815,642	(1,929,623)
	36,282,254	27,043,985	(9,238,269)
18.5 PACKING MATERIAL			
POLYPROPYLENE BAGS	88,665,862	71,773,595	(16,892,268)
BINDING HOOKS	402,691	582,984	180,293
	89,068,553	72,356,578	(16,711,975)
18.6 LICENCE AND APPROVALS			
MINING LICENSE	991,306	1,591,033	599,727
LAND UTILIZATION CHARGES	5,792,968	-	(5,792,968)
	6,784,275	1,591,033	(5,193,242)
18.7 DEPRECIATION - DIRECT PRODUCTION			
P&M, ELECTRICAL EQUI. ETC	15,207,224	15,041,223	(166,001)
Unrealised Profit	-	(550,178)	(550,178)
	15,207,224	14,491,045	(716,179)
18.8 MILL AND CRUSHER MAINTENANCE			
MILL MAINT.-3- ROLLER	-	194,910	194,910
MILL SPEAR PARTS.-5 ROLLER (NEW	1,676,621	7,345,197	5,668,576
MILL SPARES PARTS.-5 ROLLER	18,629,048	6,578,994	(12,050,054)
160 TGM MILL MAINTENANCE	4,760,864	5,627,315	866,451
TGM 160 - 6 ROLLER MILL - 2	2,452,715	-	(2,452,715)
CRUSHER SPARE PARTS.	163,390	138,913	(24,477)
	27,682,638	19,885,329	(7,797,309)
18.9 OIL AND LUBRICANTS			
Oil & Lubricants - MINE	167,827	181,242	13,414
OIL & LUBRICANT - CRUSHER	88,021	-	(88,021)
LUBRICANTS - MILL	2,684,879	3,169,878	484,999
	2,940,728	3,351,120	410,392

18.10 VEHICLE FUEL AND MAINTENANCE			
WHEEL LOADER FUEL - MINE	57,428	38,038	(19,389)
WHEEL LOADER FUEL(NEW) - MINE	902,773	970,210	67,436
WHEEL LOADER MAINTENANCE - MINE	46,089	243,036	196,947
924 K WHEEL LOADER - FUEL - MINE	1,419,200	1,847,298	428,098
924 K WHEEL LOADER MAINTENANCE - MINE	308,784	1,869,938	1,561,154
WHEEL LOADER MAINTENANCE (NEW) - MINE	171,268	730,997	559,729
INTERNALTRANS.-TRACTOR 49-7541 - MINE	100,022	62,819	(37,203)
INTERNALTRANS-T. 46 SRI 5636 - MINE	2,467	1,985	(482)
TRAILER -44 Sri 6600 - MINE	22,500	-	(22,500)
NEW TRACTOR TRAILOR 1 - MINE	2,870	46,107	43,237
NEW TRACTOR TRAILOR NO 2 - MINE	-	172	172
NEW TRACTOR TRAILOR NO 3 - MINE	-	4,499	4,499
NEW WATER BOWSER NCGA 4634 - MINE	214,955	3,187	(211,768)
TIPPER NCLR 2142 - MINE	1,314,380	1,324,686	10,306
TIPPER - NCLL 6146 - MINE	106,130	519,767	413,637
WPLL 9354 DRUM TRUCK - MINE	82,345	252,187	169,842
NCLS-9309 Dump Truck - MINE	279,696	122,365	(157,331)
DUMP TRUCK / (LL - 9354 LAL) - F - MINE	50,219	-	(50,219)
TIPPER / (LL - 6146) - F - MINE	310,878	-	(310,878)
DUMP TRUCK / (LJ - 9309 EICHER) - F - MINE	409,122	-	(409,122)
TIPPER / (LA - 2142 LAL) - F - MINE	182,120	-	(182,120)
INTERNALTRANS-TRACTOR 270-0809 - MINE	166,035	97,952	(68,083)
INTERNALTRANS-TRACTOR 49-2011 - MINE	116,952	92,329	(24,623)
INTERNALTRANS-T. 44 SRI 6603 - MINE	3,517	2,286	(1,231)
INTERNALTRANS-T. 44 SRI 6606 - MINE	4,167	2,286	(1,881)
INTERNALTRANS-T. 44 SRI 6607 - MINE	3,517	2,286	(1,231)
WHEEL LOADERS (FURUKAWA) - F - CRUSHER	57,428	-	(57,428)
WHEEL LOADERS (FURUKAWA) - M - CRUSHER	31,148	-	(31,148)
WHEEL LOADERS (WA 180) - F - CRUSHER	705,978	-	(705,978)
WHEEL LOADERS (WA 180) - M	86,639	-	(86,639)
WHEEL LOADERS (CAT 924 - K) - F - CRUSHER	1,163,820	-	(1,163,820)
WHEEL LOADERS (CAT 924 - K) - M - CRUSHER	176,350	-	(176,350)
DUMP TRUCK / (LJ - 9309 EICHER) - M - CRUSHER	224,526	-	(224,526)
DUMP TRUCK / (LJ - 9309 EICHER) - F - CRUSHER	299,800	-	(299,800)
TIPPER / (LL - 6146) - F - CRUSHER	180,827	-	(180,827)
TIPPER / (LL - 6146) - M - CRUSHER	49,649	-	(49,649)
DUMP TRUCK / (LL 9354 LAL) - F - CRUSHER	25,989	-	(25,989)
DUMP TRUCK / (LL - 9354 LAL) - M - CRUSHER	44,927	-	(44,927)
TIPPER / (LA - 2142 LAL) - F - CRUSHER	116,296	-	(116,296)
TIPPER / (LA - 2142 LAL) - M - CRUSHER	184,730	-	(184,730)
TRACTOR F & M - CRUSHER	28,017	-	-
INTERNAL TRANSPORT - CRUSHER	326,839	-	(326,839)
FORKLIFT FUEL - MILL	491,598	244,073	(247,525)
FORKLIFT MAINT - MILL	156,003	578,118	422,114
FORKLIFT FUEL - MILL	345,914	133,076	(212,838)
FORKLIFT MAINT - MILL	121,126	136,154	15,028
FORKLIFT FUEL (UNI CARRIER) - MILL	439,692	327,115	(112,576)
FORKLIFT MAINTENANCE (UNI CARRIER) - MILL	79,289	403,584	324,294
FORKLIFT (NISSAN) - F - MILL	162,623	-	(162,623)
FORKLIFT (NISSAN) - M - MILL	214,751	-	(214,751)
FORKLIFT (MITSUBISHI) - F - MILL	24,980	-	(24,980)
FORKLIFT (MITSUBISHI) - M - MILL	118,060	-	(118,060)
WHEEL LOADERS (WA 180) - M - MILL	76,149	-	(76,149)
WHEEL LOADERS (CAT 924 - K) - F - MILL	939,363	-	(939,363)
WHEEL LOADERS (CAT 924 - K) - M - MILL	195,662	-	(195,662)
WHEEL LOADERS (FURUKAWA) - M-MILL	31,148	-	(31,148)
FORKLIFT (UNI CARRIER) - M-MILL	271,545	-	(271,545)
WHEEL LOADERS (WA 180) - F-MILL	655,095	-	(655,095)
	14,360,820	10,056,552	(4,276,251)

18.11 TOOLS, EQUIPMENT AND MAINTENANCE			
MINING EQUIP. & MAINT. - MINE	18,200	69,822	51,622
COMPRESSOR MAINT. - MINE	81,187	103,608	22,421
PERSONNEL SAFETY EQUIP. - MINE	97,072	82,142	(14,931)
PERSONNEL SAFETY EQUIP. - CRUSHER	15,478	7,512	(7,966)
TOOLS & IMPLEMENTS - CRUSHER	7,625	861,030	853,405
PERSONNEL SAFETY EQUIP. - MILL	697,577	745,611	48,034
TOOLS & IMPLEMENTS - MILL	181,620	678,708	497,088
BAG CLOSER MACHINE EXP. - MILL	26,890	162,843	135,953
GENERATOR MAINTENANCE - WS	64,417	12,590	(51,828)
MAINT. OF TOOLS & EQUIPMENT -WS	1,178,037	810,742	(367,294)
LAB EXPENSES	166,072	-	(166,072)
LAB BUILDING MAINT.	3,963	2,734	(1,229)
WORK SHOP BUILDING	159,047	99,807	(59,240)
CRUSHER BUILDING	360,813	40,939	(319,874)
MINING OFFICE	14,444	17,125	2,681
WATER SUPPLY MAINT	126,418	184,601	58,182
MILL BUILDING	53,476	405,205	351,729
WEIGHING SCALE MAINT.	40,190	63,230	23,040
WEIGH BRIDGE MAINTENANCE	139,954	583,298	443,344
	3,432,480	4,931,548	1,499,068
TOTAL EXPENSES	403,762,140	395,310,635	(8,423,487)
EXPENSES WITH OPENING STOCK	444,878,394	424,678,230	(20,172,147)
CLOSING STOCK as at 31.03.2023	(106,177,376)	(41,116,254)	65,061,121
COST OF SALES - LPL	338,701,019	383,561,976	44,860,957
DIRECT COST - CFMP	747,860	10,900,975	10,153,115
19. FACTORY & ADMINISTRATION OVERHEADS	2022/23	2021/22	Variance
19.1 STAFF REMUNERATIONS AND PAYMENTS			
STAFF REMUNERATION - P&A	20,524,993	21,330,335	805,343
STAFF REMUNERATION-A & F	11,990,871	11,671,885	(318,986)
STAFF REMUNERATION-AUDIT	3,056,694	2,172,087	(884,607)
STAFF REMUNERATION-ESTATE	7,051,530	7,225,597	174,067
STAFF REMUNERATION-IT	1,729,186	1,748,802	19,617
STAFF REMUNERATION-SECURITY	25,803,363	25,599,469	(203,895)
STAFF REMUNERATION-SUPPLIES	5,418,068	4,660,503	(757,565)
STAFF REMUNERATION-TRANSPORT	19,350,950	12,418,564	(6,932,386)
STAFF REMUNERATION-HEAD OFFICE	8,850,085	8,299,088	(550,997)
STAFF REMUNERATION-MAIN STORES	18,263,199	18,726,756	463,557
STAFF WELFARE	19,964,058	10,938,381	(9,025,677)
MEDICAL SCHEME	2,925,966	2,656,082	(269,884)
ANNUAL BONUS	1,922,268	1,544,110	(378,158)
MEDICAL LEAVE ENCASHMENT	3,776,386	13,994,156	10,217,770
GRATUITY	9,710,038	552,177	(9,157,861)
STAFF TRAINING - HO	-	798,419	798,419
STUDENT SCHOLARSHIP SCHEME	461,000	534,000	73,000
STAFF TRAINING - SITE	254,070	795,599	541,529
	161,052,726	145,666,011	(15,386,715)
19.2 POWER & ENERGY			
POWER (8%) - EPPAWALA OFFICE	2,916,260	2,280,725	(635,534)
ELECTRICITY - HO	676,025	605,231	(70,794)
	3,592,285	2,885,957	(706,328)

19.3 TRAVELLING & SUBSISTANCE			
VEHICLE HIRING	337,576	472,165	134,589
TRAVELING & SUBSISTENCE - SITE	5,735,581	3,749,977	(1,985,604)
TRAVELING & SUBSISTENCE - HO	1,478,970	1,330,939	(148,031)
	7,552,127	5,553,080	(1,999,047)
19.4 TELEPHONE, POSTAGE & COMMUNICATION			
POSTAGE & TELEGRAMS	70,263	51,601	(18,662)
COMPUTER S/W & H/W MAINTANCE.	50,721	141,413	90,692
TELEPHONE-02549121	22,930	19,238	(3,692)
TELEPHONE-02549290	15,194	23,690	8,496
TELEPHONE-02549400	39,677	41,431	1,754
TELEPHONE-2249601	27,008	21,782	(5,226)
TELEPHONE-2249647	22,250	21,823	(427)
ADSL/LEASED LINE CHGS	389,541	326,512	(63,029)
ATTENDANCE & PAYROLL FEE	461,168	250,728	(210,440)
POSTAGE & STAMPS	23,520	3,875	(19,645)
PRINTING & STATIONARY	670,729	691,898	21,169
TEL 459907	105,483	96,661	(8,822)
TEL 459908	138,379	122,592	(15,787)
TEL-459906	42,303	41,184	(1,119)
TEL-459909	39,083	29,907	(9,176)
TELEPHONE BILL REIMBURSEMENT	93,709	1,388,559	1,294,850
TEL 472698	15,323	13,079	(2,244)
COMPUTER H/W & S/W MAINT:	580,401	695,647	115,247
IP VPN CHARGES	1,000,033	912,156	(87,877)
ADVERTISEMENTS	519,547	640,845	121,299
	4,327,264	5,534,623	1,207,359
19.5 BUILDING & OTHER MAINTENANCE			
OFFICE EQUIPMENT.	758	-	(758)
OFFICE UPKEEP & MAINT.	89,447	74,965	(14,482)
ELECTRICAL EQUIPMENT.	1,310,172	1,261,613	(48,559)
PREMISES/SERVICES	297,114	843,239	546,124
MAIN STORES	86,684	128,809	42,125
SECURITY AND TRANSPORT OFFICE	1,783	20,069	18,286
BICYCLE SHED_1	-	56,255	56,255
CANTEEN & WELFARE BUILDING	20,793	42,073	21,280
EXECUTIVE QUARTERS	13,385	59,560	46,176
WORKERS QUARTERS near Cannel	5,768	3,613	(2,155)
GM's QUARTERS	1,232	1,420	188
WORKERS QUARTERS Town	3,990	1,763	(2,227)
Chairman's QUARTERS	107,484	45,445	(62,039)
S.O.'s QUARTERS	2,914	22,500	19,586
SERVICE STATION	10,100	19,900	9,800
FIRST AID BUILDING	17,277	15,777	(1,500)
GENERATOR BUILDING	116	96,068	95,952
MAIN OFFICE	29,472	40,111	10,639
WORKERS REST ROOM MINING	4,838	1,706	(3,132)
WORKERS REST ROOM - MILL	72,288	30,304	(41,984)
DRIVERS' REST ROOM	642	-	(642)
G.M./A.G.M. OFFICE	1,815	20,550	18,735
TOILETS	62,554	30,202	(32,351)
Chairman's/ED'S QUARTERS	3,561	6,549	2,987
POWER LINE MAINT.	395,841	102,022	(293,820)
TEL. LINE MAINT.	9,690	274,736	265,046
RAW MATERIAL STORES	-	330	330
OFFICE EQUIPMENT MAINTENANCE	21,840	-	(21,840)
RENT-HEAD OFFICE	1,510,604	1,301,086	(209,518)
LAND LEASE	789,626	609,626	(180,000)
WATER	124,289	60,693	(63,595)
	4,996,076	5,170,984	174,908

19.6 BOOKS, PRINTING & STATIONERY			
PRINTING & STATIONERY	1,863,475	1,349,474	(514,000)
BOOKS & PERIODICALS	9,090	63,227	54,137
NEWSPAPERS & PERIODICALS	126,370	32,510	(93,860)
	1,998,935	1,445,212	(553,723)
19.7 INSURANCE AND SAFETY			
SECURITY ITEMS	4,000	100,597	96,597
FIRE EXTINGUISHERS	25,223	235,450	210,228
ACCIDENT INSURANCE	483,538	498,378	14,840
CASH IN TRANSITS INSURANCE	30,261	-	(30,261)
SITE INSURANCE	338,162	342,508	4,346
SECURITY EXPENSES	-	1,200	1,200
	881,184	1,178,133	296,950
19.8 MEETING, LEGAL AND PROFESSIONAL EXP.			
AUDIT FEES	400,000	311,400	(88,600)
DIRECTORS FEES	954,015	1,014,740	60,725
DIRECTORS EXPENSES	246,010	372,625	126,615
TENDER BOARD EXPENSES	46,000	91,500	45,500
PROFESSIONAL CHARGES	1,190,850	1,120,000	(70,850)
SECRETARIAL FEES	551,279	615,177	63,898
LEGAL EXPENSES	17,500	-	(17,500)
AUDIT & MGT.COMM.EXPENNCES	332,272	146,640	(185,632)
	3,737,926	3,672,082	(65,843)
19.9 VEHICLE & MAINTENANCE			
DUMP TRUCK VEHI. NO.NCLJ9309	106,599	672,335	565,735
VEHI. No. NC GA 1627	358,201	122,303	(235,898)
VEHI. NO.NCJR 9672	312,100	170,613	(141,487)
VEHI. NO.NCJR 9680	225,592	367,996	142,404
VEHI. NO.NC PA 7906	350,504	213,914	(136,590)
VEHI. NO.252-5963	17,600	60,593	42,993
VEHI. NO.58- 5092	-	-	-
VEHI. NO.154 - 3641	5,937	11,087	5,150
VEHI. NO.NCMA-8755	828,875	396,963	(431,912)
VEHI. BUS.NCNB 5469	733,916	164,412	(569,504)
VEHI. NO.WPPC 6891	1,076,744	416,578	(660,166)
VEHI. DOUBLE CAB - WPPF 5672	853,716	775,064	(78,653)
VEHI. DOUBLE CAB - WPPF 5673	1,705,892	1,156,422	(549,469)
SERVICE STATION MATERIALS	182,987	224,298	41,311
VEHI. NO.WPKQ4329	1,122,226	1,008,623	(113,603)
VEHI. NO.HK-4629	7,794	5,399	(2,395)
MOTOR BIKE - NC BCB 8782	16,779	6,453	(10,327)
MOTOR BIKE - NC BCB 8777	25,213	8,709	(16,504)
	7,930,676	5,781,762	(2,148,914)
19.10 GENERAL EXP & PROVISIONS			
Bad & Doubtful Debtos	(799,357)	-	799,357
ISO IMPLEMENTATION 9001:2008	-	51,260	51,260
STOCK ADJUSTMENT - RAW MATERIAL	8,752,383	-	(8,752,383)
DEPRECIATION-HO	27,491,809	27,091,333	(400,476)
FESTIVAL EXPENSES	275,073	-	(275,073)
SUNDRY EXPENSES	824,008	239,388	(584,619)
GENERAL STOCK WRITTEN OFF	-	2,666,987	2,666,987
GENERAL EXPENSES	967,738	892,523	(75,215)
SSP PROJECT	-	548,425	548,425
IMPAIRMENT	-	3,450,000	3,450,000
RESEARCH AND DEVELOPMENT	573,225	6,480	(566,745)
	38,084,878	34,946,396	(3,138,482)
	234,154,076	211,834,241	(22,319,835)

20. SELLING & DISTRIBUTION EXPENSES			
	2022/23	2021/22	Variance
STAFF REMUNERATION-MARKETING	8,220,355	10,151,846	1,931,491
MKT - HOT LINE 071 4 223 222	25,546	15,847	(9,699)
SALES PROMOTION	34,095	720	(33,375)
BUSINESS PROMOTION	181,243	1,382,388	1,201,144
MINERAL TAX	2,730,433	3,652,420	921,987
	11,191,672	15,203,221	4,011,549
SALES OUTLET			
- WATER SUPPLY	7,301	-	(7,301)
- ELECTRICITY	1,321	-	(1,321)
- TRANSPORT & STOCK HANDLING	3,000	-	(3,000)
	11,203,293	15,203,221	3,999,927
21. FINANCE COST			
	2022/23	2021/22	Variance
Bank Charges	150,287	87,359	(62,929)
OD Interest	9,749,495	-	(9,749,495)
	9,899,783	87,359	(9,812,424)

LANKA PHOSPHATE LIMITED				
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31 2023				
<i>(Expressed In Sri Lankan Rupees)</i>				
			31st Mar, 2023	2021/22
22	Interest and Other Income			
	22.1 Interest Income			
	Interest Received from Fixed Deposits		103,681,716.82	29,656,858
	Interest Received from Repo		1,179,780	982,111
	Interest Received from Loans Given to Staff		2,676,518	2,767,479
	Sub Total		107,538,015	33,406,447
	22.2 Other Income			
	Miscellaneous Income		1,349,604	3,158,132
	Dividend Received		300,000	500,000
	Sub Total		1,649,604	3,658,132
			109,187,619	37,064,579
	Profit Before Taxation is Calculated After Charging / (crediting) Followings.			
	Staff Cost		320,409,745	351,355,607
	Depreciation		42,699,032	42,132,556
	Audit Fees		400,000	311,400
	Directors Fees		954,015	1,014,740
	Directors Expenses		246,010	372,625
	Payment of EPF 22%		43,413,086	46,879,431
	Payment of ETF 3%		5,919,966	6,392,650
	Payment of Gratuity		9,225,655	1,518,110
23	Income Tax Expenses			
	Taxation on Profit for the Year		23,442,290	33,075,648
	Transferred from Deferred Tax		1,854,805	1,171,652
			25,297,095.38	34,247,300
23.1	Reconciliation of Income Tax Expenses			
	Profit Before Taxation		60,581,651	157,030,089
	Non Business Income		(107,838,015)	(31,138,969)
	Aggregate Disallowable Items		61,897,526	46,134,733
	Prior-year adjustment which are liable for Tax		-	7,015,967
	Aggregate Allowable Expenses		(35,511,436)	(19,603,621)
	Assessable income from business		(20,870,274)	159,438,200
	Income from Other Sources & Exempt Income		107,838,015	31,138,969
	Exempt Income		-	-
	Loss Claimed	23.2	(20,870,274)	-
	Assessable income from Investment		86,967,741	31,138,969
	Total Assessable Income		86,967,741	190,577,168
	Qualifying Payment		-	-
	Taxable Income		86,967,741	190,577,168
	Tax on Taxable Income from Business		0%	-
	Tax on Taxable Income from Investments	50% 1st Six Months	24%	10,400,129
		50% 2nd Six Month	30%	13,000,161
	Tax on Dividend Income		14%	42,000
	Under / (Over) Provision in Respect of Previous Year			(3,046,580)
				-
	Current Income Tax Expenses		23,442,290	33,075,648
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 31 2023				
<i>(Expressed in Sri Lankan Rupees)</i>				
24	Deferred tax adjustment on Revaluation Reserves			
			2022/23	2021/22
	Revaluation Surplus(Without Motor Vehicle)		55,931,086	55,931,086
	(-) Depreciation on revalued amount as at the year end		(17,103,927)	(12,827,945)
	Revaluation Gain		38,827,159	43,103,141
	Deferred tax liability B/F		8,153,990	8,960,491
	Deferred tax liability C/F		11,648,148	8,153,990
	Adjustment for the year for OCI and Revaluation Reserves		(3,494,158)	806,501
25	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.)		35,284,555	122,782,789
	Weighted Average Number of Ordinary Shares (Nos.)		7,251,000	7,251,000
	Earnings Per Share (Rs.)		4.87	16.93

26. 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 which 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. 560,584,374 (31/03/2022 Rs. 580,879,811) 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.

27. 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
- Rajapaksha Electrical Fence (Construction of Electrical Elephant Fence – Balance	883,387.00

27.1 Financial commitments

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

	Rs.
- Electricity Bills Payment – March 2023	6,568,215.33
- Hire of Machinery – Arangalla Constructions, Veyangoda	3,568,588.80
- Retention money on WPP Bag supply- Central Polysack	1,596,000.00
- Unpaid WPP Bag cost – Lanka Polysacks (Pvt) Ltd	17,989,500.00
- Royalty Payable Jan – Mar 2023 to GSMB	19,053,060.30
- Payment to Mahaweli Authority – Land Utilization fee	3,851,332.36
- Mineral Tax Jan – Mar 2023	804,502.68
- Unpaid Land Lease – Gallahepitiya Pamarathana Thero for Wariyapola Project Land Jun, 21 – Sep,22	480,000.00

27.2 Pending litigation

Case No.'s LPL/COU/03-1 & LPL/COU/03-02 have been filed by third parties claiming damages Rs. 2.5mn for the accident met.

28. 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, a committee has identified that, out of the above stock, 750mt need to be upgraded to the standard and the estimated additional cost will be around Rs. 637,500/- . However, since the amount does not make a significant impact to the Inventory and financial results of the financial year, company did not take a step to make any provision in the accounts.

29. Retirement benefit obligations

Actuarial Valuation of Gratuity Liabilities as at 31 March 2023

Accounting Disclosures :

Change in the Present Value of The Dified Benefit Obligation (PV-DBO)

	Rs
Provision for PV-DBO as at 01 April 2022	= 31,310,869
Interest Cost for the period	= 4,696,630
Past Service Cost	= 2,975,288
Current Service Cost for the period	= 2,038,120
Gratuity paid/payable for those who left during the period	= (9,225,655)
Gratuity payments made for those employees who transferred out	= -
Gratuity payments received for those employees who transferred in	= -
Actuarial (Gain)/Loss on PV-DBO	= 24,563,329
Provision for PV-DBO as at 31 March 2023	= <u>56,358,581</u>

AMOUNTS RECOGNIZED IN THE BALANCE SHEET AND INCOME STATEMENT

Liability recognised in the balance sheet

Provision for Gratuity as at 31 March 2023	=	56,358,581
Unrecognized actuarial Gains/(Losses) as at 31 March 2023	=	<u>-</u>
Liability recognized in the balance sheet as at 31 March 2023	=	<u><u>56,358,581</u></u>

Expenses recognised in the income statement

Past Service Cost	=	2,975,288
Interest Cost	=	4,696,630
Current Service Cost	=	<u>2,038,120</u>
Expences recognized in the Income Statement	=	<u><u>9,710,038</u></u>

Expenses recognised in Other Comprehensive Income statement

Net Actuarial (Gain)/Loss recognized immediately	=	<u>24,563,329</u>
Expenses recognised in Other Comprehensive Income statement	=	<u><u>24,563,329</u></u>

30 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.

31 Related party transactions

31.1 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:

	2022/2023	2021/2022
	Rs.	Rs.
Short term benefits	3,039,390	2,861,370

31.2 Transaction with other related parties.

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

Corporate information, Significant Accounting Judgments, Estimates & Assumptions.

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 01.04.2022 to 31.03.2023

1.4 Date of authorization for issue

The Financial Statements of company for the year ended 31 March 2023 were authorized for issue to the Auditors by the Board of Directors in November 2023

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 2022/23 is Rs. 47,109,202.00

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 2023.

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 recognised 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 and Electrical 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 derecognised 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 recognised in 'other operating income' in the statement of comprehensive income in the year the asset is derecognised.

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 recognised 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 amortized 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 facilities (OD) from BOC Grandpass (Rs. 150.0 Million) and Peoples Bank, Eppawala (Rs. 8.0 Million) against Fixed Deposits, to ensure the uninterrupted operations, under present market crisis. The actual amount of OD facility utilised as at 31.03.2023 remain zero, for Peoples Bank, Eppawala Branch and 82.9 million for Bank of Ceylon, Grandpass Branch, at the year end.

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, 2023 with respect to employees in service based on the assumption

and methodology is Rs. 56,358,582.00. The PVDBO calculated using Projected Unit Credit Method as at 31 March 2022 was Rs. 31,310,870.00. 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.104, 000.000 (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.

NOTICE OF THE MEETING

NOTICE IS HEREBY GIVEN to the shareholders of Lanka Phosphate Limited that the Annual General Meeting of the Shareholders of Lanka Phosphate Limited would be held on 19th December 2023 at 3.00pm at the Head Office of Lanka Phosphate Limited at No. 73 1/1, New Kelani Bridge Road, Colombo 14 for the following purposes:

1. To confirm the Minutes of the Annual General Meeting held on 19th December 2022.
2. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31.03.2023 and the Balance Sheet as at 31.03.2023 and the Report of the Auditors thereon.
3. To receive, consider and adopt the Annual Report.
4. To declare a dividend for the year 2022/23 as recommended by Board to the Treasury as the sole Shareholder of the Company.
5. To re-elect Directors who retire (at the Annual General Meeting) in terms of the Article 92 & 93 of the Articles of Association of the Company and who being eligible offer for re-election in term of the Article 94 of the Article of Association of the Company.
6. To declare that the Auditor General be the Auditor of the Company for the year 2023/2024.
7. Any other business of which due notice has been given.

By Order of the Board,

Messer Kalrupco Management Services (Pvt) Ltd.

Company Secretaries to Lanka Phosphate Limited

Notes:

A shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a member of the company. A form of proxy is attached for this purpose.

FORM OF PROXY

Lanka Phosphate Ltd

P R O X Y

I/We

Of

Being a member of the above named Company hereby appoint

.....ofor

Failing him

Of

As my/our proxy to vote for me/us an on my/our behalf at the Annual General Meeting of the company to be held on 19th December 2023 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Signed thisday oftwo thousand and twenty three

Signature

NOTE

- **A Proxy may vote as he thinks fit on any resolution brought before the Meeting**
- **A Proxy need not to be a Member of the Company**
- **Instructions as to completion are noted on the reverse hereof**



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
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2023 දෙසැම්බර් 15 දින

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ලංකා පොස්ථෙට් ලිමිටඩ්.

ලංකා පොස්ථෙට් ලිමිටඩ්හි 2023 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තොරතුරු හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 මතය

ලංකා පොස්ථෙට් ලිමිටඩ්හි (“සමාගම”) 2023 මාර්තු 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ විස්තීර්ණ ආදායම් ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ මූල්‍ය ප්‍රකාශන වලට අදාළ සටහන්, සාරාංශගත වැදගත් ගිණුම්කරණ ප්‍රතිපත්තිවලින් සමන්විත 2023 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරන ජාතික විගණන පනතේ විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

සමාගමේ මූල්‍ය ප්‍රකාශන තුළින් 2023 මාර්තු 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එහි මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට අනුකූලව සත්‍ය හා සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 මතය සඳහා පදනම

ශ්‍රී ලංකා විගණන ප්‍රමිතිවලට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිති යටතේ වූ මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තවදුරටත් විස්තර කර ඇත. මාගේ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබාගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 සමාගමේ 2022/2023 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පෙර මා ලබාගත් සමාගමේ 2022/2023 වාර්ෂික වාර්තාවේ ඇතුළත් කර ඇති නමුත් මූල්‍ය ප්‍රකාශන සහ ඒ පිළිබඳව වූ මගේ විගණන වාර්තාවේ ඇතුළත් නොවන තොරතුරු, අනෙකුත් තොරතුරු යන්නෙන් අදහස් වේ. මෙම අනෙකුත් තොරතුරු සඳහා කළමනාකරණය වගකිව යුතුය.

මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් වූ මගේ මතයෙන් අනෙකුත් තොරතුරු ආවරණය නොකරන අතර මම ඒ පිළිබඳ කිසිදු ආකාරයක සහතිකවීමක් හෝ මතයක් ප්‍රකාශ නොකරමි.

මූල්‍ය ප්‍රකාශන පිළිබඳ මගේ විගණනයට අදාළව, මගේ වගකීම වන්නේ ඉහත හඳුනාගත් අනෙකුත් තොරතුරු කියවීම සහ එසේ කිරීමේදී අනෙකුත් තොරතුරු මූල්‍ය ප්‍රකාශන සමඟ හෝ විගණනයේදී හෝ වෙනත් ආකාරයකින් ලබාගත් මගේ දැනුම අනුව ප්‍රමාණාත්මක වශයෙන් නොගැලපෙනවාද යන්න සලකා බැලීමයි.

මෙම විගණන වාර්තාවේ දිනට පෙර මා ලබාගත් අනෙකුත් තොරතුරු මත හා මා විසින් කරන ලද කාර්යයන් මත පදනම්ව, මෙම අනෙකුත් තොරතුරු ප්‍රමාණාත්මක වශයෙන් වැරදි ලෙස දක්වා ඇති බව මම නිගමනය කරන්නේ නම්, එම කරුණ මා විසින් වාර්තා කිරීමට අවශ්‍ය වේ. මේ සම්බන්ධයෙන් මට වාර්තා කිරීමට කිසිවක් නැත.

1.4 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම

මෙම මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට අනුකූලව පිළියෙල කිරීම හා සාධාරණ ලෙස ඉදිරිපත් කිරීම සහ වංචා හෝ වැරදි හේතුවෙන් ඇතිවිය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනයන් තීරණය කිරීම කළමනාකරණයේ වගකීම වේ.

මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේදී, සමාගම අඛණ්ඩව පවත්වාගෙන යාමේ හැකියාව තීරණය කිරීම කළමනාකරණයේ වගකීමක් වන අතර, කළමනාකාරිත්වය සමාගම ඇවර කිරීමට අදහස් කරන්නේ නම් හෝ වෙනත් විකල්පයක් නොමැති විටදී මෙහෙයුම් නැවැත්වීමට කටයුතු කරන්නේ නම් හැර අඛණ්ඩ පැවැත්මේ පදනම මත ගිණුම් තැබීම හා සමාගමේ අඛණ්ඩ පැවැත්මට අදාළ කරුණු අනාවරණය කිරීමද කළමනාකරණයේ වගකීමකි.

සමාගමේ මූල්‍ය වාර්තාකරණ ක්‍රියාවලිය සම්බන්ධව පරීක්ෂා කිරීමේ වගකීම, පාලනය කරන පාර්ශවයන් විසින් දරනු ලබයි.

2018 අංක 19 දරන ජාතික විගණන පනතේ 16(1) උප වගන්තිය ප්‍රකාරව, සමාගම වාර්ෂික සහ කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වාගෙන යා යුතුය.

1.5 මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම

සමස්තයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා සහ වැරදි නිසා ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සෑමවිටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කරගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවිය හැකි අතර, එහි ප්‍රමාණාත්මකභාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කරගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකමුසුබවින් යුතුව ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, චේතනාන්විත මහඟුරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මඟ හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ සඵලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවූවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබාගන්නා ලදී.
- භාවිතා කරන ලද ගිණුම්කරණ ප්‍රතිපත්තිවල උචිතභාවය, ගිණුම්කරණ ඇස්තමේන්තුවල සාධාරණත්වය සහ කළමනාකරණය විසින් කරන ලද සම්බන්ධිත හෙළිදරව් කිරීම් අගයන ලදී.
- සිද්ධීන් හෝ තත්ත්වයන් හේතුවෙන් සමාගමේ අඛණ්ඩ පැවැත්ම පිළිබඳ ප්‍රමාණාත්මක අවිනිශ්චිතතාවයක් තිබේද යන්න සම්බන්ධයෙන් ලබාගත් විගණන සාක්ෂි මත පදනම්ව

ගිණුම්කරණය සඳහා ආයතනයේ අඛණ්ඩ පැවැත්ම පිළිබඳ පදනම යොදා ගැනීමේ අදාළත්වය තීරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව්කිරීම් වලට මාගේ විගණන වාර්තාවේ අවධානය යොමු කළ යුතු අතර, එම හෙළිදරව් කිරීම් ප්‍රමාණවත් නොවන්නේ නම් මාගේ මතය විකරණය කළ යුතුය. කෙසේ වුවද, අනාගත සිද්ධීන් හෝ තත්ත්වයන් මත අඛණ්ඩ පැවැත්ම අවසන් වීමට හැකිය.

- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ත ඉදිරිපත් කිරීම අගයන ලදී.

මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව පාලනය කරනු ලබන පාර්ශවයන් දැනුවත් කරමි.

2 වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ සහ 2007 අංක 7 දරන සමාගම් පනතේ පහත සඳහන් අවශ්‍යතාවයන් සම්බන්ධයෙන් විශේෂ ප්‍රතිපාදන ඇතුළත් වේ.

2.1.1 2007 අංක 7 දරන සමාගම් පනතේ 163(2) වගන්තියේ සහ 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, විගණනය සඳහා අවශ්‍ය සියලු තොරතුරු සහ පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද අතර, මාගේ පරීක්ෂණයෙන් පෙනී යන ආකාරයට නිසි මූල්‍ය වාර්තා සමාගම පවත්වාගෙන ගොස් තිබුණි.

2.1.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඇ)(iii) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වේ.

2.1.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඇ)(iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව මාගේ වාර්තාවේ ඉකුත් වර්ෂයේදී මා විසින් සිදුකරන ලද නිර්දේශයන් ඉදිරිපත් කරන ලද මූල්‍ය ප්‍රකාශනවල ඇතුළත්ව ඇත.

2.2 අනුගමනය කරන ලද ක්‍රියාමාර්ග සහ ලබා ගන්නා ලද සාක්ෂි මත හා ප්‍රමාණාත්මක කරුණුවලට සීමා කිරීම තුළ, පහත සඳහන් ප්‍රකාශ කිරීමට තරම් කිසිවක් මාගේ අවධානයට ලක් නොවීය.

2.2.1 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(ඇ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට සමාගම සම්බන්ධව යම් ගිවිසුමක්

සම්බන්ධයෙන් සෘජුව හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්ත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.

2.2.2 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව යම් අදාළ ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.

2.2.3 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ බලතල, කර්තව්‍ය සහ කාර්යයන්ට අනුකූල නොවන ලෙස කටයුතු කර ඇති බව.

2.2.4 2018 අංක 19 දරන ජාතික විගණන පනතේ 12(ඌ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණයන් හැර සමාගමේ සම්පත් සකසුරුවම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාල සීමාවන් තුළ අදාළ නීතිරීති වලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර නොමැති බව.

(අ) සමාගම විසින් ඛනිජ ඇඹරුම් යන්ත්‍ර සඳහා යොදනු ලබන රබර් බ්‍රෂ් ඒකකයක් රු.350 ක් බැගින් දේශීය සමාගමකින් මිලදී ගෙන විගණිත දින වූ 2023 සැප්තැම්බර් 14 දක්වාම යන්ත්‍ර සඳහා භාවිතා කරමින් පැවතුණි. අදාළ භාණ්ඩ ඒකක 81 ක් ගබඩාවේ පැවතියදී තොගය ශුන්‍ය බව දක්වමින් 2022 දෙසැම්බර් 17 දින රබර් බ්‍රෂ් ඒකක 200 ක් ඒකකයක් රු.79,082 ක් බැගින් රු.15,816,482 කට ආනයනය කර තිබුණි. ඒ අනුව රු.70,000 ක් වැනි අවම පිරිවැයක් යටතේ මිලදී ගැනීමට හැකිව තිබූ අදාළ අයිතම තොගය ඉතා ඉහළ වටිනාකමකට ආනයනය කිරීම තුළින් රු.15,746,482 ක අලාභයක් සමාගමට සිදුව තිබුණි. මිලදී ගත් මෙම තොගය විගණිත දින වූ 2023 සැප්තැම්බර් 14 වන විටත් භාවිතයට නොගෙන ගබඩාවේ නිෂ්කාර්යව තබා තිබූ අතර මිලදී ගැනීමේ දී එම රබර් බ්‍රෂ්වලට අමතරව Coupling bolt ඒකක 198 ක්ද ඒ සමඟ ලැබී තිබුණද එම ඇණ වලින් අදාළ යන්ත්‍රයට කිසිදු ප්‍රයෝජනයක් නොමැති බැවින් ඒවා නිෂ්කාර්යව තබා තිබුණි.

(ආ) සමාගම අංක LPL/SUP/-HO/F1-B1D/2022/05 දරන ප්‍රසම්පාදනය මගින් රු.86 බැගින් පොහොර ඇසුරුම් මළ 1,200,000 ක් රු.103,200,000 කට මිලදී ගැනීමට සැපයුම්කරුවෙකු වෙත කොන්ත්‍රාත්තුවක් ප්‍රදානය කර තිබුණු අතර එහිදී ප්‍රසම්පාදන මාර්ගෝපදේශ 5.4.10 ප්‍රකාරව කාර්යසාධන සුරක්ෂණයක් ලබාගෙන ප්‍රසම්පාදන මාර්ගෝපදේශ 8.9.1 ප්‍රකාරව විධිමත් කොන්ත්‍රාත් ගිවිසුමක් ලියා අත්සන් කර නොතිබුණි. සැපයුම්කරු ඇසුරුම් මළ 26,400 ක් රු.86 බැගින් ලබාදී ඉන් පසු සැපයූ මළ 1 ක මිල රු.120 හා රු.147 දක්වා වැඩිකර තිබුණි. මේ අනුව ගිවිසුමගතව නොතිබීමෙන් හා කාර්යසාධන සුරක්ෂණ ලබා නොගැනීම හේතුවෙන් රු.61,705,000 කට පොහොර ඇසුරුම් මළ 717,500 ක් මිලදී ගත හැකිව තිබියදී

රු.96,407,500 ක් වැය කර මිලදී ගැනීමට සිදුවීමෙන් සමාගමට රු.34,704,500 ක පාඩුවක් වී තිබුණි.

(ඇ) සමාගමේ TGM-160 Six Roller ඇඹරුම් යන්ත්‍රය සඳහා රු.5,656,344 කට Gear Box උපාංගයක් 2022 වර්ෂයේදී චීනයේ Henan Liming Heavy Industry Machinery Sales Co. Ltd ආයතනය වෙතින් ආනයනය කර තිබුණි. මේ සඳහා තරඟකාරී හා විධිමත් ප්‍රසම්පාදන ක්‍රියාවලියක් අනුගමනය කර නොතිබුණි. මීට අදාළ 2021 නොවැම්බර් 24 දිනැති තාක්ෂණික ඇගයීම් කමිටු වාර්තාවෙන් අදාළ සැපයුම්කරු දකුණු ආසියානු කලාපයේ TGM ඇඹරුම් යන්ත්‍ර අමතර කොටස් සැපයීමේ නියෝජිතයා හේතුවෙන් එම ආයතනයෙන් අදාළ උපාංගය මිලදී ගැනීම යෝග්‍ය බවට නිර්දේශ ලබාදී තිබුණද ප්‍රසම්පාදනයේ වටිනාකම, හාණ්ඩයේ පිරිවිතරයන් සහ තරඟකාරී සැපයුම්කරුවන් පිළිබඳ විධිමත් ඇගයීමක් සිදුකර නොතිබුණි. අදාළ හාණ්ඩය 2023 මැයි 10 වන දින ආයතනයේ ප්‍රධාන ගබඩාව වෙත ලැබී තිබුණු අතර මේ සම්බන්ධයෙන් පත්කළ ආයතනික සාමාජිකයින්ගෙන් සෑදුම් ලත් පරීක්ෂණ මණ්ඩලයක් විසින් 2023 ජූනි 12 දින ලබාදී ඇති වාර්තාව ප්‍රකාරව ඉල්ලුම් කරන ලද සහ සත්‍ය වශයෙන් ආයතනය වෙත ලැබී ඇති Gear Box උපාංගයේ මාදිලියේ වෙනසක් ඇති බැවින් උපාංගය පිළිගත නොහැකි බවට නිර්දේශ කර තිබුණි. ඒ අනුව විගණිත දින වූ 2023 ඔක්තෝබර් 05 දක්වා මෙම උපාංගය ගබඩා ලේඛනවලට ඇතුළත් කිරීමකින් තොරව ගබඩාවේ රඳවාගෙන තිබුණු අතර මිලදී ගැනීමේදී සැපයුම්කරු සමඟ ගිවිසුමකට එළඹ නොතිබීම හේතුවෙන් මේ සම්බන්ධයෙන් ගතයුතු ක්‍රියාමාර්ග පිළිබඳ සැපයුම්කරු සමඟ එකඟතාවයකට පැමිණීමට නොහැකිව තිබුණි. මිලදී ගැනීමට අදාළ ඇණවුමේ වටිනාකම වූ රු.4,802,850 (ඇ.එ.ජ.ඩො.13,000) සම්පූර්ණයෙන්ම සැපයුම්කරු වෙත 2022 සැප්තැම්බර් 15 දින ගෙවා තිබුණි. උපාංගය සඳහා මාස 15 ක වගකීම් කාලයක් සැපයුම්කරු විසින් ලබාදී තිබුණද විගණිත දින වූ 2023 ඔක්තෝබර් 05 දින වන විටත් එයින් මාස 07 ක කාලයක් අවසන්ව පැවතුණි.

2.3 වෙනත් කරුණු

- (අ) සමාලෝචිත වර්ෂය අවසානය වන විට රු.34,427,525 ක් වූ ණය ගැනි ශේෂය තුළ බොල්ණය ලෙස ප්‍රතිපාදනය කර තිබූ වර්ෂ 05 ට වැඩි අයවිය යුතු ණය ශේෂවල එකතුව රු.9,769,506 ක් වූ අතර විගණිත දිනය වන විටත් මෙම ශේෂයන් අයකර ගෙන නොතිබුණි.
- (ආ) 2014 වර්ෂයේදී රු. 35,867,000 ක් වැයකර මිලදී ගෙන තිබුණු ක්‍රමයක් යන්ත්‍රයක් කිසිදු ප්‍රයෝජනයකට නොගෙන සමාගම් පරිශ්‍රයේ නිෂ්කාර්යව තබා තිබුණු අතර මීට අදාළ රඳවා ගැනීම් රු.4,386,358 ක් ද නිරවුල් කිරීමෙන් තොරව 2014 වර්ෂයේ සිට උපවිත වියදම් ලෙස දක්වා තිබුණි.
- (ඇ) සමාලෝචිත වර්ෂය අවසානයට රු.82,925,144 ක බැංකු අයිතවක් පැවතුණු අතර ඒ සඳහා සමාලෝචිත වර්ෂයේදී රු.9,749,495 ක අයිතා පොලී ගෙවා තිබුණි.
- (ඈ) සමාගම විසින් සෑම වර්ෂයකම ඇඹරුම් යන්ත්‍ර සඳහා අමතර කොටස් මිලදී ගෙන තිබූ අතර එහිදී තරඟකාරී මිල ගණන් කැඳවීමකින් හෝ දේශීය සැපයුම්කරුවෙකු වෙතින් මිලදී ගැනීමට ඇති හැකියාව සොයා බැලීමෙන් තොරව සෘජුවම යන්ත්‍රය මිලදී ගත් ආයතනයෙන් මිලදී ගෙන තිබුණි. තවද, එහිදී අමතර කොටස්වල අවශ්‍යතාවය ඇගයීමක් සිදුකර නොතිබුණු අතර සමාලෝචිත වර්ෂය අවසානයේදී රු. 7,229,928 ක් වටිනා අමතර කොටස් නොගයක් ගබඩාවේ රඳවාගෙන තිබුණි.
- (ඉ) සමාගම නිෂ්පාදනය කරනු ලබන එස්පාවල රොක් පොස්පේට් (ERP) සහ අධිශ්‍රේණියේ එස්පාවල රොක් පොස්පේට් (HERP) පොහොර තොග වල පැවතිය යුතු පොස්පේට් (P₂O₅) ප්‍රතිශතය පරීක්ෂා කරනු ලබන UV-Visible Spectrophotometer යන්ත්‍රය යල්පැන යාම හේතුවෙන් එමගින් ලබාදෙන තොරතුරුවල නිරවද්‍යතාවය සම්බන්ධ ගැටලු පැනනැගී තිබුණි. අදාළ යන්ත්‍රයෙන් තත්ත්ව පරීක්ෂාවන් සිදුකර අලෙවි කරන ලද පොහොර මෙට්‍රික් ටොන් 3,173 ක තොග අපේක්ෂිත ප්‍රමිතියට අනුකූල නොවීම හේතුවෙන් සමාගම වෙත ආපසු එවා තිබුණි.
- (ඊ) සමාගම විසින් අලෙවි කරනු ලැබූ පොහොර වල පැවතිය යුතු රොක් පොස්පේට් ප්‍රතිශතය අපේක්ෂිත මට්ටමෙන් තොරවීම හේතුවෙන් මෙට්‍රික් ටොන් 1 ක් රු.27,800 ක් වූ අධිශ්‍රේණියේ එස්පාවල රොක් පොස්පේට් (HERP) මෙට්‍රික් ටොන් 334.30 ක් හා මෙට්‍රික් ටොන් 1 ක් රු.20,000 ක් වූ එස්පාවල රොක් පොස්පේට් (ERP) මෙට්‍රික් ටොන් 334 ක් අලෙවි මිලට ආපසු ලබා දීමේදී රු.2,607,540 ක අලාභයක් සමාගමට සිදුවී තිබුණි.

(උ) 2014 වර්ෂයේදී රු.21,226,633 ක ප්‍රාග්ධන වියදමක් දරමින් ආරම්භ කරන ලද වාරියපොල පොල් පොහොර ව්‍යාපෘතියේ නිෂ්පාදන කටයුතු 2021 මැයි 05 වන විට නවතා දමා තිබූ අතර මුළු ව්‍යාපෘතිය තුළින් රු.මිලියන 31.71 ක අලාභයක් සිදුවී තිබුණි. තවද, ව්‍යාපෘති කාර්යයන් සඳහා පස් අවුරුදු බදු පදනම මත ලබා ගන්නා ලද ඉඩමෙහි බදු කාලසීමාව 2018 සැප්තැම්බර් 05 දිනෙන් අවසන් වී තිබූ අතර බදු ගිවිසුම අලුත් කිරීමකින් තොරව නිෂ්පාදන කටයුතු පවත්වාගෙන ගොස් තිබුණද 2022 සැප්තැම්බර් මස සිට සමාගමට ව්‍යාපෘති භූමිය තුළට ඇතුළු වීම ඉඩම් හිමිකාර පාර්ශවය විසින් වළක්වා තිබූ අතර එම ආරවුල නිරවුල් කර ගැනීමට කටයුතු කර නොතිබුණි.

(ඌ) සමාගම විසින් සකස් කර තිබූ සමාලෝචිත වර්ෂයේ ක්‍රියාකාරී සැලැස්ම 2023 පෙබරවාරි 28 දින සංශෝධනය කර තිබුණි. මේ සම්බන්ධයෙන් පහත නිරීක්ෂණයන් කෙරේ.

(i) පරිසර හිතකාමී සහ නවීන ක්‍රියාවලියක් හරහා පොස්පරස් වලින් ස්වයංපෝෂිත වීම තුළින් පොස්පේට් පොහොර සඳහා වන ජාතික අවශ්‍යතාවය සපුරාලීම නම් වූ සමාගමේ මෙහෙවරට අනුකූලව සමාලෝචිත වර්ෂය තුළ දී කාර්යභාරයන් සැලසුම් කර ක්‍රියාත්මක කර නොතිබුණු අතර රු. 168,600,000 ක ප්‍රතිපාදන මත නිෂ්පාදන හා සේවා වැඩසටහන යටතේ ව්‍යාපෘති 05 ක් හා යටිතල පහසුකම් සංවර්ධනය යටතේ එක් ව්‍යාපෘතියක් පමණක් ක්‍රියාකාරී සැලැස්මේ ඇතුළත් කර තිබුණි.

(ii) 2013 වර්ෂයේදී මිලදී ගෙන තිබූ TGM 160 ඇඹරුම් යන්ත්‍රය ස්ථාපනය කර පැයකට මෙට්‍රික් ටොන් 10 ක අමතර නිෂ්පාදනයක් සමාගම අපේක්ෂා කර තිබුණු අතර 2022 සැප්තැම්බර් මස යන්ත්‍රය ස්ථාපිත කර තිබුණි. එසේ වුවද යන්ත්‍රයේ නිෂ්පාදන කටයුතු ආරම්භ කිරීමට 2023 පෙබරවාරි මස දක්වා කල්ගතවීම හේතුවෙන් අපේක්ෂිත අමතර නිෂ්පාදනය ළඟා කර ගෙන නොතිබුණි.

(එ) සමාගමේ කාර්ය මණ්ඩලය තුළ වූ ප්‍රාථමික මට්ටමේ යන්ත්‍ර ක්‍රියාකරු තනතුරේ අනුමත තනතුරු සංඛ්‍යාව 14 ක් වූ අතර ඉන් සියයට 50 ක් එනම් තනතුරු 7 ක් පුරප්පාඩුව පැවතුණි. එම මට්ටමේ නිෂ්පාදන සහායක තනතුරු 90 න් 7 ක් පුරප්පාඩුව පැවතියදී සේවකයන් 33 ක් කොන්ත්‍රාත් පදනම මත බඳවාගෙන තිබුණි.


ඩබ්ලිව්.පී.සී.වික්‍රමරත්න

විගණකාධිපති