



LANKA PHOSPHATE LTD
ANNUAL REPORT 2021/22



Ministry of Agriculture

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

Mr. K.S.I Subasena - Chairman

Mr. R.M.W. Banda – Director

Mr. A.P. Moragoda - Director

Mr.D.R.T Ruwanpura - Director

Mr.J.A.W Jayasuriya – Director

Mr. Sudath Abeywardana - 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 Agriculture

80/5, ' Govijana Mandiraya'

Rajamalwatta Lane,'

Battaramulla

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



Mr. K.S.I Subasena
Chairman



Mr. R.M.W. Banda
Director



Mr. A.P. Moragoda
Director



Mr. D.R.T Ruwanpura
Director

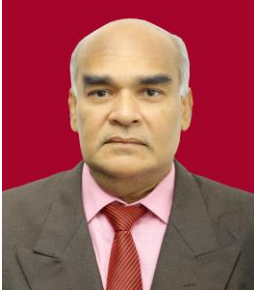


Mr. S. Abeywardana
Director



Mr. J.A.W Jayasuriya
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. In addition, LPL has been operating a Fertilizer mixing plant since 2014.

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, ‘Vistas of Prosperity & Splendours’ to build up a community who are healthy and productive through advanced agricultural development, LPL will have to play a leading and crucial role in fertilizer manufacturing industry in the country.

The company is currently in the process of more technical advancement and productivity improvement in order to undertake the leading role in the industry.

The financial year 2021/2022 ended achieving a gross turnover of Rs.741 Million which almost closer to last year achievement of Rs. 750 million. At the same time the company recorded an operating profit of Rs. 119.97 million for the year which is a continuous achievement of an operating profit after 20219/20. Similarly LPL recorded a PBT

of Rs. 157.03 million which is a 5% increment when compare with last year of Rs. 150 million. Although the company had planned to introduce different types of fertilizer mixtures, such as Tea, Rubber, Fruits etc. during the year, it was not possible due to lack of Urea and MoP in the market.

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.

As a responsible state company, LPL works in accordance with government policies and taking steps to introduce Environmental Friendly Fertilizer such as Bio Green phosphate, Bio Film phosphate fertilizer as value added productions in due cause.

Furthermore, there are some actions have 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 Agriculture, General Treasury and Board of Directors for all achievements under many disturbances faced with Coved 19 pandemic and other limitations, during the year.

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



K.S.I Subasena
Chairman
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 2022 and the Annual Report for the year ended 31st March 2022.

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 and mixing of Coconut fertilizer, 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. There was no change in accounting policies made during the accounting period.

6.0 Property, Plant & Equipment, their Valuation and Depreciation

Capital Expenditure incurred during the year on property plant and equipment by the company is Rs 6,759,332.00

Details of the status and movements of Property plant and Equipment, their Valuation and depreciation are given in Note 5.0 and 26 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 for the year under review.

8.0 Dividends

Rs. 25.0 million final dividend was declared 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 2022, 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 31.03.2022.

12.0 Corporate Social Responsibility

The Company has contributed Rs. 100,000/- for charitable purposes & CSR during the year under review.

13.0 Employees

The total cost of personnel during the year was Rs. 351,355,607.00. The average number of persons employed by the Company at the end of the year was 336.

14.0 Directors

The following Directors held office during the year under review.

Mr. K.S.I Subasena - Chairman

Mr. R.M.Wijesinghe Banda – Director

Mr. A.P. Moragoda - Director

Mr.D.R.T Ruwanpura - Director

Mr.J.A.W Jayasuriya – Director

Mr. Sudath Abeywardana – Director

15.0 Resignation and Appointment of Directors

Eng. Anil Ranasinghe – Chairman (02.08.2021), Mr. N.M.S Karunadasa – Director (03.03.2022) resigned during the year and, Mr. K.S.I Subasena - Chairman (02.08.2021), Mr. R.M.Wijesinghe Banda (03.03.2022) newly appointed during the year of 2021/22.

16.0 Director's remuneration

Rs. 2,861,370/- 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 all finance statements of the company is prepared on the going concern basis.

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 new Auditors will be tabled at the Annual General Meeting.

Total audit fees provided by the company as at 31st March 2022 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. 220,500/-.

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



Chairman



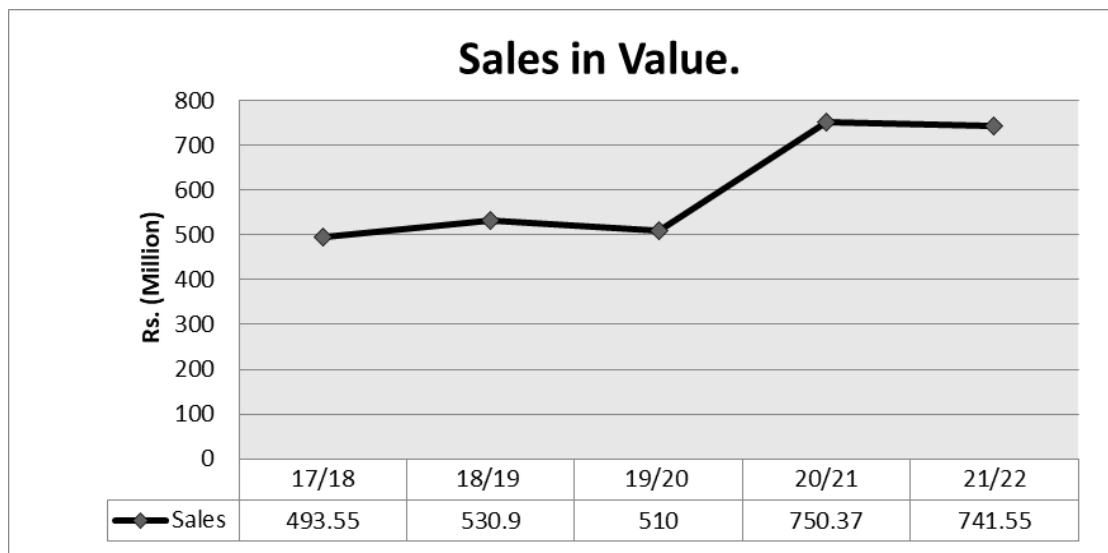
Director

Review of Operations 2021/22

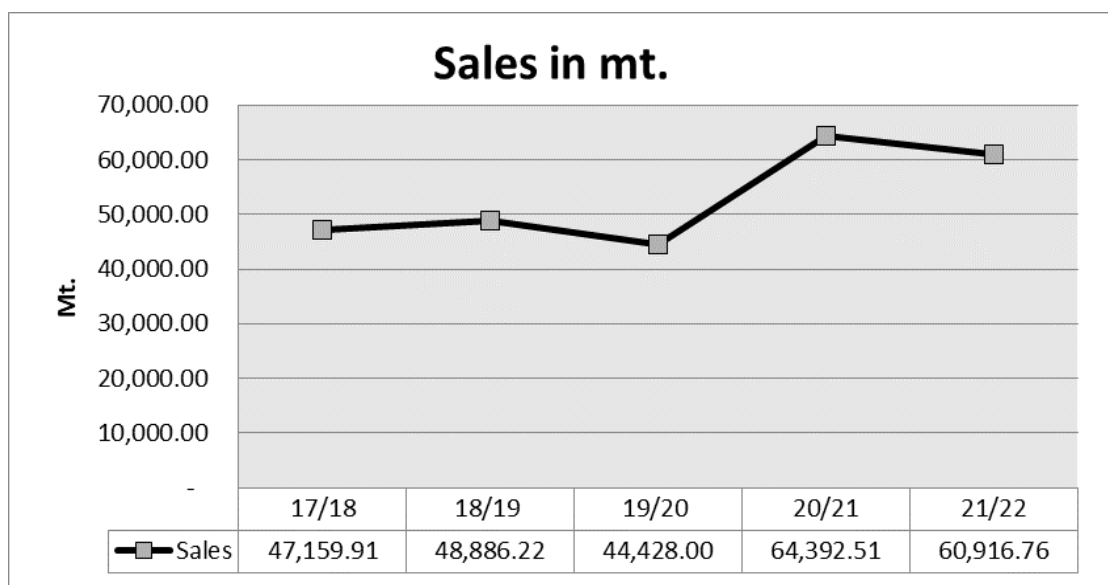
01. TURNOVER

Company has recorded the a turnover of 741.5 which is a slight drop when compared to the Rs, 750.0 million of 2020/21

Value (Rs. Million)



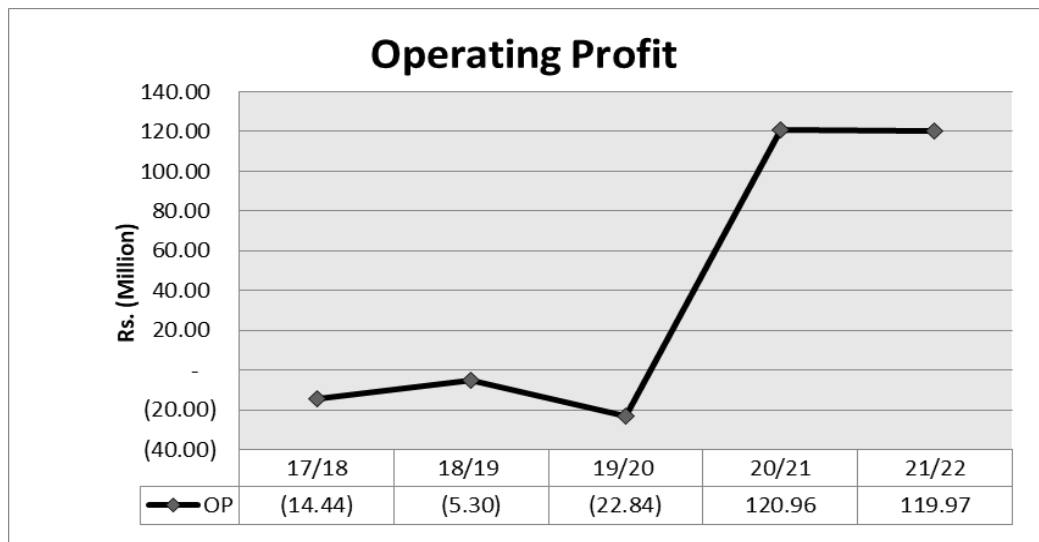
Quantity (mt.)



02. PROFITABILITY

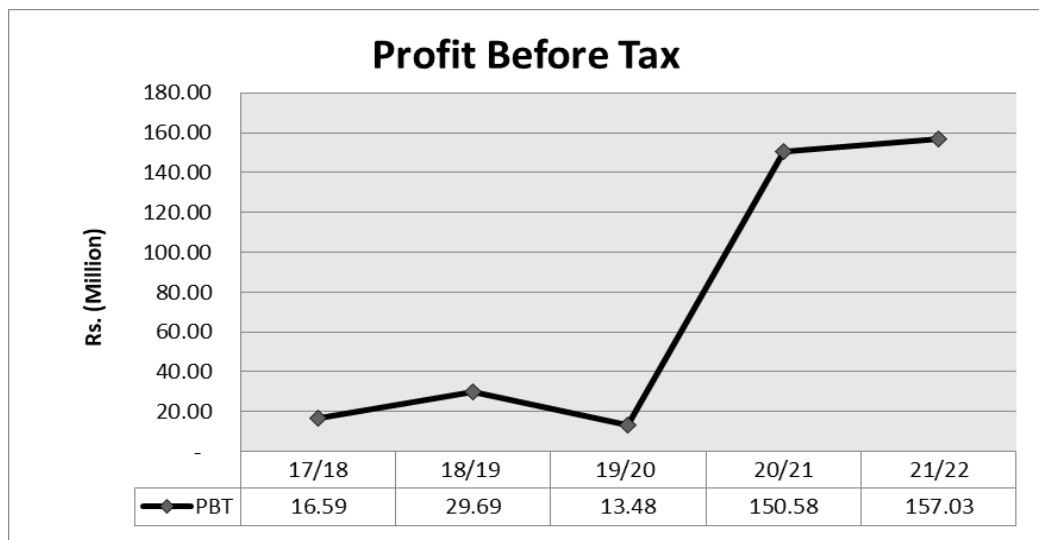
Operating Profit

Company recorded an Operating profit of Rs. 119.97 million for the financial year 2021/22. It is a remarkable achievement continuously from 2020/21.



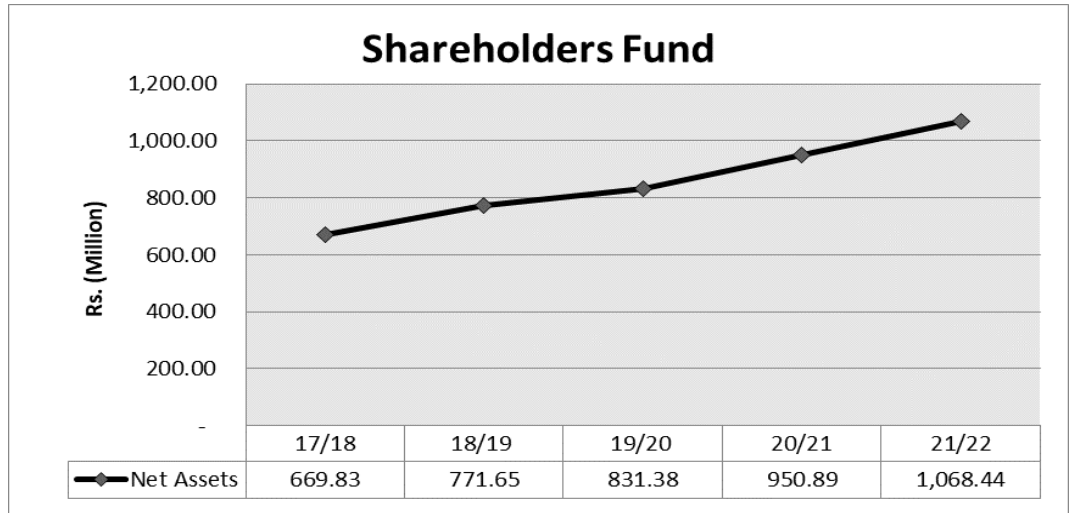
Profit before Tax (PBT)

It had been recorded a PBT of Rs. 157.03 million for the financial year 2021/22, which is a 5% increase over last year of Rs. 150.0 million.



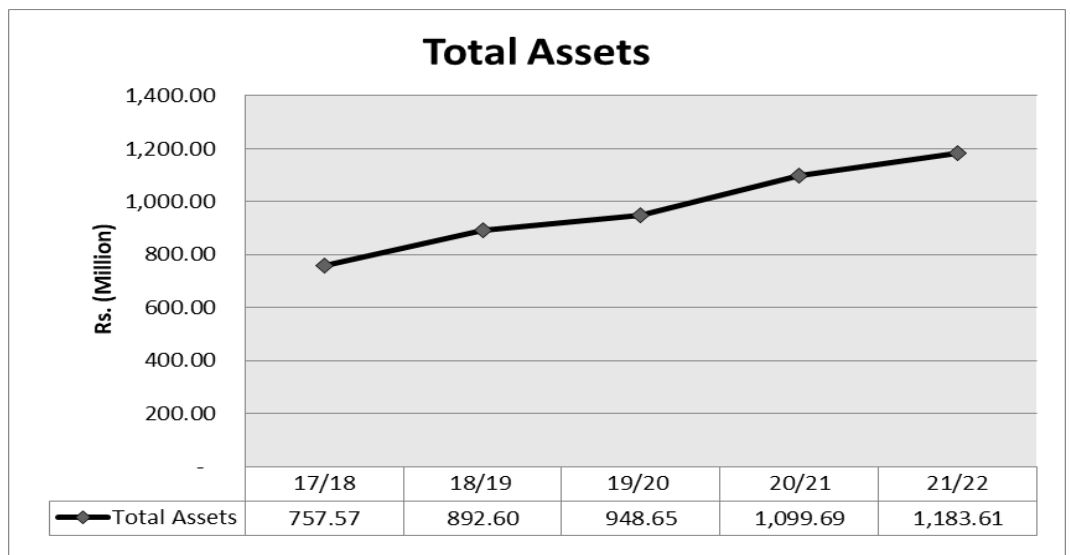
03. SHAREHOLDERS FUND

Net assets position has been gone up over Rs. 1.0 billion as of year-end, which is over 12% increment when compare to previous year of Rs. 950.89 million.



04. TOTAL ASSETS

Total Assets value gradually increased up to 1.183 billion mark during the year. This is mainly because the investment on fixed deposits has increased by 119 million during the year.



Projects & Infrastructure Development

- I. Steps had been taken to manufacture Single Super Phosphate (SSP) by utilizing Eppawala phosphate deposit, in order to serve community, save foreign exchange over 10.0 billion Rs. per annum and sustainable development of the company. Independent Feasibility Study was started in 2021 but could not be continued due to changes in government policy over application of chemical fertilizer in the country since April 2021. The above study was expected to be completed by Sept. 2021.
- II. Consider the possibility of introducing different types of fertilizers such as Bio - Phosphate, Bio- Film Phosphate, and Nano Phosphate under name of 'Eppawala Pohora'.
- III. Upgrade and utilize non-operating plants and machinery and use same for regular operations of the company. (Eg: Crusher Machine / Grinding Mill Machine etc.)
- IV. Purchase new machineries and modify the existing plants and infrastructure developments at site, in order to increase the existing production capacity and meet national requirement of Rock Phosphate.
- V. Actions are being taken to upgrade the existing accounting software package to increase productivity, accuracy and transparency of the operations



General Manager

FINANCIAL HIGHLIGHTS

FOR THE YEAR

(Rs. '000)

	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>
Revenue	741,553	750,374	510,004	530,975	493,551
Profit / (Loss) Before Tax	157,030	150,582	13,480	29,694	16,594
Net Profit / (Loss) for the Year	122,783	124,017	5,489	33,385	3,220
Total Comprehensive income	147,631	117,494	18,821	109,726	(4,475)

AS AT YEAR END

(Rs. '000)

	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>
Shareholder's Funds	1,068,519	950,888	831,378	771,646	669,834
Working Capital	798,299	685,183	528,312	477,360	419,904
Total Assets	1,183,605	1,099,694	948,648	892,603	757,572
Staff Cost	351,356	325,078	303,310	292,861	230,782
No of Employees (No)	336	325	333	328	333

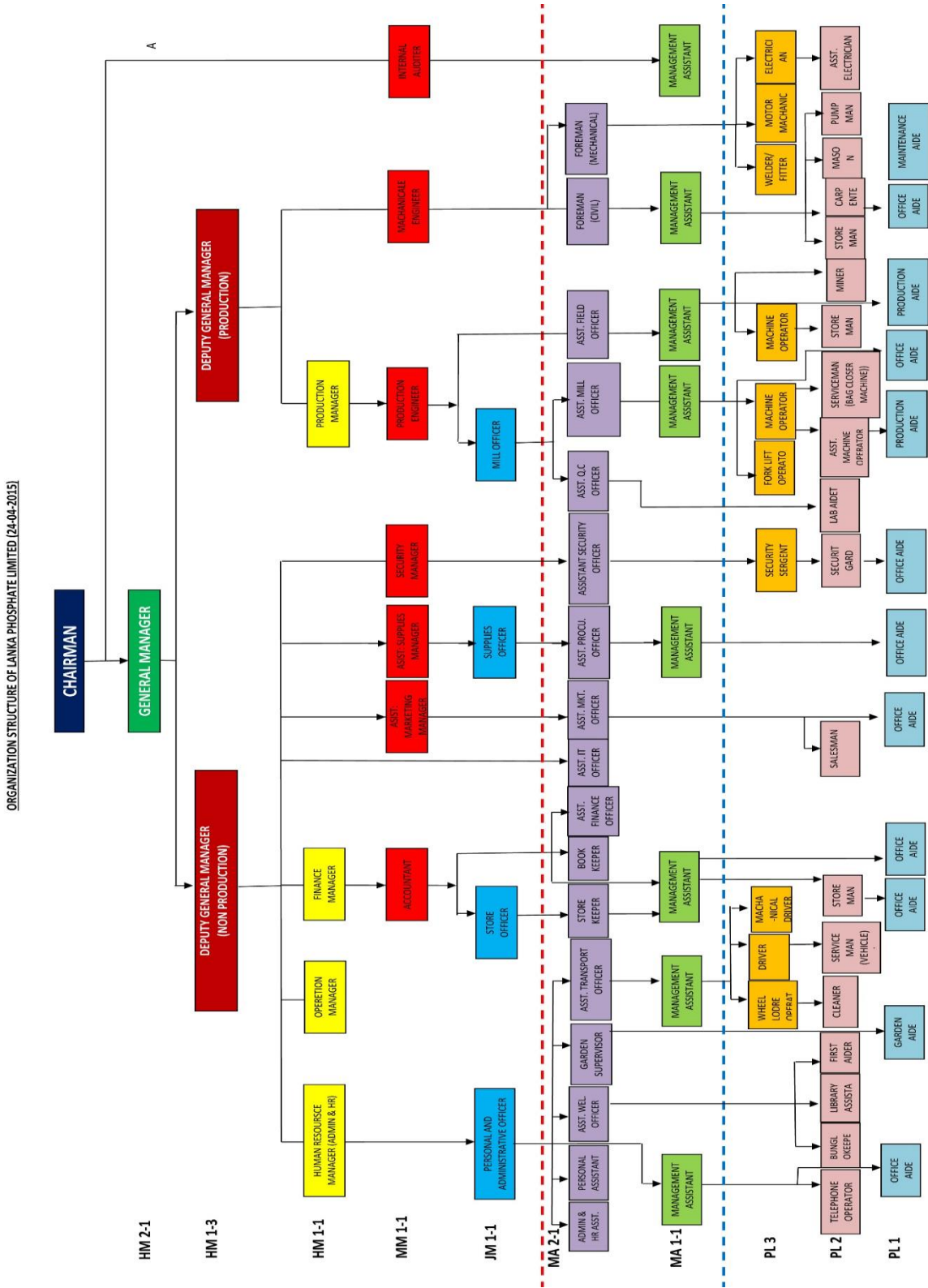
PER SHARE

	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>
Earnings (Rs.)	16.93	17.10	0.76	4.68	0.44

RATIOS

	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>
GP Ration	46.8%	46%	37%	35.6%	36%
PBT Ratio	21.2%	20.1%	2.6%	5.6%	3.4%
Current Ratio (Times)	13.97	10.70	14.56	11.67	11.09
Return on Shareholders' Funds (%)	11.49%	13.04%	0.66%	4.33%	0.48%

Organizational Structure



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
		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

COMPOSITION

The Audit & Management Committee is appointed by the Board of Directors and it is responsible to the Board. The Chairman of the Committee is the Director who represents the General Treasury. The Director representing the Line Ministry and another Non-Executive Director are the other members of the Committee. Also 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 Three times during the year of 2021/22 due to limitations imposed by Covid 19 pandemic and discussed the issues placed before the Committee. The Committee reviewed and evaluated the quarterly Internal Audit Reports submitted by the Internal Auditor and the existing controls in order to make recommendations to the Board of Directors.

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.



Chairman
Audit and Management Committee
Lanka Phosphate Ltd

REPORT OF THE AUDITORS



ජාතික විගණන කාර්යාලය தேசிய கணக்காய்வு அலுவலகம் NATIONAL AUDIT OFFICE



මගේ අංකය } IMT/A/LPL/FA/2021-22/07
எனது இல. }
My No. }

ඔබේ අංකය }
உமது இல. }
Your No. }

දිනය } 2022 නොවැම්බර් 08 දින
திகதி }
Date }

සභාපති,
ලංකා පොස්පේට් සමාගම

ලංකා පොස්පේට් සමාගමේ (“සමාගම”) 2022 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තෛක්‍ෂික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 මතය

ලංකා පොස්පේට් සමාගමේ 2022 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 2022 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 2022 මාර්තු 31 දිනට මූල්‍ය තත්ත්වය සහ එදිනෙන් අවසන් වර්ෂය සඳහා එහි මූල්‍ය ක්‍රියාකාරිත්වය හා මුදල් ප්‍රවාහ ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතීන්ට 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 2021 වාර්ෂික වාර්තාවේ ඇතුළත් අනෙකුත් තොරතුරු

මෙම විගණන වාර්තාවේ දිනට පසුව මට ලබාදීමට බලාපොරොත්තු වන සමාගමේ 2021 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 ලබා ගත හැකි වූ විට කියවීම සහ එසේ කිරීමේදී අනෙකුත් තොරතුරු මූල්‍ය ප්‍රකාශන සමඟ හෝ විගණනයේදී හෝ වෙනත් ආකාරයකින් ලබාගත් මගේ දැනුම අනුව ප්‍රමාණාත්මක වශයෙන් නොගැලපෙනවාද යන්න සලකා බැලීමයි.

සමාගමේ 2021 වාර්ෂික වාර්තාව කියවන විට, එහි ප්‍රමාණාත්මක වරදවා දැක්වීම් ඇති බව මම නිගමනය කළහොත්, නිවැරදි කිරීම සඳහා පාලනය කරන පාර්ශවයන් වෙත එම කරුණු සන්නිවේදනය කළ යුතුය. තව දුරටත් නිවැරදි නොකළ වරදවා දැක්වීම් තිබේ නම්, ඒවා ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මා විසින් යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලබන වාර්තාවට ඇතුළත් කරනු ඇත.

1.4 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම

මෙම මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට 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, 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 දරණ ජාතික විගණන පනතේ 16 (1) උප වගන්තිය ප්‍රකාරව, සමාගමේ 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 සැමවිටම 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 ප්‍රමාණාත්මක භාවය 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 හඳුනා ගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලැසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්ස්ථානායෝගී, ව්‍යාජ ලේඛන සැකසීමෙන්, වේතනාන්විත මහභූරීමෙන්, 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 අදාලත්වය තීරණය කරන ලදී. ප්‍රමාණවත් අවිනිශ්චිතතාවයක් ඇති බවට මා නිගමනය කරන්නේ නම් මූල්‍ය ප්‍රකාශනවල ඒ සම්බන්ධයෙන් වූ හෙළිදරව් කිරීම් 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 කිරීම් 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 නෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

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

2.1.1 2007 අංක 7 දරණ සමාගම් පනතේ 163 (2) වගන්තියේ සහ 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවන් අනුව, විගණනය සඳහා අවශ්‍ය සියළු 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 දරණ 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 දරණ ජාතික විගණන පනතේ 6 (i) (ඇ) (iv) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව 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 දරණ ජාතික විගණන පනතේ 12 (ඇ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට සමාගම සම්බන්ධවී යම් ගිවිසුමක් සම්බන්ධයෙන් සෘජුව හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්ත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.

2.2.2 2018 අංක 19 දරණ 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 දරණ 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 දරණ ජාතික විගණන පනතේ 12 (ඌ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ සම්පත් සකසුරුවීම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීතිවලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර නොමැති බව

2.3 වෙනත් කරුණු

පහත සඳහන් නිරීක්ෂණයන් කරනු ලැබේ.

(අ) 2014 වර්ෂයේදී රු.43,435,115ක් වැයකර මිලදීගත් 6 Roller (TGM 160) නව මිලි යන්ත්‍රය 2021 අගෝස්තු වන විටත් ස්ථාපනය කිරීම හෝ නිෂ්පාදනයට දායක කර ගැනීමට සමාගම කටයුතු කර නොතිබුණු අතර, 2021 සැප්තැම්බර් මාසයේ සවිකිරීම ආරම්භ කර 2022 සැප්තැම්බර් වන විට නිෂ්පාදනයට දායක කර ගැනීමට පරීක්ෂණ මට්ටමේ පැවතිණි. 2022 මාර්තු 31 වන විට මේ වෙනුවෙන් රු.37,366,525 ක වැයක් දරා තිබූ අතර, එම වියදමෙහි ඇතුළත් යන්ත්‍රය සවිකිරීම් ලෙස තිබූ රු.7,440,000ක වියදමට අදාළව කිසිදු ඉදිකිරීම් කටයුත්තක් සිදු වී නොතිබුණා මෙන්ම එම වියදම සම්බන්ධයෙන් විගණනයට නිශ්චිත අනාවරණයක්ද සිදු නොවුණි.



එසේම 2022 මාර්තු 31 දිනට එප්පාවල ගබඩාවේ TGM 160 යන්ත්‍ර සඳහා මිලදී ගත් රු.43,474,868ක අමතර කොටස් පැවති අතර ඒ තුළ 2017 වර්ෂයේ සිට භාවිතයට නොගත් වටිනාකම රු.5,243,502ක් වූ අමතර කොටස් පැවතිණි. මෙම කොටස් නව යන්ත්‍රය සකස් කිරීම සඳහා යොදා නොගත්තේ මන්දැයි විගණනයේදී මතභේදයට තුඩු දෙන කරුණක් වූ අතර, මෙම යන්ත්‍රය සඳහා රු.15,597,212ක් වටිනා අමතර කොටස් සමාලෝචිත වර්ෂයේ දී අළුතෙන් මිලදී ගෙන තිබුණි.

(ආ) ඉදිකරමින් පැවති මෙම TGM 160 මිලි යන්ත්‍රය සඳහා Conveyor Belt අඩි 80 (18"-05ply)ක් රු.172,800ක් වැයකර මිලදී ගෙන තිබුණු අතර, ස්ථානීය පරීක්ෂාවේදී එය පළදු සහිත ස්ථාන පුරවා නැවත සකස් කර ඇති බවත් ඉරිතැලි පළදු නිබීම හේතුවෙන් ඉදිකරමින් පවතින නව යන්ත්‍රයට සවි කිරීමට සුදුසු නොවීම නිසා එය ගබඩාවේ රඳවා පවතින බවත් දක්නට ලැබුණි. ඒ වෙනුවට ගබඩාවේ දැනට පවතින 2017 වර්ෂයේ දී මිලදී ගන්නා ලද (20*12mm) Conveyor Belt අඩි 154න් 62ක් මේ සඳහා යොදාගත තිබුණි. ගබඩාවේ හොඳ තත්ත්වයේ Conveyor Belt අඩි 154 ක් තිබියදී මෙසේ රු.172,800ක නිශ්කාර්ය වැයක් දරා තවත් Conveyor Belt අඩි 80ක් මිලදී ගැනීම හා ගන්නා ලද අයිතම භාවිතයට නුසුදුසුවීම විගණනයේදී මතභේදයට තුඩු දෙන කරුණක් විය.

(ඇ) ඉහල යන පොහොර ඉල්ලුමට ප්‍රමාණවත් පරිදි පොහොර සැපයීමට හා පොහොර ආනයන වියදම අඩුකිරීම යන කරුණු පදනම් කර ගනිමින් රු.34,654,178 කට නව යන්ත්‍රයක් ලෙස පාවිච්චි කරන ලද ක්‍රමය යන්ත්‍ර 02ක් 2014 වර්ෂයේ මිලදී ගෙන තිබූ බව හා එම යන්ත්‍රයන්හි කිසිම කොටසක එහි වර්ගය, මාදිලිය, නිෂ්පාදන සමාගම හෝ නිෂ්පාදිත රට පිළිබඳව තොරතුරු අඩංගු නොවන බව එවකට සිටි නිෂ්පාදන කළමනාකරු විසින් ඡායා රූපමය සාක්ෂි සහිතව හා ලිඛිතව සාමාන්‍යාධිකාරීට දැනුම් දී තිබුණි. මෙම යන්ත්‍ර ස්ථාපිත දින සිට 2022 සැප්තැම්බර් 30 දින දක්වා කිසිදු ප්‍රයෝජනයකට ගෙන නොතිබුණි. තවද මිලදී ගැනීමේදී නව ක්‍රමය යන්ත්‍ර වෙනුවට පාවිච්චි කරන ලද යන්ත්‍ර මිලදී ගැනීමෙන් පොස්පේට් සමාගමට වූ අලාභය, එදින සිට භාවිතයට නොගැනීම වෙනුවෙන් වගකිව යුතු පුද්ගලයන් හඳුනා ගැනීමට හා අලාභයන් අයකර ගැනීමට සමාගමේ බලධාරීන් මෙතෙක් කටයුතු කර නොතිබුණි.

එසේම මෙම යන්ත්‍රය 2014 වර්ෂයේ සිට අනාරක්ෂිතව තැබීම නිසා මේ වන විට යන්ත්‍රය විනාශ වී තිබුණු අතර මෙම යන්ත්‍රය නිසි පරිදි ක්‍රියාත්මක නොවීම හේතුවෙන් යන්ත්‍රය මිලදීගත් සමාගම වෙත ගෙවිය යුතු රු.4,386,358ක් වූ රඳවාගැනීම් මුදලද නිදහස් කර නොතිබුණි.

(ඈ) සිංගල් සුපර් පොස්පේට් නිෂ්පාදනය සඳහා 2007 ජනවාරි 29 වන දින අමාත්‍ය මණ්ඩල අනුමැතිය ලබා දී තිබුණි. එප්පාවල නිධියේ ඇපට්සිට් භාවිතා කරමින් ආනයනය කරනු ලබන ත්‍රිත්ව සුපර් පොස්පේට් පොහොරවලට ආදේශකයක් ලෙස නැතෝ තාක්ෂණය යොදාගෙන

සිංගල් සුපර් පොස්පේට් නිෂ්පාදනය කිරීම සඳහා 2018 සැප්තැම්බර් 18 දිනැති අංක 18/2146/820/025 -I දරන ලිපියෙන් අමාත්‍ය මණ්ඩල අනුමැතිය නැවතත් ලබා දී තිබුණි. සිංගල් සුපර් පොස්පේට් නිෂ්පාදනය කිරීම සඳහා සල්ෆර් නම් ආනයනික පොහොරක් මිශ්‍ර කළ යුතු අතර, 2021 වර්ෂයේ දී ආනයනික පොහොර ගෙන්වීම වැළැක්වීමේ රාජ්‍ය ප්‍රතිපත්ති මත නැවතත් මෙම ව්‍යාපෘතිය ආරම්භ කිරීම කල්දැම්මට හේතු වී තිබුණි. අමාත්‍ය මණ්ඩල අනුමැතීන් ලබා තිබුණ ද, මෙම ව්‍යාපෘතිය මෙතෙක් ආරම්භ කර නොතිබුණි. එසේ වුවද 2020 හා 2021 වර්ෂයේ දී පොස්පේට් සමාගම මේ සඳහා රු.1,993,343ක් වියදම් කර තිබුණු අතර, ඉන් සියයට 84කට ආසන්න ප්‍රමාණයක් එනම් රු.1,673,984ක් වියදම් කර තිබුණේ ව්‍යාපෘති උපදේශක කමිටු වලට නව සම්බන්ධීකාරක ගෙවීම් සඳහා ය. මේ වන විට ආනයනික පොහොර ගෙන්වීමේ රාජ්‍ය ප්‍රතිපත්තිය වෙනස් වී තිබුණ ද, මෙම ව්‍යාපෘතියේ වැඩ කටයුතු ව්‍යාපෘතිය අනුමත කර වසර 15ක් ඉක්ම ගොස් තිබුණ ද, මේ වන තෙක් ආරම්භ කිරීමට කටයුතු කර නොතිබුණි.

- (ඉ) ලංකා පොස්පේට් සමාගම විසින් ජාතික ප්‍රසම්පාදන මාර්ගෝපදේශය යටතේ 2022 වර්ෂය සඳහා පොහොර ඇසුරුම් මළු 1,200,000 මිලදී ගැනීමට පලකළ LPL/SUP-HO/FI-BID/2022/05 ටෙන්ඩර් දැන්වීමට ආයතන 04ක් අයදුම් කර තිබුණි. එහිදී දෙවන වැඩි මිල ඉදිරිපත්කර තිබූ Lanka Polysacks (Pvt) Ltd ආයතනය වෙත 2022 පෙබරවාරි 28 දින රු.86 බැගින් පොහොර මළු 1,200,000ක් රු.103,200,000කට ලබාදීමට පොස්පේට් සමාගම විසින් කොන්ත්‍රාත් ප්‍රදානය කිරීමේ ලිපිය ලබා දී තිබුණි. එසේ වුවද 2006 ප්‍රසම්පාදන මාර්ගෝපදේශ සංග්‍රහයේ 8.9.1 වගන්තියේ විධිවිධාන ප්‍රකාරව ප්‍රතිග්‍රහණ ලිපියක් නිකුත් කළ පසු විධිමත් කොන්ත්‍රාත් ගිවිසුමක් ලියා අත්සන් කර නොතිබුණු අතර 5.4.10 වගන්තිය ප්‍රකාරව වගකීම් පිළිබඳ බැඳීම් ආවරණය කර ගැනීමට කාර්යසාධන සුරක්ෂණයක් ලබා ගෙන නොතිබුණි. එසේ නොකිරීම නිසා ඇසුරුම් මළු 26,400ක ප්‍රමාණයක් රු.86 බැගින් ලබා දී ඉන් පසු ඇසුරුම් මල්ලක මිල රු. 120 දක්වා වැඩිකර තිබුණි. එම මිලට ඇසුරුම් මළු මිලදී ගැනීමට කැබිනට් අනුමැතිය ලබාගත යුතු බව අමාත්‍යාංශ ලේකම්තුමා විසින් දන්වා තිබුණද සමාගම විසින් කැබිනට් අනුමැතියක් ලබා නොගෙන රු.120 මිලට මළු 97,900ක ප්‍රමාණයක් ලබාගෙන තිබුණි.

ඇසුරුම් මළු 1,200,000 මිලදී ගැනීමට අදාළ ප්‍රසම්පාදනයේ පවතින ලද ගැටළු හේතුවෙන් , ටෙන්ඩරය අහෝසි කර පොහොර ඇසුරුම් මළු 300,000ක් සඳහා ආයතන 09ක් වෙත විද්‍යුත් තැපෑල මගින් සීමිත ලංසු කැඳවීමක් (LPL/SUP-HO/FI-LQ2022/07) කර තිබුණි. මෙහිදී Lanka Polysacks (Pvt) Ltd පමණක් ලංසු ඉදිරිපත් කිරීම නිසා 2022 මැයි 09 දින එකක් රු.137.20 බැගින් පොහොර මළු 300,000 ක් (රු.41,160,000) මිලදී ගැනීමට ප්‍රතිග්‍රහණ ලිපියක් ලබා දී තිබුණ ද, 2006 ප්‍රසම්පාදන මාර්ගෝපදේශ සංග්‍රහයේ 5.4.10 හා 8.9.1 වගන්තිය ප්‍රකාරව පිළිවෙලින් කාර්යසාධන සුරක්ෂණයක් හා ලිඛිත ගිවිසුමකට එළඹ



නොතිබුණි. මෙහිදී ඇසුරුම් මළ 100,000 ක් පමණක් රු.137.20 බැගින් ලබාදී තිබුණද, ඇසුරුම් මල්ලක මිල වැඩිකර මළ 200,000 ක ප්‍රමාණයක් රු. 147.28 බැගින් ලබාදී තිබුණි.


මේ අනුව පොහොර ඇසුරුම් මළ 1,200,000 මිලදී ගැනීමට සිදුකළ LPL/SUP-HO/FI-BID/2022/05 ටෙන්ඩරය සඳහා බැගයක් රු.86 බැගින් මිලදී ගැනීමට 2006 ප්‍රසම්පාදන මාර්ගෝපදේශ සංග්‍රහයේ 8.9.1 වගන්තිය ප්‍රකාරව ලිඛිත ගිවිසුමකට හා 5.4.10 වගන්තිය ප්‍රකාරව කාර්යසාධන සුරක්ෂණයක් ලබා නොතිබීම නිසා ඇසුරුම් මළ 424,300ක් මිලදී ගැනීමට රු.36,489,800ක් ගෙවීම වෙනුවට විවිධ මිල ගණන් යටතේ රු.57,194,000ක් ගෙවීමෙන් සමගමට රු.20,704,600ක පාඩුවක් වී තිබුණි.

- (ඊ) 2014 පෙබරවාරි 14 දින රු.21,226,633ක ප්‍රාග්ධන වියදමක් දරමින් වාරියපොල පොල් පොහොර ව්‍යාපෘතිය ආරම්භ කර තිබුණු අතර පොල් පොහොර නිෂ්පාදනයට අමතරව 2021 පෙබරවාරි මස සිට රබර් වගාව සඳහා ද 12.14.14 සහ 15.15.07 යන පොහොර වර්ග නිෂ්පාදනය මෙහි ආරම්භ කර තිබුණි. රජය විසින් කාබනික පොහොර වගාවන් ප්‍රවලිත කිරීම සඳහා රසායනික පොහොර භාවිතය නවතා දැමීමේ ප්‍රතිපත්තියට සමගාමීව වාරියපොල පොල් පොහොර නිෂ්පාදනාගාරයේ නිෂ්පාදන කටයුතු 2021 මැයි 05 දින සිට නවතා දමා තිබුණි.

මෙම ව්‍යාපෘතිය සඳහා මසකට රු.25,000ක කුලියකට එළඹව ලබාගත් ඉඩමට 2018 වසරෙන් පසු බදු කුලී ගිවිසුම දීර්ඝ කරගෙන නොතිබුණු අතර 2022 මාර්තු 31න් අවසන් වර්ෂය සඳහා රු.300,000ක බදු මුදලක් ඉඩම් හිමිකරුට ගෙවීමට තිබුණි. ඉඩමේ හිමිකරු 2022 සැප්තැම්බර් 22 දින පොස්පේට් සමාගමට මෙම භූමියට ඇතුළත් වීම වළක්වා තිබූ අතර මෙම ස්ථානයේ නිෂ්පාදන කටයුතු කරගෙන යාමට අවශ්‍ය වටපිටාව 2022 ඔක්තෝබර් 25 දින වන විටත් හිමිකරු සමඟ සාකච්ඡා කර නිරවුල් කරගෙන නොතිබුණි. මෙම ස්ථානයෙන් පොල්පොහොර ව්‍යාපෘතිය ඉවත් කර ගැනීමට සිදු වුවහොත් සමාගම විසින් මෙම ඉඩමේ රු.මිලියන 17.5ක් වැයකර ඉදිකරන ලද ගොඩනැගිල්ල හා රු.150,000ක් වටිනාකම ඇති පොල් පොහොර මිශ්‍රණ යන්ත්‍රයේ පිරිවැයද සමාගමට අහිමි වීමේ ප්‍රවණතාවක් පවතී.

- (උ) සමාලෝචිත වර්ෂයේදී රු.37,170,668ක් වූ මුළු ණයගැති ශේෂ තුළ 2005 වර්ෂයේ සිට පැවත එන හඳුනා නොගත් රු.2,475,958ක ණයගැති ශේෂයන් පැවතිණි. තවද මුළු ණයගැති ශේෂයේ ඇතුළත් වාරියපොල පොල් පොහොර ව්‍යාපෘතියේ රු.1,421,517ක් වූ ණයගැති ශේෂය තුළ වර්ෂ 3කට වැඩි රු.1,374,567ක ශේෂයන් හා එප්පාවල පොස්පේට් සමාගමේ රු.46,328,225 ක් වූ ණයගැති ශේෂය තුළ වසර වර්ෂ 6කට වැඩි රු.8,941,225ක අයකර නොගත් ණය ශේෂයන් පැවතිණි. මෙම ණයගැති ශේෂයන් අයකර ගැනීමට සමාගම කටයුතු කර නොතිබුණි.

- (ඌ) 2022.03.31 දිනට එජපාවල තොග ගබඩාවේ වටිනාකම රු.101,972,213ක් වූ අමතර කොටස් පැවති අතර තොග ශේෂයන් පිළිබඳව සොයා බැලීමකින් තොරව මිලදී ගැනීම නිසා, TGM 160 මිලී යන්ත්‍රය සඳහා Kefild ආයතනයෙන් මිලදී ගත් අමතර කොටස් ඇතුළු රු.15,841,532.93ක අමතර කොටස් 2017 වර්ෂයේ සිට 2022 ජුනි 30 දින දක්වා කිසිදු ප්‍රයෝජනයකට නොගෙන ගබඩාවේ පැවතිණි.
- (එ) සමාගමේ ක්‍රියාකාරී සැලැස්මට අදාළ ප්‍රගතිය පරීක්ෂාවේදී ක්‍රියාකාරකම් 20 කින් 07 ක් සිදුකර නොතිබුණු අතර 06 ක ප්‍රගතිය සියයට 1ක සිට සියයට 35 ක් අතර පරාසයක් ගෙන තිබුණි.
- (ඒ) සමාගමේ අනුමත කාර්ය මණ්ඩලයට අදාළව ද්විතියික මට්ටමේ තනතුරු 8ක හා ප්‍රාථමික මට්ටමේ තනතුරු 13ක් සඳහා පිළිවෙලින් පුරප්පාඩු 9ක් හා 38ක් පැවති අතර, කම්කරු තනතුරු සඳහා එක් සේවකයෙකු හා නිෂ්පාදන සහායක තනතුර සඳහා දෛනික පදනම මත සේවය කල සේවකයින් 37 දෙනෙකු අනුමත සේවක සංඛ්‍යාව ඉක්මවා බඳවාගෙන තිබුණි.
- (ඔ) සමාගමේ බඳවා ගැනීමේ පරිපටිය පරිදි අභ්‍යන්තර පත් කිරීම් සඳහා ද අයදුම්පත් කැඳවා සම්මුඛ පරීක්ෂණ පවත්වා විනිවිදභාවයකින් පත්වීම් ලබාදීම හා තනතුරකට අදාළව සුදුසුකම් සපුරා තිබිය යුතු වුවත් එවැනි ක්‍රියා පරිපාටියක් අනුගමනය නොකර අධ්‍යක්ෂ මණ්ඩල අනුමැතිය මත 2022 මැයි 26 දින සිට අභ්‍යන්තර බඳවා ගැනීම් ලෙස සමාගමේ ප්‍රාථමික මට්ටමේ සේවකයින් 7 දෙනෙකු සඳහා සමාන තනතුරු ද, සේවකයින් 25 දෙනෙකු සඳහා ඉහළ තනතුරු ද ලබා දී තිබුණි. එම තනතුරු වලට අදාළව සුදුසුකම් සපුරා නොතිබුණු 23 දෙනෙකු වෙනුවෙන් වසරක කාලයක් එම සුදුසුකම් සපුරා ලීමට අවසරයද ලබාදී තිබුණි.
- (ඕ) පිරිවැය රු.3,670,000 ක් වූ යතුරු පැදි 2ක්, වීල්ලෝඩරයක් සහ පිරිවැය රු.2,200,000 ක් වූ ඩබල් කැබ් රථයක් දීර්ඝ කාලයක සිට ධාවනයෙන් ඉවත් කර 2022 සැප්තැම්බර් 30 දින වන විටත් සමාගම් පරිශ්‍රය තුළ නිෂ්කාර්යව රඳවා තිබුණි.
- (ක) සමාලෝචිත වර්ෂයේ අයවැයගත ආදායම රු.916,499,400ක් වුවද, තත්‍ය ආදායම රු.741,553,282 ක් වීම හේතුවෙන් අයවැයගත ආදායමට වඩා රු.174,946,120ක් අඩුවෙන් තත්‍ය ආදායම ලැබී තිබුණි. මෙයට ප්‍රධාන හේතුව වී තිබුණේ HERP පොහොර අයවැයගත ආදායමට වඩා තත්‍ය ආදායම රු.26,444,781 කින් අඩුවීම හා පොහොර මිලිගනුවලින් අපේක්ෂා කළ ආදායම රු.152,242,825කින් අඩු වීමයි.


 ඩබ්ලිව්.පී.සී. වික්‍රමරත්න
 විගණකාධිපති

LANKA PHOSPHATE LIMITED
COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD ENDED Mar 31st 2022

	Note	31st Mar, 2022	31st Mar, 2021	Variance
Revenue	17	741,553,282	750,374,365	(8,821,083)
Cost of Sales	18	(394,462,952)	(404,998,186)	10,535,234
Gross Profit		347,090,330	345,376,179	1,714,151
Factory & Administrative Overheads	19	(211,834,241)	(213,959,775)	2,125,534
Selling and Distribution Cost	20	(15,203,221)	(10,034,935)	(5,168,286)
Finance Cost	21	(87,359)	(425,040)	337,681
Profit from operation		119,965,510	120,956,430	(990,920)
Other Income	22	37,064,579	29,626,039	7,438,540
Profit Before Taxation		157,030,089	150,582,469	6,447,621
Income Tax Expenses	23	(34,247,300)	(26,565,277)	(7,682,023)
Profit for the Year		122,782,789	124,017,192	(1,234,403)
Other Comprehensive Income				
Deferred tax liability on revaluation of PPE	25	806,501	5,502,938	(4,696,437)
Actuarial loss on retirement benefit obligations		24,041,442	(12,025,911)	36,067,353
Total Other Comprehensive Income for the year		24,847,943	(6,522,973)	31,370,916
Total Comprehensive Income for the year		147,630,732	117,494,219	30,136,513
Earnings Per Share (Rs)	26	16.93	17.10	(0.17)

The Accounting Policies on page 16 to 23 and Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

LANKA PHOSPHATE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT Mar 31st 2022

(Expressed in Sri Lankan Rupees)

	Note	31st March, 2022	31st March, 2021 (Re-Stated)	Variance
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	5	322,800,259	342,927,249	(20,126,990)
Investment in Equity (GSMB Tech. Services (Pvt) Ltd)	6	1,000,000	1,000,000	-
		323,800,259	343,927,249	(20,126,990)
Current Assets				
Inventories	7	135,586,812	107,190,952	28,395,860
Trade Receivables	8	37,170,668	64,756,536	(27,585,868)
Deposits, Prepayments and Other Receivables	9	58,541,717	60,823,750	(2,282,033)
Fixed Deposits and Treasury Bills	10	580,879,811	461,124,816	119,754,995
Cash and Cash Equivalents	11	47,626,120	61,870,868	(14,244,748)
		859,805,128	755,766,922	104,038,206
Total Assets		1,183,605,387	1,099,694,171	83,911,216
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	12	72,510,000	72,510,000	-
Revaluation Reserves		134,762,275	133,955,774	806,501
Retained Earnings		861,246,731	744,422,502	116,824,229
Total Equity		1,068,519,006	950,888,275	117,630,730
Non - Current Liabilities				
Retiring Benefit Obligations	13	31,310,870	56,318,245	(25,007,375)
Deferred Tax Liability	14	22,269,086	21,903,935	365,150
		53,579,956	78,222,180	(24,642,225)
Current Liabilities				
Trade Payables		1,684,376	9,747,690	(8,063,314)
Income Tax Payable	15	25,765,717	17,673,641	8,092,076
Other Payables and Accrued Expenses	16	34,056,333	43,162,385	(9,106,052)
		61,506,426	70,583,716	(9,077,290)
Total Equity and Liabilities		1,183,605,387	1,099,694,171	83,911,216

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 16 to 23 and Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

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

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



Chairman

Colombo, 19th Jul 2022



Director

Colombo, 19th Jul 2022

LANKA PHOSPHATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED Mar 31st 2022
(Expressed in Sri Lankan Rupees)

	Stated Capital	Revaluation Reserves	Retained Earnings (Re-stated)	Total (Re-stated)
Balance as at April 01, 2020 (Previously Reported)	72,510,000	128,452,836	630,415,254	831,378,089
Adjustment - Unclaimed Trade Creditors - (Note 24)	-		7,015,967	7,015,967
Balance as at April 01, 2020 (Re- Stated)	72,510,000	128,452,836	637,431,221	838,394,056
Profit for the Period	-	-	124,017,192	124,017,192
Deferred tax liability on revaluation of PPE		5,502,938	-	5,502,938
Actuarial Loss on retirement benefit obligation	-	-	(12,025,911)	(12,025,911)
Dividends Paid During the Period	-	-	(5,000,000)	(5,000,000)
Balance as at March 31, 2021	72,510,000	133,955,774	744,422,502	950,888,275
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 - (Note 25)		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 Mar 31, 2022	72,510,000	134,762,275	861,246,731	1,068,519,007

The Accounting Policies on page 16 to 23 and Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

LANKA PHOSPHATE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED Mar 31, 2022

	(Expressed in Sri Lankan Rupees)	
	Mar 31st 2022	Mar 31st 2021
Cash Flow from Operating Activities		
Profit Before Taxation	157,030,089	150,582,469
Adjustments for ;		
Depreciation	42,132,556	41,316,039
Retiring Benefit Obligations	552,177	8,172,671
Recognised Actuarial loss / (Gain)	-	-
Provision for Obsolete Items	3,421,598	-
Provision for Impairment	3,450,000	-
Interest Income	(30,638,969)	(26,947,471)
Dividend Income	(500,000)	-
ESC Write-off	-	2,278,392
Operating Profit Before Working Capital Changes	175,447,451	175,402,100
Working Capital Changes		
Inventories	(34,363,360)	(2,921,003)
Trade Receivables	27,585,868	(29,587,368)
Deposits, Prepayments and Other Receivables	2,282,033	(4,919,934)
Trade Payables	(8,063,314)	6,274,051
Other Payables and Accrued Expenses	(9,106,052)	14,677,743
Cash Generated from / (used In) Operations	153,782,626	158,925,588
Income Tax Paid	(24,983,572)	(8,603,704)
Payment of Retirement Benefit Obligation	(1,518,110)	(7,817,778)
Net Cash Flow from / (used in) Operating Activities	127,280,944	142,504,107
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(6,686,075)	(3,881,307)
Capital work-in-Progress	(16,223,589)	-
Interest Received	30,638,969	26,947,471
Increase in Shortterm Deposits	(119,754,996)	(124,676,966)
Dividend Received	500,000	-
Net Cash Flow from Investing Activities	(111,525,690)	(101,610,803)
Cash Flow from Financing Activities		
Dividend Paid	(30,000,000)	(5,000,000)
Net Cash used in Financing Activities	(30,000,000)	(5,000,000)
Net Changes in Cash and Cash Equivalents During the Year	(14,244,747)	35,893,304
Cash and Cash Equivalents at Beginning of the Year	61,870,868	25,977,564
Cash and Cash Equivalents at End of the Year (Note 11)	47,626,121	61,870,868
Cash and Cash Equivalents at End of the Year Represented by ;	Mar 31, 2022	Mar 31, 2021
Cash in Hand and Bank	47,626,121	61,870,868
	-	-
	47,626,121	61,870,868

The Accounting Policies on page 16 to 23 and Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

LANKA PHOSPHATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31,2022

(Expressed In Sri Lankan Rupees)

5 Property, Plant and Equipment

Cost / Revaluation	Balance as at April 01,2021	Addition	Disposal	Balance as at 31st Mar, 2022
Buildings	149,755,588.94	492,532.28		150,248,121
Internal Roads	65,139,730.22			65,139,730
Plant and Machinery	88,955,050.00	1,056,948		90,011,998
Motor Vehicles	96,515,000.00	-		96,515,000
Office & Equipment	7,235,569.17	187,023		7,422,593
Electrical Equipment	571,726.17	2,218,326		2,790,052
Furniture and Fittings	7,952,764.16	459,094		8,411,858
Computer Hardware and Software	6,089,315.00	2,345,409		8,434,724
	422,214,744	6,759,332	-	428,974,076

Depreciation	Balance as at April 01,2021	Charge for the Year	Transfer	Balance as at 31st Mar, 2022
Buildings	11,826,193	5,990,224		17,816,417
Internal Roads	22,646,062	3,247,924		25,893,986
Plant and Machinery	17,784,331	8,904,952		26,689,283
Motor Vehicles	38,606,000	19,303,000		57,909,000
Office Equipment	2,835,896	1,471,458		4,307,354
Electrical Equipment	54,852	146,047.84		200,899.96
Furniture and Fittings	2,927,296	1,644,993		4,572,290
Computer Hardware and Software	1,633,557	1,423,957		3,057,514
	98,314,186	42,132,556	-	140,446,742

Net Book Value	Balance as at April 01,2021	Charge for the Year		Balance as at 31st Mar, 2022
Buildings	137,929,396	(5,497,691)	-	132,431,704
Internal Roads	42,493,668	(3,247,924)	-	39,245,745
Plant and Machinery	71,170,719	(7,848,004)	-	63,322,715
Motor Vehicles	57,909,000	(19,303,000)	-	38,606,000
Office Equipment	4,399,674	(1,284,435)	-	3,115,239
Electrical Equipment	516,874	2,072,278	-	2,589,152
Furniture and Fittings	5,025,468	(1,185,899)	-	3,839,569
Computer Hardware and Software	4,455,759	921,452	-	5,377,210
	323,900,557	(35,373,223)	-	288,527,334

Capital work-in-Progress	Balance as at April 01,2021	Addition	Transfer	Balance as at 31st Mar, 2022
Installation of New Mill	18,953,434	-	(11,513,434)	7,440,000
New TGM 160 Mill	-	29,926,525		29,926,525
Upgration of Power Generating System at Site	-	356,400	-	356,400
New Vehicle Garage	73,258	419,275	(492,532)	-
	19,026,692	30,702,200	(12,005,966)	37,722,925

Total	342,927,249			326,250,259
Provision for Impairment	-	(3,450,000)	-	(3,450,000)
	342,927,249			322,800,259

	2021/22	2020/21
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, 2022

(Expressed in Sri Lankan Rupees)

	<i>31st Mar 2022</i>	<i>2020/21</i>
7 Inventories		
Trade Stocks - Eppawala (Finished goods)	18,916,761	8,939,023.42
(Raw Material)	22,199,493	20,428,571.15
Trade Stocks - Wariyapola	-	4,499,504
Provision for Unrealised profits	-	(550,178)
Other Material Stock - Wariyapola	-	2,377,209
General Stocks	101,700,487	75,305,154
	142,816,741	110,999,283
Provision for Obsolete Stocks	(7,229,929)	(3,808,331)
	135,586,812	107,190,952
TRADE RECEIVABLES		
8 Debtors ERP/HERP Sales - Eppawala	46,328,225	71,447,853
Cash Sales Collection A/C - Eppawala	-	-
Debtors - Coconut Fertiliser Project	1,410,447	3,876,687
(-) Provision for Bad & Doubtful Debts	(10,568,004)	(10,568,004)
	37,170,668	64,756,536
9 Deposits, Prepayments and Other Receivables		
Staff Loans and Advances	44,232,680	37,270,275
Deposit and Prepayments	5,091,398	14,678,101
Interest Receivable from Short Term Investments -FD	9,182,035	8,838,504
Interest Receivable from Short Term Investments -REPO	35,604	36,870
	58,541,717	60,823,750
10 Fixed Deposits and Treasury Bills		
Fixed Deposits	580,879,811	461,124,815
	580,879,811	461,124,815
11 Cash and Cash Equivalents		
Repo - Bank of Ceylon	24,000,000	53,000,000
Cash at Bank	23,496,120	8,720,868
Cash in Hand	126,000	136,000
Stamp Float	4,000	14,000
	47,626,120	61,870,868
11.1 - CASH AT BANK		
BOC - Eppawala (A/C No 004641100)	9,370,437	1,249,023
PB- Eppawala (170-100180000025)	4,574,627	1,615,954
PB - WARIYAPOLA - (A/C No 144-100200000025)	334,689	1,830,144
Boc-Grandpass - (A/C No 0009300713)	9,216,368	4,025,746
	23,496,120	8,720,868
12 Stated Capital		
<i>Issued and Fully Paid</i>		
7,251,000 Ordinary Shares	72,510,000	72,510,000

LANKA PHOSPHATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31, 2022

(Expressed in Sri Lankan Rupees)

	31st March 2022	2020/21
13 Retiring Benefit Obligation		
Balance as at April 01, 2021	56,318,245	43,937,440
Current Service Cost for the period	1,867,198	3,778,927
Past Service Cost	(5,268,562)	-
Interest Cost for the period	3,953,541	4,393,744
During the Year Payment	(1,518,110)	(7,817,778)
Actuarial loss on retirement benefit obligations	(24,041,442)	12,025,911
Balance as at Mar 31, 2022	31,310,870	56,318,245
14 Deferred Tax Liability		
Balance B/F	21,903,935	34,358,741
Recognised in Income Statement	1,171,652	(6,951,868)
Recognised in OCI	(806,501)	(5,502,938)
Balance C/F	22,269,086	21,903,935
15 PROVISION FOR TAXATION		
Balance B/F	17,673,641	-
(+) Provision for the year	33,075,648	33,517,145
(-) Payments during the year	(24,983,572)	(8,603,704)
	25,765,717	24,913,441
<u>Credits</u>		
(-) ESC Receivable	-	(4,715,845)
(-) With Holding tax Receivable	-	(2,523,955)
Balance C/F	25,765,717	17,673,641
16 Other Payables and Accrued Expenses		<i>(Re-Stated)</i>
Accrued Expenses	23,624,532	36,428,896
Other Payable	10,431,801	6,733,489
	34,056,333	43,162,385
17 Revenue		
ERP (50KG)	659,600,865	599,124,595
WARIYAPOLA (ERP) SALES	1,907,394	629,875
UREA SALES	384,000	-
TSP SALES	30,000	-
HERP	67,305,219	117,691,931
ERP (25KG)	1,522,250	9,680
Coconut Fertiliser Sales - Old	117,285	1,080,160
COCONUT FERTILIZER YPM WHOLE SALES	-	1,080,800
COCONUT FERTILIZER YPM RETAIL SALES	28,000	28,000
COCONUT FERTILIZER APM WHOLE SALES	6,506,890	26,275,880
EPPAWALA RUBBER FERTILIZER SALES	1,808,800	-
HERP SALES GOVIJANA SEVA & DEALERS	-	31,250
COCONUT FERTILIZER APM RETAIL SALES	68,600	571,400
MOP	3,000	-
ERP (1KG)	9,450	262,975
ERP SALES GOVIJANA SEVA & DEALERS	1,370,159	3,328,644
ERP SALES (10 KG BAGS)	595,350	259,175
ERP SALES (05 KG BAGS)	296,020	-
	-	-
	741,553,282	750,374,365

18. COST OF SALES	2021/22	2020/21	Variance
OPENING STOCK-TRADING- 01/04/2021	29,367,595	49,027,337	19,659,742
EXPENSE TRANSFERS DURING THE YEAR			
STAFF REMUNERATION-CRUSHER	27,593,680	24,161,809	(3,431,871)
POWER-CRUSHER 1 10%	2,565,816	143,479	(2,422,337)
CRUSHER SPARE PARTS.	138,913	233,634	94,721
PERSONNEL SAFETY EQUIP.	7,512	35,324	27,812
TOOLS & IMPLEMENTS	861,030	2,208	(858,822)
DEPRECIATION-Production	15,041,223	14,892,934	(148,289)
ROYALTY	47,247,383	44,224,542	(3,022,841)
LAB EXPENSES	-	115,572	115,572
LAB BUILDING MAINT.	2,734	1,571	(1,163)
STAFF REMUNERATION	85,736,948	77,390,385	(8,346,563)
POLYPROPYLENE BAGS	71,773,595	53,556,198	(18,217,397)
BINDING HOOKS	582,984	476,226	(106,758)
WEIGH BRIDGE BUILDING	-	-	-
LUBRICANTS	3,169,878	1,712,171	(1,457,707)
POWER 5 ROLLER 75%	23,662,526	20,374,061	(3,288,465)
MILL MAINT.-3- ROLLER	194,910	-	(194,910)
MILL SPEAR PARTS.-5 ROLLER (NEW	7,345,197	10,570,942	3,225,745
MILL SPARES PARTS.-5 ROLLER	6,578,994	811,211	(5,767,783)
160 TGM MILL MAINTENANCE	5,627,315	4,352,501	(1,274,814)
FORKLIFT FUEL	244,073	163,930	(80,143)
FORKLIFT MAINT	578,118	292,494	(285,624)
WHEEL LOADER MAINT.30%	-	9,929	9,929
FORKLIFT FUEL	133,076	198,432	65,355
FORKLIFT MAINT	136,154	274,647	138,493
FORKLIFT FUEL (UNI CARRIER)	327,115	326,499	(617)
FORKLIFT MAINTENANCE (UNI CARRIER)	403,584	204,180	(199,404)
PERSONNEL SAFETY EQUIP.	745,611	253,273	(492,339)
TOOLS & IMPLEMENTS	678,708	505,457	(173,251)
BAG CLOSER MACHINE EXP.	162,843	46,649	(116,194)
STAFF REMUNERATION-QUARRY	12,134,284	10,272,335	(1,861,949)
WHEEL LOADER FUEL	38,038	43,649	5,610
WHEEL LOADER FUEL(NEW)	970,210	1,224,886	254,677
WHEEL LOADER MAINTENANCE	243,036	-	(243,036)
924 K WHEEL LOADER - FUEL	1,847,298	1,494,553	(352,745)
924 K WHEEL LOADER MAINTENANCE	1,869,938	1,628,527	(241,411)
WHEEL LOADER MAINTENANCE (NEW)	730,997	632,420	(98,577)
MINING EQUIP. & MAINT.	69,822	129,751	59,929
COMPRESSOR MAINT.	103,608	188,945	85,338
Oil & Lubricants	181,242	107,443	(73,799)
HIRE OF MACHINERY	6,590,621	8,713,018	2,122,397
PERSONNEL SAFETY EQUIP.	82,142	165,640	83,499
INTERNALTRANS.-TRACTOR 49-7541	62,819	197,878	135,058
INTERNALTRANS-T. 46 SRI 5636	1,985	1,658	(328)
TRAILER -44 Sri 6600	-	49,105	49,105
NEW TRACTOR TRAILOR 1	46,107	182,679	136,573
NEW TRACTOR TRAILOR NO 2	172	-	(172)
NEW TRACTOR TRAILOR NO 3	4,499	-	(4,499)
NEW WATER BOWSER NCGA 4634	3,187	4,236	1,049
TIPPER NCLR 2142	1,324,686	3,778	(1,320,909)
TIPPER - NCLL 6146	519,767	764,074	244,307
WPPL 9354 DRUM TRUCK	252,187	423,703	171,516
NCLS-9309 Dump Truck	122,365	89,452	(32,914)
INTERNALTRANS-TRACTOR 270-0809	97,952	175,574	77,622
INTERNALTRANS-TRACTOR 49-2011	92,329	118,416	26,086
INTERNALTRANS-T. 44 SRI 6603	2,286	2,363	76
INTERNALTRANS-T. 44 SRI 6606	2,286	2,363	76
INTERNALTRANS-T. 44 SRI 6607	2,286	2,363	76
MINING LICENSE	1,591,033	11,443,525	9,852,492
STAFF REMUNERATION	27,943,397	29,250,149	1,306,752
GENERATOR FUEL	815,642	334,868	(480,774)
POWER 5.25%	-	860,876	860,876
GENERATOR MAINTENANCE	12,590	41,465	28,876
MAINT. OF TOOLS & EQUIPMENT	810,742	355,682	(455,060)
Unrealised Profit	(550,178)	419,900	970,078
WORK SHOP	99,807	76,876	(22,931)
CRUSHER BUILDING	40,939	1,280,587	1,239,648
MINING OFFICE	17,125	45,691	28,567
WATER SUPPLY MAINT	184,601	177,939	(6,662)
MILL BUILDING	405,205	13,454	(391,751)
WEIGHING SCALE MAINT.	63,230	67,370	4,140
MEDICAL SCHEME	3,984,122	3,559,265	(424,857)
ANNUAL BONUS	2,316,165	2,364,000	47,835
MEDICAL LEAVE ENCASHMENT	20,991,234	17,911,058	(3,080,177)
WEIGH BRIDGE MAINTENANCE	583,298	462,978	(120,320)
STAFF REMUNERATION-ELECTRICAL	7,065,612	5,313,287	(1,752,325)
Total Expenses	395,310,636	355,928,035	(39,382,601)
	424,678,230	404,955,372	(19,722,858)
CLOSING STOCK-TRADING as at 31.03.2022	(41,116,254)	(29,367,595)	11,748,660
Cost of Sales - LPL	383,561,976	375,587,778	(7,974,199)
Cost of Sales - CFP	10,900,975	29,410,408	18,509,433

19. FACTORY & ADMINISTRATION OVERHEADS	2021/22	2020/21	Variance
STAFF REMUNERATION	21,330,335	34,929,049	13,598,714
STAFF REMUNERATION-ACCOUNTS & FINANCE	11,671,885	8,509,521	(3,162,365)
STAFF REMUNERATION-AUDIT	2,172,087	1,250,320	(921,768)
STAFF REMUNERATION-ESTATE	7,225,597	7,073,566	(152,032)
STAFF REMUNERATION-IT	1,748,802	1,238,275	(510,527)
STAFF REMUNERATION-SECURITY	25,599,469	18,947,856	(6,651,612)
STAFF REMUNERATION-SUPPLIES	4,660,503	3,911,390	(749,113)
STAFF REMUNERATION-TRANSPORT	12,418,564	9,590,467	(2,828,097)
STAFF REMUNERATION-MAIN STORES	18,726,756	14,896,095	(3,830,661)
STAFF WELFARE	10,938,381	14,461,879	3,523,498
POWER 9.75%	2,280,725	7,317,444	5,036,719
VEHICLE HIRING	472,165	695,899	223,734
TRAVELING & SUBSISTENCE	3,749,977	2,938,472	(811,505)
PRINTING & STATIONERY	1,349,474	1,297,866	(51,608)
DEPRECIATION-HO	27,091,333	26,423,105	(668,228)
BOOKS & PERIODICALS	63,227	114,566	51,338
FESTIVAL EXPENSES	-	36,240	36,240
SECURITY ITEMS	100,597	749	(99,847)
SUNDRY EXPENSES	239,388	325,438	86,050
STUDENT SCHOLAR SHIP SCHEME	534,000	430,000	(104,000)
POSTAGE & TELEGRAMS	51,601	42,276	(9,325)
STAFF TRAINING	795,599	962,950	167,351
FIRE EXTINGUISHERS	235,450	35,300	(200,150)
GENERAL STOCK WRITTEN OFF	2,666,987	-	(2,666,987)
MAIN STORES	128,809	86,745	(42,064)
SECURITY BILLET	-	2,276	2,276
SECURITY HUT- 3 [BARRIER]	-	3,333	3,333
SECURITY AND TRANSPORT OFFICE	20,069	55,229	35,160
VEHICAL GARAGE	-	8	8
BICYCLE SHED _1	56,255	360,053	303,798
CANTEEN & WELFARE BUILDING	42,073	67,760	25,687
EXECUTIVE QUARTERS	59,560	3,947	(55,613)
WORKERS QUARTERS near Cannel	3,613	67,629	64,016
GM's QUARTERS	1,420	7,799	6,379
WORKERS QUARTERS Town	1,763	56,024	54,261
Chairman's QUARTERS	45,445	56,632	11,187
S.O.'s QUARTERS	22,500	300	(22,200)
EXPLOSIVE STORES	-	124	124
SERVICE STATION	19,900	-	(19,900)
FIRST AID BUILDING	15,777	15,546	(231)
GENERATOR BUILDING	96,068	43,540	(52,528)
MAIN OFFICE	40,111	97,808	57,697
OFFICE MAINTENANCE	-	34,800	34,800
WORKERS REST ROOM MINING	1,706	71	(1,635)
WORKERS REST ROOM - MILL	30,304	70,898	40,594
DRIVERS' REST ROOM	-	28,050	28,050
G.M./A.G.M. OFFICE	20,550	-	(20,550)
TOILETS	30,202	198,650	168,448
Chairman's/ED'S QUARTERS	6,549	5,230	(1,319)
POWER LINE MAINT.	102,022	26,927	(75,094)
TEL. LINE MAINT.	274,736	31,951	(242,785)
RAW MATERIAL STORES	330	-	(330)
MEDICAL SCHEME	2,656,082	2,372,843	(283,238)
OFFICE EQUIPMENT.	-	139	139
OFFICE UPKEEP & MAINT.	74,965	58,330	(16,635)
ELECTRICAL EQUIPMENT.	1,261,613	1,284,189	22,576
PREMISES/SERVICES	843,239	1,064,886	221,647
COMPUTER S/W & H/W MAINTANCE.	141,413	325,059	183,646
FURNITURE AND FITTINGS MAINT.	-	160	160
TELEPHONE-02549121	19,238	13,279	(5,959)
TELEPHONE-02549290	23,690	22,986	(704)
TELEPHONE-02549400	41,431	52,842	11,411
TELEPHONE-2249601	21,782	26,419	4,636
TELEPHONE-2249647	21,823	32,381	10,559
ACCIDENT INSURANCE	498,378	504,081	5,703
SITE INSURANCE	342,508	399,326	56,818
ANNUAL BONUS	1,544,110	1,576,000	31,890
MEDICAL LEAVE ENCASHMENT	13,994,156	11,940,705	(2,053,451)
STAFF REMUNERATION-HEAD OFFICE	8,299,088	6,395,244	(1,903,844)
AUDIT FEES	311,400	224,362	(87,038)
DIRECTORS FEES	1,014,740	842,615	(172,125)
DIRECTORS EXPENSES	372,625	42,759	(329,866)
TENDER BOARD EXPENSES	91,500	77,750	(13,750)
ELECTRICITY	605,231	691,341	86,110

ADSL/LEASED LINE CHGS	326,512	234,468	(92,044)
Attendance & Payroll System-Monthly Subs	250,728	-	(250,728)
GENERAL EXPENSES	892,523	2,851,138	1,958,615
NEWSPAPERS & PERIODICALS	32,510	40,840	8,330
OFFICE EQUIPMENT MAINTENANCE	-	62,330	62,330
POSTAGE & STAMPS	3,875	7,690	3,815
PRINTING & STATIONARY	691,898	517,591	(174,307)
PROFESSIONAL CHARGES	1,120,000	1,363,750	243,750
RENT-HEAD OFFICE	1,301,086	1,275,483	(25,603)
SECURITY EXPENSES	1,200	-	(1,200)
SECRETARIAL FEES	615,177	426,556	(188,622)
LAND LEASE	609,626	406,418	(203,209)
SSP PROJECT	548,425	1,461,468	913,043
IMPAIRMENT	3,450,000	-	(3,450,000)
STAFF TRAINING	798,419	291,228	(507,191)
TEL 459907	96,661	64,575	(32,086)
TEL 459908	122,592	134,179	11,587
TEL-459906	41,184	61,088	19,904
TEL-459909	29,907	24,292	(5,615)
TRAVELING & SUBSISTENCE	1,330,939	1,367,391	36,452
TELEPHONE BILL REIMBURSEMENT	1,388,559	1,561,963	173,403
WATER	60,693	39,223	(21,471)
TEL 472698	13,079	24,713	11,633
COMPUTER H/W & S/W MAINT:	695,647	1,183,666	488,019
GRATUITY	552,177	8,172,671	7,620,494
DUMP TRUCK VEHI. NO.NCLJ9309	672,335	317,863	(354,472)
AUDIT & MGT.COMM.EXPENNCS	146,640	192,500	45,860
VEHI. No. NC GA 1627	122,303	103,211	(19,092)
VEHI. NO.NCJR 9672	170,613	278,434	107,821
VEHI. NO.NCJR 9680	367,996	274,984	(93,012)
VEHI. NO.NC PA 7906	213,914	207,277	(6,637)
VEHI. NO.252-5963	60,593	48,685	(11,907)
VEHI. NO.154 - 3641	11,087	5,546	(5,541)
VEHI. NO.NCMA-8755	396,963	471,829	74,865
VEHI. BUS.NCNB 5469	164,412	156,517	(7,895)
VEHI. NO.WPPC 6891	416,578	832,198	415,620
VEHI. DOUBLE CAB - WPPF 5672	775,064	681,200	(93,864)
VEHI. DOUBLE CAB - WPPF 5673	1,156,422	917,862	(238,560)
SERVICE STATION MATERIALS	224,298	172,228	(52,070)
VEHI. NO.WPKQ4329	1,008,623	1,192,503	183,880
VEHI. NO.HK-4629	5,399	6,626	1,227
MOTOR BIKE - NC BCB 8782	6,453	27,113	20,661
MOTOR BIKE - NC BCB 8777	8,709	28,268	19,559
IP VPN CHARGES	912,156	1,140,195	228,039
ISO IMPLEMENTATION 9001:2008	51,260	-	(51,260)
RESEARCH AND DEVELOPMENT	6,480	43,632	37,152
ADVERTISEMENTS	640,845	590,635	(50,210)
	211,834,241	213,959,775	2,125,534

20. SELLING & DISTRIBUTION EXPENSES

	2021/22	2020/21	Variance
STAFF REMUNERATION-MARKETING	10,151,846	5,812,471	(4,339,374)
HOT LINE 071 4 223 222	15,847	29,377	13,530
SALES PROMOTION	720	283,931	283,211
BUSINESS PROMOTION	1,382,388	313,557	(1,068,830)
MINERAL TAX	3,652,420	3,595,598	(56,822)
	15,203,221	10,034,935	(5,168,286)

21. FINANCE COST

	2021/22	2020/21	Variance
Bank Charges	87,359	290,334	202,975
LOAN interest	-	64,951	64,951
OD Interest	-	69,754	69,754
	87,359	425,040	337,681

LANKA PHOSPHATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31 2022

(Expressed In Sri Lankan Rupees)

		31st Mar 2022	2020/21
22	Other Income		
	Miscellaneous Income	3,158,132	261,683
	Dividend Received	500,000	-
	Interest Received from Fixed Deposits	29,656,858	24,725,722
	Interest Received from Repo	982,111	2,221,749
	Interest Received from Loans Given to Staff	2,767,479	2,416,885
		37,064,579	29,626,039
	Profit Before Taxation is Calculated After Charging / (crediting) Followings.		
	Staff Cost	351,355,607	325,078,182
	Depreciation	42,132,556	41,316,039
	Audit Fees	311,400	224,362
	Directors Fees	1,014,740	842,615
	Payment of Gratuity	1,518,110	7,817,778
23	Income Tax Expenses		
	Taxation on Profit for the Year	33,075,648	33,517,145
	Transferred from Deferred Tax	1,171,652	(6,951,868)
		34,247,300	26,565,277
23.1	Reconciliation of Income Tax Expenses		
	Profit Before Taxation	157,030,089	150,582,469
	Non Business Income	(31,138,969)	(26,947,471)
	Aggregate Disallowable Items	46,134,733	51,767,102
	Prior-year adjustment which are liable for Tax	7,015,967	-
	Aggregate Allowable Expenses	(19,603,621)	(25,125,703)
	Assessable income from business	159,438,200	150,276,398
	Income from Other Sources & Exempt Income	31,138,969	26,947,471
	Exempt Income	-	-
	Loss Claimed 23.2	-	-
	Assessable income from Investment	31,138,969	26,947,471
	Total Assessable Income	190,577,168	177,223,868
	Qualifying Payment	-	-
	Taxable Income	190,577,168	177,223,868
	Tax on Taxable Income from Business 18%	28,698,876	27,049,752
	Tax on Taxable Income from Investments 24%	7,353,352	6,467,393
	Tax on Dividend Income 14%	70,000	-
	Under / (Over) Provision in Respect of Previous Year	(3,046,580)	-
		-	-
	Current Income Tax Expenses	33,075,648	33,517,145
23.2	Tax Losses		
	Losses brought forward	-	15,894,518
	Losses / (Profit) incurred	-	(15,894,518)
		-	-
	Loss utilised	-	-
	Loss C/F to next Year	-	-

LANKA PHOSPHATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED Mar 31 2022

(Expressed In Sri Lankan Rupees)

24	Unclaimed Trade Creditors		
	An amounting of Rs. 7,015,967.35 which was shown under Trade Creditors until 31.03.2020 was transferred to Other Creditors account in 31.03.2020. Over the 02 years period, since not claim had been made by the Suppliers, actions were taken to pass necessary entries to carrying values and financial results, retrospectively.		
	Description	Balance as per Ledger	Balance as per Schedule
	Adjustment as at 31 March 2020		Impact to Liabilities
	Other Creditors	12,036,288	5,020,321 (7,015,967)
	Adjustment Made in the Carrying Values - (31 March 2020) - Correction of Overstatement		(7,015,967)
	Retained Earnings b/f	630,415,254	Impact to Equity 7,015,967
	Adjustment Made in the Statement of Profit or Loss - (for the Year Ended 31 March 2020) - Correction of Understatement of Profits		7,015,967
25	Deferred tax adjustment on Revaluation Reserves		
		2021/22	2020/21
	Revaluation Surplus(Without Motor Vehicle)	55,931,086	55,931,086
	(-) Depreciation on revalued amount as at the year end	(12,827,945)	(8,551,964)
	Revaluation Gain	43,103,141	47,379,122
	Deferred tax liability B/F	8,960,491	14,463,429
	Deferred tax liability C/F	8,153,990	8,960,491
	Adjustment for the year for OCI and Revaluation Reserves	806,501	5,502,938
26	Earnings Per Share		
	The calculation of Basic Earnings Per Share is based on the Net Profit Attributable to Ordinary Shareholders divided by the Weighted Average Number of Ordinary Shares in issue during the year.		
	Net Profit Attributable to Ordinary Shareholders (Rs.)	122,782,789	124,017,192
	Weighted Average Number of Ordinary Shares (Nos.)	7,251,000	7,251,000
	Earnings Per Share (Rs.)	16.93	17.10

27. Financial risk management

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

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

(a) Credit risk

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

(b) Trade receivables

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

(c) Liquidity risk

Cash flow forecasting is performed by the Finance Division. The Finance Division monitors rolling forecast of the company's liquidity requirements to ensure it has sufficient cash to meet operational needs. Surplus cash held over and above balance required for working capital management is invested in State banks. At the reporting date, the company held deposits of Rs. 580,879,811 (31/03/2021 Rs. 461,124,816) that are expected to readily generate cash inflows for managing liquidity risk.

(d) Interest rate risk

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

(e) Capital risk management

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

28. Capital commitments and contingent liabilities

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

	Rs.
- Retention Money on 2 Nos Brand-new Jaw Crushers [Keshara Engineering (Pvt) Ltd – Piliyandala]	4,386,358.40
- Unpaid Land Lease – Gallahepitiya Pamarathana Thero for Wariyapola Project Land	300,000.00

28.1 Financial commitments

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

	Rs.
-	
- Electricity Bills Payment – March 2022	2,115,198.00
- Hire of Machinery – Limac Multi Solutions	909,450.00
- Retention money on WPP Bag supply- Central Polysack	1,596,000.00
- Royalty Payable Jan – Mar 2022 to GSMB	10,830,704.70
- Mineral Tax Jan – Mar 2022	666,030.84
- Unpaid Vehicle Repair Charges– United Motors Ltd - Colombo	261,388.42

28.2 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.

29. 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.

30. Related party transactions

30.1 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:

	2021/2022	2020/2021
	Rs.	Rs.
Short term benefits	2,861,370	2,339,568

30.2 Transaction with other related parties.

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

1. CORPORATE INFORMATION

1.1 Domicile and Legal form

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

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

1.2 Principal activities and nature of operations

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

1.3 Reporting Period

The period covered by the financial statements are from 01.04.2021 to 31.03.2022

1.4 Date of authorization for issue

The Financial Statements of company for the year ended 31 March 2022 were authorized for issue to the Auditors by the Board of Directors in July 2022

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) 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.

c) 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. Furthermore, the board is not aware of

any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on the going concern basis.

d) 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 2022.

e) 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.

f) 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.

g) 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.

h) Defined benefit plans

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Revenue recognition

4.1.1 Sale of goods

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

- (a) Buyers have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

- (b) When the company can identify each party's rights regarding the goods or services to be transferred;
- (c) When the company can identify the payment terms for the goods or services to be transferred;
- (d) Where the contract has commercial substance.
- (e) When it is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

4.1.2 Interest income

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

4.1.3 Dividend income

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

4.1.4 Other income

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

4.2 Expenditure recognition

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

For the purpose of presentation of the statement of comprehensive income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's performance. Income tax expense comprises current and deferred tax. Income tax expense is recognized 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 recognized 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. Unrecognized deferred tax assets are reassessed at each Statement of financial position date and are recognized 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 recognized 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 (%)
Building	04
Plant & Machinery and Electrical Equipment	10
Motor Vehicle	20
Office Equipment	20
Furniture & Fittings	20
Computer Hardware and Software	20
Land & Land Improvement	05

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

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

De-recognition

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

4.4.2 Impairment of non-financial assets

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

4.5 Operating leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership over the leased term are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the lease term or on a basis which is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.6 Inventories

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

4.7 Financial assets – recognition and measurement

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

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

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

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

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

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

4.8 Cash and bank balances

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

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

Company has obtained Permanent Bank Overdraft facilities from BOC Grandpass (Rs. 35.0 Million) and Peoples Bank, Eppawala (Rs. 8.0 Million) against Fixed Deposits, to ensure the uninterrupted operations, under Covid 19 Pandemic. However the Overdraft amounts remain zero 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, 2022 with respect to employees in service based on the assumption and methodology is Rs. 31,310,870.00. The PVDBO calculated using Projected Unit Credit Method as at 31 March 2021 is Rs. 56,318,245.00. Liability is externally funded by way of a Fixed Deposit at Bank of Ceylon, Grandpass branch. The value of the fixed deposit as of year-end is Rs.70, 367,735.96. 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 2022 at 4.00pm 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 22nd December 2021.
2. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31.03.2022 and the Balance Sheet as at 31.03.2022 and the Report of the Auditors thereon.
3. To receive, consider and adopt the Annual Report.
4. To declare a dividend for the year 2021/22 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 2022/2023.
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 2022 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Signed thisday oftwo thousand and twenty two

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**