වාර්ෂික වාර්තාව
வருடாந்தர ஆண்டறிக்கை
ANNUAL REPORT

2017/2018

සීමාසහිත රක්නා ආරක්ෂක ලංකා

வரையறுக்கப்பட்ட றக்னா அரக்ஷக லங்கா

Rakna Arakshaka Lanka Ltd

No 143/A,Kirulapone Avenue, Colombo 05. | +94 112 674 815

Table of Contents **Page No.**

ABOUT THIS REPORT

WELCOME TO OUR 2017/2018 ANNUAL REPORT. This Annual Reports aims to provide a transparent assessment of our performance in line with our strategy, created value for our stakeholders, operating context, governance and operations of the Rakna Arakshaka Lanka Ltd (RALL) during the 12 months period ending 31st March 2018. Continuing our pursuit of excellence in corporate reporting, we aim to provide a balanced review of our performance, in a concise but comprehensive manner. This Report builds on our 2016/2017 Annual Report and is consistent with our annual reporting cycle for both financial and sustainability reporting. The Report focuses on the way we have adapted to new ways of working and our plans for the future.

How to read this Report

This Report is presented in two parts

Part One

The report begins with an overview about the RALL followed by the Chairman / Chief Executive Officer review. The section "Positioned for value creation" sets out how we have engaged stakeholders to identify, priorities and manage environmental, social and governance themes, our impacts and our value creation and how our strategy facilitates value creation for our stakeholders in the short, medium and, long term. It also provides an update on the execution of our strategy and insights into the results. The section "Operational review" details the contribution of the business units to the strategic direction of the RALL.

Part Two

The financial reports and supplementary reports sections include the Audited Financial Statements with notes showcasing the financial performance of the RALL for the financial year ended 31st March 2018. Further financial position as at 31st March 2018 along with supplementary information.

Resources

These four types of resources use to achieve competitive advantages.

	**01. Human Capital (Human Resource)**
	**02. Financial Capital**
	**03. Manufactures Capital (Material)**
	**04. Intellectual Capital (Intangible Resource)**

Strategy

Our key strategic objectives are:

- Develop a sustainable income generation model
- Maintain the focus on capacity building
- Ensure robust mechanism to assure quality of service
- Manage investments to enhance company's asset base
- Constant commitment towards protecting core values of the company
- Explore potential areas for new business development

SCOPE AND BOUNDARY

The Report covers the operations of RALL's. The key financial aspects are discussed in the context of the RALL whilst non-financial aspects are discussed in the context of the RALL unless stated otherwise.

The scope of the RALL's Annual Report of 2018 covers the 12 months period from 1st April 2017 to 31st March 2018. Further its consistent with the annual reporting cycle for financial and sustainability reporting.

During the year under review, there were no significant changes from previous reporting periods in the scope and aspect boundaries, neither were there any restatements as compared to the Annual Report issued in the previous reporting year.

MATERIALITY

To define the content to be presented in the Report, we have applied the principle of materiality. Accordingly, the Report captures the opportunities and challenges that impact materially on RALL's and its ability to be a sustainable business that consistently delivers value to shareholders, prospective investors and our key stakeholders.

REPORTING FRAMEWORKS

In preparing this Report we drew on concepts, principles, and guidance from –

- The Institute of Chartered Accountants of Sri Lanka
- Company Act No.07 of 2007
- The hand book on "Public Enterprises Guidelines for Good Governance" issued under the PED/12 circular dated 02 June 2

PRECAUTIONARY PRINCIPLE

We apply the precautionary principle with regard to our social and environmental sustainability. We understand that our operations cause reciprocal impacts on society and the environment. As a service provider, even though our operations do not directly create a negative impact on the society and the environment, we have taken necessary measures to alleviate such risks.

ASSURANCE

We value the accuracy and reliability of all information and data contained in this Report, both financial and non-financial. By adopting a combined assurance model, we have assessed and assured various aspects of our business operations.

Aspect	Internal Assurance	External Assurance
Financial Reporting	Board of Directors, Internal Audit	The Auditor General
Sustainability Indicators	Board of Directors, Internal Audit, Business Heads	The Auditor General
Corporate Governance	Board of Directors, Internal Audit	The Auditor General
Internal Control	Board of Directors, Internal Audit	

CONTENT

ABOUT RALL

RAKNA ARAKSHAKA LANKA LTD (Company Registration No. PB 456 – N (PBS) 1370) a Company incorporated under the Companies Act No. 07 of 2007 of the Democratic Socialist Republic of Sri Lanka and affiliated to the Ministry of Defence and having its Registered Office at No. 143/A, Kirulapone Avenue, Colombo-05, which established by the present President His Excellency Gotabaya Rajapaksa with the vision of providing diverse job opportunities for the Ex-Servicemen and Women who devoted their young lives to save the country and its people.

RALL registered and licensed under and in terms of Regulation of Private Securities Agencies Act No. 45 of 1998 as a private Security Agency with the Ministry of Defence to provide unique security service.

Through our exceptional standards and our work ethics, we aim to be the leading provider of security services in the following industries: Industrial Security, Commercial Security, Maritime Security and Specialized Training.

Rakna Arakshaka Lanka Limited (RALL) established in 2006 affiliated to Ministry of Defence (MOD) as a state-owned security entity, providing top-notch commercial security service over 150 vital public and private sector organizations across the country with over 1025 highly qualified and well-trained security officers and also committed offering top-rated military background Sea Marshals for Private Maritime Security Companies (PMSCs) and on-board shipping vessels. With around 476 registered Sea Marshals RALL is managed to be a symbol of credibility, excellence, respect and effectiveness.

CIMSTA has been made responsible for setting the standards for training private security industry personnel, and all licenses required. Under the direct guidance of the Ministry of Defence, CIMSTA will conduct all private security related professional training, and set the training standards in the Sri Lankan security industry.

Rakna Restaurants is a leader in quality food service. We are culinary forward, sustainability conscious, and relentlessly focused on hospitality. Delicious, memorable experiences created by our passionate chefs, defines who we are and what we strive to be. RALL operates one restaurant at Thalapathpitiya over the Diyawanna Lake and the two food outlets at Kimbulawala & Nawam Mawatha.

VISION, MISSION AND VALUES

VISION & MISSION

We are dedicated to providing outstanding and best-in class security services to commercial and industrial sectors. We strive to use innovative measures and leverage cutting edge technology to ensure our personnel are well-equipped to be the best in what they do. We aim for reliability, dependability, safety, and outstanding customer service.

GOALS

- Facilitation of more freedom for action for the Armed forces and the Police for their more important work in the critical areas affected by terrorist activities by fulfilling the security needs at those establishment of economic significance.
- Providing support for development process of the Nation.
- The provision of assistance at times of National Disaster.
- Provision of assistance to the government towards solution for unemployment.
- By expanding the traditional “Land Services” to secure new clients.
- Assistance as towards future welfare objectives of the armed forces and police service for their ex-servicemen and women who have been retired and demobilized. Venturing beyond security services more suitable for “Armed Forces Personnel” to provide opportunities for the family members of ex-servicemen on a priority basis and to general public too.
- Providing assistance in upgrading the quality of male and female personnel engaged in “Security Services” in ensuring support for the Ministry of Defence and Public Security in upholding Law and Peace.
- Promoting in Service Training opportunities for RALL Employees as well as for others who wish to have their personnel trained in selected fields.

OUR VALUES

RALL is a truly Sri Lankan entity which gives prominence to enhancing the values of discipline and integrity of the industry. Creating a positive attitude amongst people as well as a better environment for them to live in is of great importance to RALL, which extols the belief that positive change in an individual will lead to a better family life and ultimately a better society

OUR JOURNEY

MESSAGE FROM THE CHAIRMAN/CEO

On behalf of the Board of Directors it is a pleasure to welcome you to the tenth Annual General Meeting of Rakna Arakshaka Lanka Ltd and present you with the Annual Report and the Audited Financial Statements for the year ended 31st March 2018.

The Company has reported a revenue of Rs. 632 million, which is 31% decreased compared to previous financial year. This is mainly due to the liquidation process commenced of the Company in order to close down the operation and Company has not generated any new businesses to increase the revenue.

Due to the liquidation process financial statements were not prepared and audited from financial year 2017/18. After the appointment of new management team and the Board of Directors in 2020, it was decided to initiate the steps to complete the previous financial statements and audits. As the Chairman of this organization, I convinced the Board of Directors and approved the previous years financial statements on behalf of the previous Board of Directors.

Despite the COVID-19 pandemic facing a gamut of challenges and impacting most of the business sectors during 2020, I am pleased to announce that our security guards were able to facilitate uninterrupted service to our client base.

FINANCIAL REVIEW

For the year ended 31st March 2018, the Company has recorded a revenue of Rs. 632 million and a net profit of Rs. 24 million during the year under review. The decrease of the net profit is mainly due to the lower revenue compared to last year (2018 - 632 Mn / 2017 - 922 Mn) and bad debts provision of Rs. 87 Million made by the company for Avant Garde Maritime Services (Pvt) Ltd receivable balance.

CONCLUSION

On behalf of the Board, I would like to thank our valued shareholders for their continued trust and confidence in the Company and also would take this opportunity to extend my sincere appreciation to the Board of Directors for their unstinted support, advice and guidance.

BOARD OF DIRECTORS

2017/2018 Financial Reporting Period	
Nalaka Kaluwewa - Chairman	18 Jan 2017 to 02 Dec 2019
Directors	
R. P. Rajapakse	05 Jan 2017 to 16 Jan 2019
B.A.T. Rodrigo	05 May 2015 to 17 Jan 2020

2017/18 Annual Report Finalized	
Major Dulath L. Wijetilleke (Retd.) - Chairman	19 May 2020
Directors	
Major General K. Jagath Alwis (Retd.) RWP RSP VSV USP	25 September 2020
D.M.S. Dissanayake	11 February 2022
P. H. A. S. Wijeratne	28 February 2022

POSITIONED FOR VALUE CREATION & VALUE DELIVERED

A comprehensive discussion of the operating context and the RALL's value creation process guided by its Vision, Mission, Values, and the Strategy. The section outlines the materiality identification process contributed by the stakeholder engagement process, the strategic direction and commitment to sustainability

OUR VALUE CREATION MODEL

Our value creation model shows how we use our resources, skills and interactions to create value for our shareholders. This is imperative as our long- term success and sustainability depend on how we create and deliver value to our stakeholders. Through our business activities, inputs such as financial, human, manufactured, and intellectual capitals are transformed into outputs.

Human Capital (Human Resourse)

Human capital is the most valuable asset of our organization. Nurturing a highly competent and engaged workforce results in efficient achievement of our corporate objectives and creating value to all our stakeholders

What it includes

Our human capital refers to value of our employees' experience, skills, well-being and engagement

Inputs

- Training and development
- Positive working environment
- Established solid labour relationships
- Develop critical skills and succession planning
- Performance and talent management policies and procedures to improve service delivery

How it adds value

Highly skilled and engaged employees improve the ability to understand and serve our customers, driving our business performance successfully. They facilitate the effective implementation of our strategies to achieve corporate objectives and to create value to all our stakeholders. They also facilitate value creation in a dynamic and unpredictable environment in which rapid and unexpected developments take place.

Our Approach

We strive to create an inclusive work culture where every employee has access to a secure working environment coupled with opportunities for personal and professional growth. We believe there is a direct link between employee engagement, business performance and an ability to serve customers. Therefore, we are committed to a positive employee experience throughout their career at RALL.

We engage with our employees fairly, ensuring they have the appropriate knowledge, training and skills to perform their roles.

As a responsible employer, we encourage diversity in the makeup of our employees, affords a work environment that promotes good health and safety and provide opportunities for personal development. By promoting a culture of diversity, we have enhanced the teams' performance and ability to innovate. Our values are embedded in the standards, policies and guidance which we set out to help our people to perform.

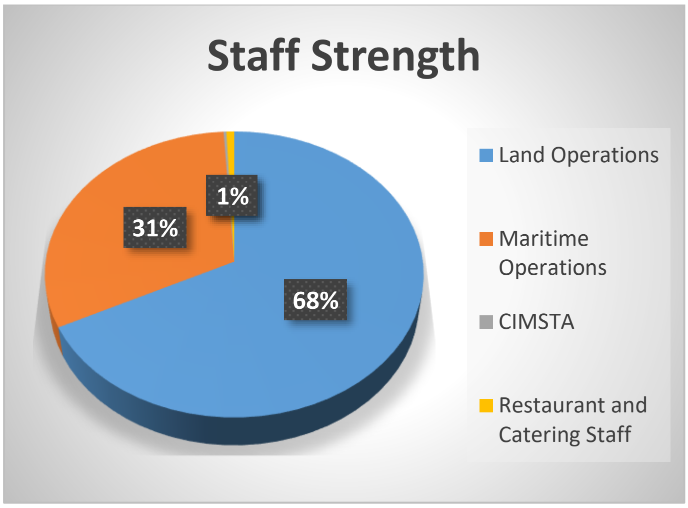
Strategies to enhance the value of human capital

- Promoting professional development and merit-based criteria in selection and internal processes
- Empower employees through investing their development and offering career growth opportunities
- Delivering a range of health and wellness initiatives and services to employees
- Improving HR processes and documentation to effectively utilize time and resources
- Enhance employee experience and loyalty by supporting a healthy work-life balance
- Enabling our people to be agile and adaptive to remain relevant in rapidly evolving environment

Staff Strength

RALL's core strength is its employees. The number of persons employed at RALL, as at 31 March 2018 and 2019 as follows.

Divisions	**As at 31 March 2018**
Land Operations	
Security Staff	955
Maritime Operations	
Sea Marshals	460
Weapon Technicians	4
CIMSTA	
Admin Staff	4
Restaurant and Catering Staff	
Catering Staff	11
Administration Staff	45
Operational Staff	22
Finance Staff	15
Total	**1516**



Recruitment & Selection

Approximately 1,000 servicemen retiring from the Armed Forces are recruited to RALL every year for the various business verticals. In order to meet the high customer demand, company makes decision to recruit handful of civilian men and women who meets the expected qualification without compromising the quality of service. Recruitments are carried out under following categories,

Land Operation	**Maritime Operation**
➢ Visiting Security Officers	➢ Team Leaders
➢ Chief Security Officers	➢ Sea Marshals
➢ Officer in Charge	➢ Trainee Sea Marshals
➢ Senior Security Officer	
➢ Junior Security Officer	
➢ Lady Security Officers	
Restaurants & Catering	**Administrative Staff**
➢ Restaurant Managers	➢ Top Level Managers
➢ Head Chef	➢ Middle Level Managers
➢ Catering Supervisors	➢ First Line Managers
➢ Chef	➢ Operational Level Employees
➢ Cook	➢ Primary Level Employees
➢ Waiters	

- Applications will be invited through notification in the Public Newspaper/s or by public and website notices or social media notices. RALL is planned to use novel technology such as Artificial

Intelligence, virtual reality for recruitments to attract the talent pools and select the right talent person to matching the organizational needs for making the process of recruitment more efficient, effective and automated.

- Employees of the RALL recruited on contract basis. Contract of Employment will be extended based on the evaluation of the performance of employees.

Training and Development

After recruiting the employees, employees are provided seven-day training which focused on skills developments, aware the works ethics, improving the positive attitudes and leadership skills. Training programs are conducted to continuously maintain the quality of the services provided by RALL employees. Refresher courses, one day training programs, workshops, seminars and periodic meetings are held to ensure continued training and development of its employee.

Performance Evaluation

The performance of the employee shall be evaluated annually by the Board of Directors and Senior Management based on mutually agreed performance parameters and decision taken by majority of the Board of Directors and Senior Management shall be binding on you in this regard. If, there are any matters which cause you concern about your role you should discuss them with the Chairman of the Board/Immediate Supervisor as soon as appropriate.

Disciplinary Procedures

An independent investigation is carried out by a Disciplinary Committee to inquire into any complaint made against Security Officers. The decision of Disciplinary Committees is then forwarded to the Chairman/CEO for further action.

The well-structured process and mechanism outlined above ensures the quality of RALL employees to the highest industry standards.

Consistency

Every security officer employed at RALL must wear the specified uniform

JSO

LSO

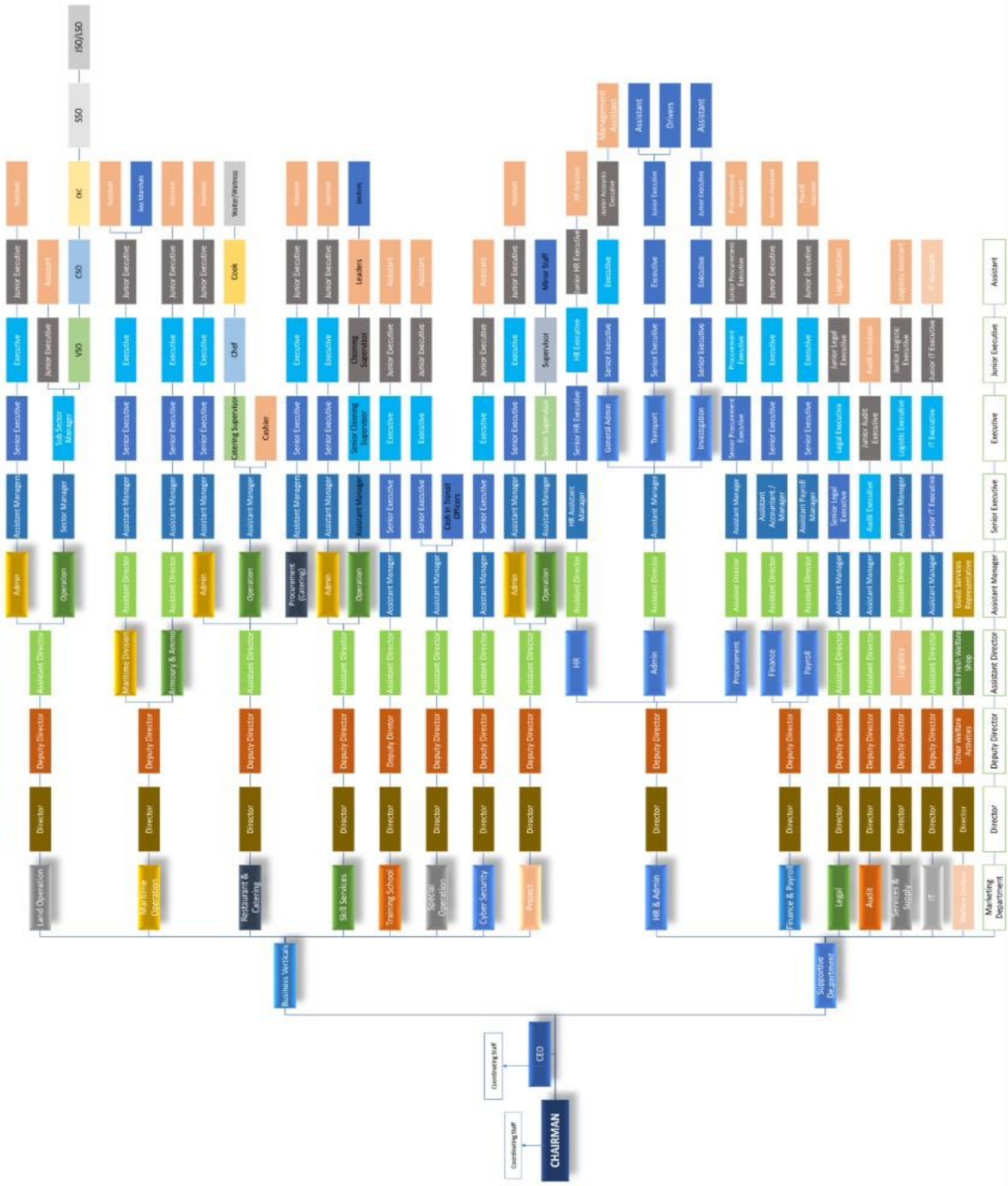
LSO/GRO

VSO

OIC

Sector Manager

Proposed Organization Structure of Rakna Arakshaka Lanka Ltd



Financial capital

Financial Capital includes monetary assets used by the RALL to create value for the stakeholders. We continually strive to increase the value of financial capital to ensure long-term sustainability of RALL

What it includes

Our financial capital includes monetary resources contributed by the General Treasury and generated through our business operations.

Inputs

- Share capital and reserves
- Borrowings

How it adds value

Our financial sustainability relies on the availability and management of our own and borrowed funds. Financial capital enables value creation with all other capitals. Through the combined use of capital inputs, such as share capital, reserves and borrowings, we fund our projects, subsidiaries, build manufactured assets, enhance the productive capacity of our people through training, and innovate around technology and services.

Our approach

- Diversify revenue streams
- Stringent cost management and cost optimization
- Maintaining cost-effective structured funding

Strategies to enhance the value of financial capital

- Funding strategy based on strategic priorities
- Capital investments that are likely to yield the best financial results, but not at the cost of social and environmental results
- Continue financial stability and strength

Manufactures Capital (Material)

Manufactured capital which includes RALL's physical and digital infrastructure is an important value driver. We continuously strive to develop a high-quality asset base which provides a distinctive competitive edge.

What it includes

The RALL's manufactured capital consists of physical and digital infrastructure that help us to reach customers as well as to achieve operational excellence. This comprises, property, plant, equipment, weapon & ammunition and infrastructure including regional network.

RALL follows a transparent procedure in procurement and logistics. Procurement of key items is carried out through a procurement procedure according to the Government Procurement Guideline 2006 Goods & Works, Government Procurement Manual 2006 Goods & Works 2006 and its' supplementary.

Intellectual capital (Intangible Resourse)

Intellectual capital which includes intangible assets is a vital source of competitive advantage. Increasing the value of intellectual capital enables us to achieve a value premium in the long-term.

What it includes

Intellectual capital is a culmination of all our capitals comprising intangible assets including our tacit knowledge, customer loyalty, brand and reputation, internal systems and process, business ethics, corporate values, policies and our corporate culture that is essential to create value for our stakeholders.

Inputs

- Learning and development
- Policies, frameworks and processes
- Standard operating procedures
- Corporate culture
- Responsible leadership
- Sole Authority to granting approval through MOD for Sea Marshals engagement

- RALL is only Sri Lankan organization where can issue Sri Lankan Government own weapons to Private Maritime Security Companies
- Affiliated to the Ministry of Defence

How it adds value

- We strongly believe that Intellectual Capital is a vital source of competitive advantage that would result in a value premium for RALL in the short term and long-term. It stimulates innovation which is a source of competitive advantage and results in future wealth generation

Our approach

We develop our intellectual capital through strong process flows, partnership with other institutions and encouragement for learning and innovation. We nurture our intellectual capital through development of new products, improvement of systems and processes that enable us to be more efficient while reducing the environmental impact and operating costs, by enhancing our corporate image, and customer confidence.

FINANCIAL & OPERATIONAL REVIEW

LAND OPERATIONS

The Land Operations Security Segment of RALL was established in the year 2007 as the main operation of the company, having its head office at No 143/A, Kirulapone Avenue, Colombo 05. Today the company has expanded its operations to five regional branches offices. These are located in Kandy, Galle, Rathnapura, Anuradhapura, and Colombo, provide security activities in the all provinces.

RALL commenced its operations with 77 security personnel in 2007, and as at 31sth March 2018, it employs 1025 security personnel Since its inception, RALL has provided security to various public institutions of high national importance. At the end of the first financial year, in 2008, it had a client base of 17, which by 31 st March 2018 has increased to approximately 150 clients, including vital commercial and financial establishment such as Presidential Secretariat Office, Ministry of Finance, Government Hospital in Western Province, MILCO, Bank of Ceylon, HDFC, Department of Inland Revenue, Peradeniya University, and Wayamba University. More than 50% of RALL’s revenue is from its top ten clients.

The Land Operations Security Segment of RALL has become a market leader of the industry with its commitment to the highest standard of professionalism. The company has set the bench market in the industry, and other service providers are compelled to improve their standards to be competitive with RALL by matching the quality of its services. Consequently, the entire security services industry has benefited and improved due to the high standard of quality demonstrated by RALL’s security services.

Operation In 2017/18

Land Operations Security Segment reported Rs.399,804,712 in revenue for the financial year 2017/2018. This service segment constituted 62% of the overall company revenue in 2017/2018.

Maritime Operations

The Maritime Security Segment was established on 17th January 2011 with the objective of providing high quality security to Commercial Vessels and Fishing Vessels operating in identified Maritime boundaries. This sector addition to the RALL Portfolio comprises of over 476 highly trained sea marshals. The service office is located at the Headquarter Building and one specialized Maritime office is located at Galle.

Operation In 2017/18

Maritime security segment has reported Rs. 242,222,928 in revenue for the financial year 2017/2018. This service segment constitutes 38% of the overall company revenue in 2017/2018.

CIMSTA

Under the **Commercial Industrial Maritime Security Training Academy (CIMSTA)**, RALL established a Training School in 2012 in Nadungolla, Mandala as “Rakna Arakshaka Fire & Emergency Response Training School” The “Fire & Emergency Response Training School” was envisioned in 2011, following a breakout of a fire in Lanka Hospitals, which caused considerable damage to property. Subsequently, the Government of Sri Lanka identified a lack of fire preparedness training to manage such a crisis. Thus, RALL was instructed to establish the Fire & Emergency Response Training School (CIMSTA), as a step towards fulfilling the said requirement.

Rakna Restaurant & Catering

RALL gives high priority to corporate Social Responsibility (CSR). In July 2012, RALL established a catering service as a CSR initiative with the objective of providing nutritious and quality meals at an affordable price.

Presently RALL function one restaurant at Thalapathpitiya and two food outlets at Kimbulawala & Nawam Mawatha.

CONTENT

02

FINANCIAL REPORTS

DIRECTORS’ RESPONSIBILITIES FOR FINANCIAL REPORTING

The Board of Directors of the RALL has responsibility for ensuring that the Company keeps proper books of account of all the transactions and prepares Financial Statements that give a true and fair view of the state of affairs and of the profit/loss for the year. Accordingly, the Board of Directors oversees the Managements’ responsibilities for financial reporting through their regular meeting reviews and the Audit Committee. The Board of Directors has instituted effective and comprehensive system of Internal Control. This comprises Internal Checks, Internal Audit and the whole system of financial and other controls required to carry on business in an orderly manner, safeguard its assets and secure as far as practicable the accuracy and reliability of the records. Directors consider that they adopted appropriate accounting policies on a consistent basis and supported by reasonable and prudent judgement and estimates in preparing the Financial Statements for the year 2017/2018 exhibited on pages 32 to 54. The Board of Directors ensure the compliance with prudential requirements, regulations, laws and internal controls, and measures have been taken to rectify any material non-compliances. The RALL’s Financial Statements for the year ended 31st March 2018 prepared and presented in this Report are in conformity with the requirements of Sri Lanka Accounting Standards and the Company Act No. 07 of 2007, the amendments thereto.

…………………………..

Secretary to the Board

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. ඩීආර්එෆ්/බී/ආර්ජ්එල්එල්/2019/01 | ඔබේ අංකය / உமது இல. / Your No. | දිනය / திகதி / Date 2021 පෙබරවාරි 01 දින

කොටස් හිමියන් වෙත,

සීමාසහිත රක්නා ආරක්ෂක ලංකා සමාගම

සීමාසහිත රක්නා ආරක්ෂක ලංකා සමාගමේ 2018 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳ විගණකාධිපති වාර්තාව

සීමාසහිත රක්නා ආරක්ෂක ලංකා සමාගමේ 2018 මාර්තු 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ ලාභ අලාභ හා විස්තීර්ණ ආදායම් ප්‍රකාශනය, ස්කන්ධය වෙනස්වීමේ ප්‍රකාශනය සහ මුදල් ප්‍රවාහ ප්‍රකාශනය ඇතුලත් 2018 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (1) ව්‍යවස්ථාව ප්‍රකාරව මාගේ විධානය යටතේ විගණනය කරන ලදී.

මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් අධ්‍යක්ෂ මණ්ඩලයේ වගකීම

මෙම මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතිවලට අනුකූලව පිළියෙල කිරීම හා සාධාරණ ලෙස ඉදිරිපත් කිරීම සහ වංචා හෝ වැරදි හේතුවෙන් ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනය තීරණය කිරීම අධ්‍යක්ෂ මණ්ඩලයේ වගකීම වේ.

විගණකගේ වගකීම

ශ්‍රී ලංකා විගණන ප්‍රමිත වලට අනුකූලව පවත්වනු ලබන විගණනය මත පදනම්ව මෙම මූල්‍ය ප්‍රකාශන පිළිබඳ මතයක් ප්‍රකාශ කිරීම මාගේ වගකීම වේ.

මතය ව්‍යාවනය සඳහා පදනම

(අ) සමාගමේ මූල්‍ය ප්‍රකාශන අනුව 2018 මාර්තු 31 දිනට වූ රු.1,746,485,473 ක වෙළඳ ලැබිය යුතු ශේෂයෙන් සී/ස ඇවන්ට් ගාර්ඩ් මැරිටයිම් (පුද්ගලික) සමාගමෙන් 2012 වර්ෂයේ සිට 2018 වර්ෂය දක්වා ලැබිය යුතු රු.1,428,866,986 ක් වූ ණයගැති ශේෂයට අදාල ශේෂ සනාථ කිරීම් වර්ෂ 03ක පමණ සිට විගණනයට ඉදිරිපත් නොවීම හේතුවෙන් එම ශේෂවල නිරවද්‍යතාවය තහවුරු කර ගැනීමට නොහැකි විය.

සමාගමේ මූල්‍ය ප්‍රකාශන අනුව 2018 මාර්තු 31 දිනට රු.2,182,942,702 ක් වූ වෙළඳ හා වෙනත් ලැබිය යුතු ශේෂයෙන්, සී/ස ඇවන්ට් ගාර්ඩ් මැරිටයිම් (පුද්ගලික) සමාගමෙන් ලැබිය යුතු මුළු ණයගැති ශේෂය රු.1,890,499,614 ක් වූ අතර ශුද්ධ වත්කම් වලින් සියයට 57 ක් නියෝජනය කර තිබුණි.

සමාගමේ මූල්‍ය ප්‍රකාශන අනුව 2018 මාර්තු 31 දිනට රු.523,781,502 ක් වූ වෙනත් ලැබිය යුතු ශේෂයෙන්, ගාල්ල පාවෙන අවිගාර ව්‍යාපෘතිය (Galle Floating Armory – Joint Venture) හා රංගල අවි ගුවනින් ප්‍රවාහනය කිරීමේ ව්‍යාපෘතිය (Rangala weapon Air Transport and Training project) වෙනුවෙන් සී/ස ඇවන්ට් ගාර්ඩ් මැරිටයිම් (පුද්ගලික) සමාගමෙන් 2012 වර්ෂයේ සිට 2018 වර්ෂය දක්වා ලැබිය යුතු රු.461,632,628 ක ශේෂයට අදාල ශේෂ සනාථ කිරීම් ද වර්ෂ 03ක පමණ සිට විගණනයට ඉදිරිපත් නොවීම හේතුවෙන් එම ශේෂවල නිරවද්‍යතාවයද තහවුරු කර ගැනීමට නොහැකි විය.

(ආ) සමාගමේ මූල්‍ය ප්‍රකාශන අනුව 2018 මාර්තු 31 දිනට රු.815,299,681 ක් වූ වෙළඳ හා වෙනත් ගෙවිය යුතු ශේෂයෙන් සී/ ස ඇවන්ට් ගාර්ඩ් මැරිටයිම් (පුද්ගලික) සමාගමට (Joint Venture Avant Garde Maritime Services) 2015 වර්ෂයේ සිට 2018 වර්ෂය දක්වා ගෙවිය යුතු රු.762,814,313 ක ශේෂයට අදාල ශේෂ සනාථ කිරීම් ද වර්ෂ 03ක පමණ සිට විගණනයට ඉදිරිපත් නොවීම හේතුවෙන් එම ශේෂවල නිරවද්‍යතාවයද තහවුරු කර ගැනීමට නොහැකි විය.

(ඇ) සමාගමේ මූල්‍ය ප්‍රකාශන අනුව 2018 මාර්තු 31 දිනට සමාගමට අයවිය යුතු ගොඩබිම් ආරක්ෂක අංශයේ සහ සමුද්‍ර ආරක්ෂක අංශයේ වෙළඳ ණයගැති ශේෂයන් පිළිවෙලින් රු.214,893,768 සහ රු.1,531,591,705 ක් වූ අතර එම ශේෂ වලින් පිළිවෙලින් රු.200,314,299 සහ රු.101,973,313 ක් වූ ණයගැති ශේෂ වෙනුවෙන් ශේෂ සනාථන කැඳවා තිබුණ ද ශේෂ සනාථන ලැබී තිබුණේ ගොඩබිම් ආරක්ෂක අංශයේ රු.26,946,884 ක් සහ සමුද්‍ර ආරක්ෂක අංශයේ රු.361,544 ක් සඳහා පමණි. ඒ අනුව ණයගැති ශේෂවලින් පිළිවෙලින් රු.173,367,415 සහ රු.101,611,769 ක් වූ ශේෂ සඳහා ශේෂ සනාථ කිරීම් විගණනයට ඉදිරිපත් නොවීම හේතුවෙන් එම ශේෂවල නිරවද්‍යතාවය තහවුරු කර ගැනීමට විගණනයට නොහැකි විය.

සමාගමේ මූල්‍ය ප්‍රකාශන වලට අනුව ණයගැතියන් 06 දෙනකුගේ මුළු ණයගැති ශේෂය රු.26,908,333 ක් වූ අතර ශේෂ සනාථන අනුව එය රු.1,504,142 ක් විය. ඒ අනුව මූල්‍ය ප්‍රකාශනවල සඳහන් ශේෂ හා ශේෂ සනාථන අතර රු.25,404,191ක ශුද්ධ වෙනසක් විය.

(ඈ) 2018 මාර්තු 31 දිනට රු.34,250,522 ක් වූ නිල ඇඳුම් සහ පතරොම් තොග වලට අදාල තොග සත්‍යාපන වාර්තා විගණනයට ඉදිරිපත් කර නොතිබුණි.

(ඉ) මූල්‍ය ප්‍රකාශන අනුව සමාගමේ ප්‍රධාන කාර්යාල ගොඩනැගිල්ලේ වැඹ අත්තිවාරම (Piling) ඉදිකිරීම සඳහා දරා තිබූ පිරිවැය රු.739,461,678 (බදු රහිතව) ක් විය. මෙම ගොඩනැගිල්ලෙහි ඉදිකිරීම් කටයුතු 2016 දෙසැම්බර් 31 වන විට නතර කර තිබුණු අතර ගොඩනැගිල්ල ඉදිකිරීමට සැලසුම් කර තිබුණු ඉඩමෙහි අයිතිය සමාලෝචිත වර්ෂයේ අවසාන දින වන විටත් සමාගම වෙත පවරාගෙන ගැනීමෙන් තොරව සමාගමේ මූල්‍ය ප්‍රකාශනවල එම ගොඩනැගිල්ල වත්කම් යටතේ පෙන්නුම් කර නොතිබුණි.

(ඊ) ශ්‍රී ලංකා මූල්‍ය වාර්තාකරණ ප්‍රමිති අංක 07 (SLFRS 07) හි 14 වන ඡේදය ප්‍රකාරව ඇප සඳහා තබා ඇති මූල්‍ය උපකරණවල වටිනාකම සහ එම ඇප සඳහා පවතින නියම හා කොන්දේසි මූල්‍ය ප්‍රකාශනවල හෙළිදරව් කළයුතු වුවත්, සමාගම විසින් ලංසු බැඳුම්කර සහ කාර්ය සාධන බැඳුම් කර සඳහා ඇප වශයෙන් තබා ඇති රු.40,394,318 ක් වූ ස්ථාවර තැන්පතු පිළිබඳව මූල්‍ය ප්‍රකාශනවල හෙළිදරව් කර නොතිබුණි.

මතය ව්‍යාවනය

මෙම වාර්තාවේ මතය ව්‍යාවනය සඳහා පදනම ඡේදයේ දක්වා ඇති කරුණු හේතුවෙන් විගණන මතයක් සඳහා පදනමක් සැපයීමට ප්‍රමාණවත් සහ උචිත විගණන සාක්ෂි ලබාගැනීමට මට නොහැකි විය. ඒ හේතුකොටගෙන මෙම මූල්‍ය ප්‍රකාශන පිළිබඳව මම මතයක් ප්‍රකාශ නොකරමි.

වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳ වාර්තාව

2007 අංක 07 දරන සමාගම් පනතේ 163(2) වගන්තිය මඟින් නියම කරන පරිදි මම පහත සඳහන් කරුණු ප්‍රකාශ කරමි.

(අ) මතය සඳහා පදනම හා විෂය පථය සහ සීමා කිරීම් ඉහත දක්වා ඇති පරිදි වේ.

(ආ) - මතය ව්‍යාවනය සඳහා පදනම ඡේදයේ දක්වන ලද කරුණුවලට යටත්ව විගණනය සඳහා අවශ්‍ය සියළු තොරතුරු හා පැහැදිලි කිරීම් මා විසින් ලබාගන්නා ලද බවත් මාගේ

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

පරීක්ෂණයෙන් පෙනී යන අන්දමට සමාගම විසින් විධිමත් ගිණුම්කරණ වාර්තා පවත්වාගෙන නොමැති බවත්,

- සමාගමේ මූල්‍ය ප්‍රකාශන 2007 අංක 07 දරන සමාගම් පනතේ 151 වගන්තියේ දැක්වෙන අවශ්‍යතාවන් හා අනුකූල බව මා දරන්නා වූ මතය වේ.

වාර්ෂික වාර්තා සභාගත කිරීම

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

ඩබලිව්.පී.සී. වික්‍රමරත්න
විගණකාධිපති

RAKNA ARAKSHAKA LANKA LTD

11, PARK AVENUE, COLOMBO - 08.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Fot the year ended 31st March	Note	2018	2017
		Rs.	Rs.
Revenue	03	632,337,716	922,871,201
Direct costs	04	(519,585,141)	(817,488,236)
Gross profit		112,752,576	105,382,965
Profit from catering service	05	12,906,924	13,853,159
Other income	06	45,278,877	19,686,184
Administrative expenses	07	(229,302,421)	(133,915,188)
Other expenses	08	(45,000)	(1,249,716)
Operating profit		(58,409,046)	3,757,404
Finance income	09	71,888,390	60,050,418
Finance cost	10	(1,665,630)	(1,527,216)
Non-operating profit		70,222,760	58,523,202
Profit before income tax		11,813,714	62,280,606
Income tax expense	11	**10,445,654**	(13,666,301)
Profit for the year		22,259,368	48,614,305
Other comprehensive income			
Exchange gain/(loss)		3,658,500	182,773,551
Actuarial gain/(loss) on retirement benefit obligation net of tax		**(1,381,568)**	-
Total comprehensive income		24,536,300	231,387,856
Basic earnings per share	12	49	463

The accounting policies and notes appearing on pages 05 to 28 are an integral part of these financial Statements.

RAKNA ARAKSHAKA LANKA LTD
11, PARK AVENUE, COLOMBO - 08.
STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	2018 Rs.	2017 Rs.
Non current assets			
Property, plant and equipment	13	34,218,816	47,706,576
Intangible assets	14	403,193	620,118
Building construction work	15	739,461,678	739,461,677
Total non current assets		774,083,686	787,788,372
Current assets			
Inventories	16	34,889,082	33,391,475
Trade and other receivables	17	2,182,942,702	2,287,094,140
Short term deposits	18	753,891,486	736,437,376
Cash and cash equivalents	19	397,527,356	383,693,980
Total current assets		3,369,250,625	3,440,616,970
Total assets		4,143,334,311	4,228,405,342
Shareholders' equity			
Stated capital			
500,205 Ordinary shares		5,002,050	5,002,050
Retained earnings		3,220,038,822	3,207,037,309
Shareholders' equity		3,225,040,872	3,212,039,359
Non current liabilities			
Retirement benefit obligations	20	28,408,884	29,383,907
Interest bearing borrowings	21	-	194,178
Deffered taxation	22	(17,242,017)	6,287,324
Total non current liabilities		11,166,867	35,865,409
Current liabilities			
Interest bearing borrowings	21	194,179	1,091,800
Trade and other payables	23	815,299,681	822,892,212
Deposits payable	24	279,956,791	277,137,957
Taxes payable	25	(188,324,078)	(120,947,911)
Bank overdrafts	19	-	326,517
Total current liabilities		907,126,573	980,500,575
Shareholders' equity and liabilities		4,143,334,311	4,228,405,342

I Certify that the above financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

....
Chief Accountant

The Board of Directors is responsible for these financial statements. Approved and signed for and on behalf of the Board of Directors.

.... Chairman

.... Director

Colombo
November 14, 2019

The accounting policies and notes appearing on pages 05 to 28 are an integral part of these financial Statements.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Retained earnings	Total Equity
	Rs.	Rs.	Rs.
Adjusted Balance as at Apri 01st, 2016	**5,002,050**	**2,975,649,453**	**2,980,651,503**
Profit for the year		231,387,856	231,387,856
Balance as at March 31, 2017	**5,002,050**	**3,207,037,309**	**3,212,039,359**

	Stated Capital	Retained earnings	Total Equity
	Rs.	Rs.	Rs.
Balance as at Apri 01st, 2017	5,002,050	3,207,037,309	3,212,039,359
Prior year adjustments -			
Acturial valuation adjustment		(794,241)	(794,241)
Understatement of expenses -			
Depreciations		(740,546)	(740,546)
Adjusted Balance as at Apri 01st, 2017	**5,002,050**	**3,205,502,522**	**3,210,504,572**
Dividend paid for 2014/2015		(10,000,000)	(10,000,000)
Profit for the year		24,536,300	24,536,300
Balance as at March 31, 2018	**5,002,050**	**3,220,038,822**	**3,225,040,872**

The accounting policies and notes appearing on pages 05 to 28 are an integral part of these financial statements.

CASH FLOW STATEMENT

	2018 Rs.	2017 Rs.
Cash flow from operating activities:		
Profit before tax	11,813,714	62,280,606
Adjustments for -		
Prior year adjestments	(1,534,787)	55,049,770
Depreciation and amortization	14,323,932	17,589,080
Provision for retirement benefit	7,446,906	4,105,628
Bad Debt	87,324,274	-
Differed Taxation	(23,529,341)	2,616,217
Interest expense	1,665,630	2,822,730
Lease rental	1,181,518	1,181,518
Actuarial Gain	1,381,568	-
Exchange gain/Loss	3,658,500	182,773,551
Interest income	(71,888,390)	(60,050,418)
Changes in working capital -		
(Increase)/decrease in inventories	(1,497,607)	(516,270)
(Increase)/decrease in trade and other receivables	16,980,383	2,494,425
Increase/(decrease) in tax payable	(67,376,168)	(124,008,364)
Increase/(decrease) in deposits payable	2,818,834	20,362,264
Increase/(decrease) in trade and other payable	(7,592,530)	(45,790,460)
Cash generated from operating activities -	**(24,823,565)**	**119,735,673**
Tax paid	10,445,654	(13,666,301)
Gratuity paid	(10,597,738)	(28,818,974)
Net cash flows from operating activities	(24,975,649)	77,250,397
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment	(1,022,291)	(634,065)
Purchase of Intangible Assets	(337,500)	-
(Investment in)/withdrawal from short term deposit	(17,454,110)	(9,189,270)
Interest income	71,888,390	60,050,418
Net cash flows used in investing activities	53,074,488	50,227,083
Cash flows from/(used in) finance activities		
(repayment)/borrowing of interest bearing borrowings	(1,091,799)	(975,896)
Interest Expenses	(1,665,630)	(1,527,216)
Dividend Payment	(10,000,000)	-
Payment of finance lease liabilities	(1,181,518)	(1,181,518)
Net cash flows used in finance activities	(13,938,947)	(3,684,630)
Net increase in cash and cash equivalents	14,159,892	123,792,850
Cash and cash equivalents as at April 01,	383,367,463	259,574,612
Cash and cash equivalents as at March 31, (Note 19)	397,527,356	383,367,463

Notes to the financial statements

General information and summary of accounting policies

1. General information

Rakna Arakshaka Lanka Ltd. is a limited liability company incorporated and domiciled in Sri Lanka. The registered office and the principal place of business of the company are situated at 11, Park Avenue, Colombo - 08 (Now it is at 532/05, Elvitigala Mw, Narahenpita, Colombo 05.)

Principal activities and nature of operations

The company is engaged in providing security services to local clients and maritime security services to foreign clients.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

Rakna Arakshaka Lanka Ltd. prepares its financial statements which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes **for the year ended 31st March 2018** thereto in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRS / LKAS) requires the use of certain critical accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. These estimates are based on management's knowledge of current facts and circumstances, and assumptions based on such knowledge and expectations of future events. Actual results may always differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods as well, if the revision affects both current and future periods.

When preparing the financial statements, the management has made an assessment of the ability of the company to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of operations, taking into account all available information about the future.Functional currency of the company is Sri Lanka rupees. Financial statements are presented in Sri Lanka rupees.

The cash flow statement has been prepared using the indirect method as described in the Sri Lanka Accounting Standard (LKAS) No.7.

2.2. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company, and the revenue and associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and value added taxes.

The following specific criteria are used for recognition of revenue:

Rendering of services

Revenue from rendering of services is recognized based on the time period during which the services are provided which is normally a period of one month for the provision of local security services and completion of the activity involved in the case of maritime security services, and when the customer is billed.

Interest income

Interest income is recognized as it accrues and is calculated by using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Disposal of non-current assets

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets are recognized in the statement of profit or loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Other income

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented as other income on a net basis.

2.3. Expenditure recognition

Expenses are recognized when incurred, usually when goods are received or services are consumed. This may not be when the goods or services are actually paid for. All expenses incurred and associated in the production of income including those incurred in maintaining the property, plant and equipment in a state of efficiency have been charged to the statement of profit or loss.

To provide more relevant information and to highlight components of financial performance, expenses have been classified and the "function of the expense" method is used for classification. In these financial statements expenses are classified into cost of sales, administrative expenses, financial expenses and other expenses.

2.4. Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

2.5. Taxation

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

Deferred tax is recognized on differences between the carrying amounts of asset and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6. Retirement benefit obligation

2.6.1. Defined benefit plan - Gratuity

The cost of providing for defined benefits is determined using the Projected Unit Credit (PUC) method as recommended by Sri Lanka Accounting Standard (LKAS) No.19 - "Employee Benefits" with a formula based valuation being carried out at the end of the reporting period. Losses or gains arising from changes in assumptions are recognized directly in the other comprehensive income in the year in which they arise. The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation.

However, under the Payment of Gratuity Act No: 12 of 1983, the liability arises only when an employee completes five years of continued services.

The liability is not externally funded.

2.6.2. Defined contribution plans

Employees are required by the statute to become contributory members of Employees' Provident Fund and Employees' Trust Fund. Company contributes 12% and 3% of total earnings of the employee as required by the relevant statutes to Employees' Provident Fund and Employees' Trust Fund respectively.

Assets and bases of their valuation

2.7. Property, plant and equipment

Property, plant and equipment are measured at amortized cost. This comprises any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management less accumulated depreciation (except for land and construction in progress) and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives, as follows:

	Years
Office equipment	10
Computers	5
Weapons	10
Body armory and ballistic helmets	5
Vehicles	4
Furniture and fittings	8
Other equipment	10

Depreciation of an assets begin when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner in tended by management. Depreciation of an assets ceases at the earlier of the date that the assets is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with SLRFS 05 and the date that the assets is be recognized. Therefore, depreciation does not ceased when the become ideal or is retired from active use unless the asset is fully depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Parts of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item are depreciated separately.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other (losses)/gains – net' in the statement of profit or loss.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.8. **Impairment of assets**

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.9. **Investment property**

Properties, lands or buildings or part of buildings or both held to earn rentals or for capital appreciation are considered as investment properties.

Cost model is used to measure investment properties after the initial recognition in accordance with LKAS 16, property, plant and equipment.

Investment properties are de-recognized when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on de-recognition or disposal are recognized in the profit or loss in the year of de-recognition or disposal.

Transfers are made to or from investment property only when there is a change in use. If owner occupied property becomes an investment property or inventory (WIP), the company accounts for such property, plant and equipment up to the date of change in use.

The company did not have any investment property as of the balance sheet date.

2.10. **Financial assets**

The company classifies financial assets within the scope of LKAS 39 as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss. Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and cash equivalents, short-term deposits, trade and other receivables, and loans.

2.11. Intangible assets

Intangible assets are valued at amortized cost less accumulated amortization (except for assets with indefinite useful lives) and impairment losses. Amortization is calculated on a straight-line basis taking into account any potential residual value.

The company's software system which falls into the category of intangible assets is amortized at the rate of 20% per annum.

2.12. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

2.13. Inventory

Major part of the company's inventory consists of uniforms and ammunition.

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

2.14. Cash and cash equivalents

Cash and cash equivalents represent cash at banks, cash on hand and short-term deposits with maturities of three months or less from the date of acquisition and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Liabilities and Provisions

2.15. Financial liabilities

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

The company's financial liabilities include trade and other payables and bank overdrafts.

2.16. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

The company did not have any borrowings as of the balance sheet date.

2.17. Trade payables

Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Sri Lanka rupees using the exchange rate at the reporting date. Foreign exchange gains or losses are included in finance income or finance expenses.

The company did not have any trade payable denominated in foreign currency.

2.18. Foreign currency translation

Functional currency of the company is Sri Lanka rupees.

All transactions in currencies other than the functional currency are recorded in Sri Lankan rupees, using the exchange rate prevailing at the time in which the transactions were effected.

At each date of statement of financial position, monetary assets and liabilities denominated in foreign currencies are retranslated to Sri Lankan rupee equivalents at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are not re-translated. Exchange differences arising on the settlement of monetary items and re-translation of monetary items, are recognized in profit or loss within finance income or costs in the year in which they arise. All other foreign exchange gains and losses are presented in the statement of profit or loss within other (losses)/gains – net'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.19. Capital commitments and contingencies

Significant capital commitments and contingent liabilities of the company are disclosed in the respective notes to the financial statements.

2.20. Events after the end of the reporting period

All material events after the end of the reporting period have been considered and where appropriate adjustments/disclosures disclosures have been made in the respective notes to the financial statements.

		2018	2017
		Rs.	Rs.
Note - 03 - Revenue			
Local division -			
Rendering security services		399,804,712	652,632,289
Nation building tax		(9,689,924)	(14,960,642)
		390,114,788	637,671,647
Maritime division -			
Rendering security services		238,049,654	268,911,851
Arms and Ammunition charges		2,367,883	2,977,076
Rendering services for fishing vessels		1,805,392	13,310,627
		242,222,928	285,199,554
		632,337,716	922,871,201
Note - 04 - Direct costs			
Local division -			
Security staff -			
Salaries		316,486,902	555,351,377
Employees' provident fund		18,056,136	29,047,618
Employees' trust fund		4,514,033	7,262,340
Travelling and other allowances		-	133,588
Bonus		7,006,000	8,845,000
Boarding and hostel charges		4,769,536	4,758,499
Training school expenses net of income	(Sub Note - 01)	(1,666,099)	2,505,915
Suspense Accounts		-	(636,503)
		349,166,509	607,267,834
Maritime division -			
Security staff -			
Salaries		166,334,488	205,645,279
Employees' provident fund		2,109,315	2,457,786
Employees' trust fund		527,329	614,447
Bonus		1,440,000	1,398,000
Workshop Expenses		-	97,640
Training Expenses		7,500	7,250
		170,418,632	210,220,402
		519,585,141	817,488,236

	2018	2017
	Rs.	Rs.
Note - 05 - Profit from catering service		
Income -		
Sales	55,988,657	57,238,272
Cost of sales	(37,581,305)	(39,753,751)
Gross profit	**18,407,352**	**17,484,521**
Expenses -		
Casual wages	3,616,650	1,915,120
Internet Charges	12,500	-
Electricity	471,123	569,398
Water	153,500	172,080
Cleaning	754,000	739,000
Transport	15,810	3,150
Repair and maintenance	396,321	196,549
Stationary	10,841	8,974
Bank charges	44,606	19,260
Other expenses	25,076	7,831
	5,500,428	3,631,362
Profit for the year	12,906,924	13,853,159

	2018	2017
Note - 06 - Other income		
Local division -		
Staff vehicle loan interest	15,000	29,400
Bus hiring income	508,730	693,160
Sundry sales	57,880	2,976,640
Penalties charged	105,940	163,205
Maritime division -		
Penalties charged	340,597	2,745
Admin Fee Income	17,553,072	6,921,751
Arms & Ammo Charges	714,256	205,706
Training Income	62,582	8,212,739
Workshop Income	3,500	473,775
Other Income	-	7,064
Exchange Gain	25,917,320	-
	45,278,877	19,686,184

	2018 Rs.	2017 Rs.
Note - 07 - Administrative expenses		
Chairman and directors' allowances	836,584	515,278
Company Secretary allownce	-	1,350,000
Executive and staff salaries	38,852,694	59,930,314
Employees' provident fund	2,928,837	3,866,726
Employees' trust fund	732,209	966,246
Overtime and subsistence allowances	625,058	2,067,797
Bonus	1,070,550	1,318,800
Fuel Allowance	32,176	184,567
Travelling and other allowances	-	200
Gratuity Expense	7,446,906	4,105,628
Workmen's Compensation Insurance Expense	756,515	644,633
Staff welfare	-	(50,000)
Tea and Meals	854,033	770,547
Insurance	121,978	620,021
Anniversary & Other Function Expenses	129,910	37,052
Printing and stationery	1,479,539	1,014,082
Surcharge Expenses	848,045	994,216
Director Board Siting Allowance	210,000	945,500
Stamp and postage	57,837	157,375
Audit Fee	60,000	-
ID Cost Expenses	-	45,234
Telephone and internet	2,340,397	3,094,238
Public liability Insurance	113,876	91,237
Office rent	9,301,930	11,598,302
Consultancy	45,453,317	7,066,429
Depreciation and amortization	14,323,932	17,589,080
Overseas travelling expenses	1,785,292	1,215,142
Fuel	1,033,078	1,522,702
Travelling and transport	70,405	210,690
CEO Allowance	392,500	59,800
Casual Staff Wages	27,500	304,919
VAT Expenses	1,336	130,132
Operational and other office expenses	1,220,467	3,132,934
Water Charges	733,258	1,116,487
Electricity Charges	2,062,464	2,593,742
Doubtful Debts	87,324,274	-
Repair and maintenance -		
Weapons	50,940	33,900
Vehicles	711,746	590,160
Computers	267,927	487,022
Software	632,851	619,207
Office	3,770,794	2,451,606
Advertisement -		
Recruitment & Business promotion	641,268	523,240
	229,302,421	133,915,188

Note - 08 - Other expenses		
Donation	45,000	1,249,716

	2018	2017
	Rs.	Rs.
Note - 09 - Finance income		
Interest on fixed deposits and treasury bills	63,835,710	51,451,593
Interest on USD fixed deposits	3,869,652	2,292,584
Interest on savings/deposits	4,183,027	6,306,241
	71,888,390	60,050,418
Note - 10 - Finance cost		
Bank charges	1,575,912	1,321,594
Interest on lease agreement	89,718	205,622
	1,665,630	1,527,216

	2018	2017
	Rs.	Rs.
Note - 11 - Income tax expenses		
Current income tax expense	13,083,687	10,929,176
Deferred tax expense	**(23,529,341)**	2,737,125
	(10,445,654)	13,666,301

Note - 12 - Basic earnings per share

	2018	2017
	Rs.	Rs.
Net profit attributable to ordinary shares (Rs.)	24,536,300	231,387,856
Number of shares outstanding during the year	500,205	500,205
Basic earning per share	49	463

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year.

Note - 13 - Property, plant and equipment

	Balance as at March 31, 2017	Additions during the year	Balance as at March 31, 2018
At cost -	Rs.	Rs.	Rs.
Local division -			
Freehold			
Furniture and fittings	9,090,158	-	9,090,158
Office equipment	4,952,348	957,378	5,909,726
Computers	5,537,123	-	5,537,123
Other equipment	6,882,761	64,913	6,947,674
Vehicle	14,282,458	-	14,282,458
Weapons	2,093,144	-	2,093,144
Leased hold			
Vehicle	11,352,679	-	11,352,679
Maritime division -			
Furniture and fittings	1,642,245	-	1,642,245
Office equipment	521,600	-	521,600
Computers	1,229,640	-	1,229,640
Other equipment	17,831,586	-	17,831,586
Weapons	32,494,497	-	32,494,497
Body Armor & Ballistic Helmet	39,356,670	-	39,356,670
	147,266,908	1,022,291	148,289,199

	Rate	Accumulated as at March 31, 2017	For the year	Accumulated as at March 31, 2018
Depreciation -	%	Rs.	Rs.	Rs.
Local division -				
Freehold				
Furniture and fittings	12.5	5,899,751	963,835	6,863,585
Office equipment	10	2,268,909	494,503	2,763,413
Computers	20	5,003,689	375,440	5,379,130
Other equipment	10	3,674,731	672,840	4,347,571
Vehicle	25	8,377,141	3,331,613	11,708,755
Weapons	10	1,285,163	209,314	1,494,477
Leasehold vehicle	25	11,352,679	-	11,352,679
Maritime division -				
Furniture and fittings	12.5	766,716	205,281	971,996
Office equipment	10	208,950	52,160	261,110
Computers	20	1,168,158	61,482	1,229,640
Other equipment	10	8,323,012	1,783,159	10,106,171
Weapons	10	14,964,537	3,270,650	18,235,186
Body armor and ballistic helmet	20	37,007,441	2,349,229	39,356,670
		99,560,331	13,769,506	114,070,383
Net book value		47,706,576		34,218,816

Note - 14 - Intangible asset

	Rate	Balance as at April 01, 2017	Additions during the year	Balance as at March 31, 2018
At cost -	%	Rs.	Rs.	Rs.
Local division -				
Accounting software system		471,679	337,500.00	809,179
Maritime division -				
Accounting software system		2,681,152	-	2,681,152
		3,152,831	337,500.00	3,490,331
Amortization -				
Local division -				
Accounting software system	20	450,857	59,282	510,139
Maritime division -				
Accounting software system	20	2,081,856	495,143	2,576,999
		2,532,713	554,426	3,087,138
Net book value		620,118		403,193

Note 15 - Building construction work

	2018	2017
	Rs.	Rs.
Payments to Maga Enginering (Pvt) Ltd.	608,089,855	608,089,855
Payments to Design Group Five International (Pvt) Ltd.	131,371,822	131,371,822
	739,461,678	739,461,677

Adhering to the guidance of Ministry of Deffence, the construction of building has been stopped temparary.

	2018	2017
	Rs.	Rs.
Note - 16 - Inventories		
Uniforms	3,970,064	2,385,229
Catering inventory and equipment	638,561	725,788
Ammunition	30,280,458	30,280,458
	34,889,082	33,391,475

		2018	2017
		Rs.	Rs.
Note - 17 - Trade and other receivables			
Trade receivables -			
Local division	(Sub Note - 02)	214,893,768	197,847,042
Maritime division	(Sub Note - 03)	1,531,591,705	1,559,174,371
		1,746,485,473	1,757,021,413
Provision for doubtful debts		(87,324,274)	-
Net Trade Receivable		1,659,161,199	1,757,021,413
Other receivables -			
Gall floating armory - Joint venture		377,764,559	377,764,559
Rangala, Weapon Air Transport and Training project		83,868,069	83,868,069
Deposit and prepayments	(Sub Note - 04)	9,010,333	11,584,000
Staff receivable	(Sub Note - 05)	8,802,352	9,068,517
Others	(Sub Note - 06)	44,336,189	47,787,583
		2,182,942,702	2,287,094,140

Provision for Doubtful Debts of 5% is receognozed forTrade Receiable balance form the financial year 2017/18

	2018	2017
Note - 18 - Short term deposits	Rs.	Rs.
Local division -		
Fixed deposits - Bank of Ceylon	156,143,393	156,143,393
Interest receivable	4,713,595	4,698,607
Treasury bills	19,747,101	19,684,361
Interest receivable	451,246	601,697
Maritime division -		
Fixed deposits - Bank of Ceylon	559,007,698	541,869,714
Interest receivable	13,828,452	13,439,604
	753,891,486	736,437,376

	2018 Rs.	2017 Rs.
Note - 19 - Cash and cash equivalents		
Favourable balance		
Cash at Bank	386,489,053	358,979,973
Cash in hand	11,038,303	24,714,007
	397,527,356	383,693,980
Unfavourable balance		
Bank overdrafts	-	326,517
Cash and cash equivalents for the purpose of cash flow statement	397,527,356	383,367,463

	2018	2017
Note - 20 - Retirement benefit obligations		
Present Value of Obligation as at 1st April	30,178,148	54,097,253
Provison for the period	7,446,906	4,105,628
Payments during the year	(10,597,738)	(28,818,974)
Actuarial (Gain) / Loss	1,381,568	
Prior year adjustment	-	794,241
Balance at the end of the year	28,408,884	30,178,148
Note 20.1- Provision for the year		
Current service cost	4,429,091	4,105,628
Interest cost	3,017,815	
	7,446,906	4,105,628

The calculation was made using projected unit credit method and the following key assumptions were used in determining the cost of employee benefits. The employee benefit liability of the Group is based on the actuarial valuation carried out by professionally qualified actuaries Messrs Actuarial and Management Consultants (Pvt) Ltd.

Expected salary increased rate	5% of Allowances escalation rate p.a.
Rate of discount	10% p.a.
Staff turnover	Office staff- 25% , Security Staff- 50%
Retirement age	Male 60years , Female 55Years

Note - 21 - Interest bearing borrowings 9,631,497.61

Finance lease obligation (966,240.39)

Bank of Ceylon

Asset:	**Bus WP NB 5948**	
Agreement No:	**4532013007**	Total
	2018 Rs.	2017 Rs.
Balance - beginning of the year	1,378,437	2,559,955
Repayment during the year	(1,181,518)	(1,181,518)
	196,920	1,378,437
Interest in suspense	(2,741)	(92,459)
Balance - end of the year	194,179	1,285,978
Payable within one year	194,179	1,091,800
Payable after one year	-	194,179
	194,179	1,285,978

	2018 Rs.	2017 Rs.
Note - 22 - Deferred taxation		
Balance - beginning of the year	6,287,324	6,287,324
Provision during the year	(23,529,341)	2,737,125
Balance - end of the year	(17,242,017)	6,287,324

Deferred tax provision is made-up as follows

	Temporary Deference Rs.	Tax effect on temporary difference Rs.
Accelerated depreciation for tax purpose	(29,864,351)	(8,362,018)
Accelerated ammortization for tax purpose	1,279,725.33	358,323
Retirement benefit obligation	28,408,884	7,954,488
Actuarial loss on retirement benefit obligation	(1,381,568)	(386,839)
Temporary Difference on Brought forwad business loss	63,135,943	17,678,064
	61,578,634	17,242,017

For the Financial Year 2016/17, the Brought Forward Tax losses have not been considered in the Deferred Tax Calculation. However, in 2017/2018, Brought Forward Tax losses have been considered in the Deferred Tax Calculation assuming that can be recovered rom future profits based on the growth prospects of the company.

Note - 23 - Trade and other payables			
Trade payables			
Local division	**(Sub Note - 07)**	831,282	1,156,576
Joint ventûre Avant Garde Maritime Services		762,814,313	762,806,537
Catering Service		356,156	629,662
Other payables	**(Sub Note - 08)**	51,297,930	58,299,436
		815,299,681	822,892,212

Avant Garde maritime Services (Pvt) Ltd Vs. Rakna Arakshaka Lanka Ltd (ARB070/2015/ACU)

The Singapore International Arbitration Centre has delivered an Arbitrary Award to pay USD 5 Mn. with Cost to Avant Garde maritime Services (Pvt) Ltd. Rakna Arakshaka Lanka Ltd has appealed against the Final Award to High Court of Singapore.

Note - 24 - Deposits payable		
Customer deposits	119,956,791	117,137,957
Fishing vessel deposit	160,000,000	160,000,000
	279,956,791	277,137,957

Note - 25 - Taxes payable		
Income taxes payable	(196,511,053)	(193,343,447)
Value added tax payable	2,184,579	66,641,731
Nation building tax payable	5,265,942	4,913,524
PAYE tax payable	60,584	179,029
ESC payable	655,594	661,252
Stamp Duty Payable	20,275	
	(188,324,078)	(120,947,911)

	Rs.
Sub Note - 01 - Training school expenses net of income - Local division	
Training School Income	1,789,800
Less: Training Expenses	(123,701)
	1,666,099

	Rs.
Sub Note - 02 - Trade receivables - Local division	
Arcade Independent Square.	2,197,268
Atomic Energy Authority	273,068
BOC Ampara	(52,611)
BOC Anuradhapura District	(122,261)
BOC Baddulla District	1,430,361
BOC Batticaloa	(7,713)
BOC Jaffna	49,906
BOC Kegalle District	(35,039)
BOC Kurunegala District	(192,256)
BOC Matara District	(722)
BOC Monaragala District	5,660
BOC Polonnaruwa District	828,995
BOC Puttalama District	27,250
BOC Rathnapura District	369,831
BOC Trincomalee	6,868
BOC Western Province - South	333,598
Brandix Apparel Solutions Ltd	3,389,133
Brandix Casualwear - Rathmalana	2,171,861
Brandix Lanka Apparel Solution - Rathmalana	1,499,199
C/O Brandix Apparel Limited - Minuwangoda	4,432,381
C/O Brandix Intimate Apparel Limited - Welisara	32,671
Ceylon Electricity Board - Head Office	1,841,878
Ceylon Electricity Board - Pelmadulla	134,550
Ceylon Electricity Board - Siyabalape	433,783
Ceylon Steel Corporation Ltd	6,863,775
Cey-nor Foundation Ltd	1,250,740
China National Electronics IM. & EX. Corp	1,399,576
Coconut Cultivation Board	848,194
Coconut Cultivation Board - Training Center, Lunuwila	212,870
Colombo Gold Centre.	517,110
CPC - Flower Rd & Muthurajawela Tar.	(11,558)
CPC - HQ & Sapugaskanda New Terminal	1,791,700
CPC - Muthurajawela Tar.	670,450
CPC - Orugodawatta & Sapugaskanda Refinery	3,119,375
CPSTL - Kolonnawa	490,823
CPSTL - Muthurajawela	325,940
DD Maththala Air Port Caterning Service.	5,680
Department Of Inland Revenue - Branch	2,923,718
Department Of The Registrar Of Companies.	640,780
Digital Media Unit.	683,200
Divisional Secretariate Office Tissamaharama	89,125
Educational Publications Department.	191,130
Fab Foods (Pvt) Ltd	400,094
Firoze (Pvt) Ltd	134,588
Gem & Jewellery Research & Training Institute.	339,250
Government Factory	2,776,994
House Of Fashions Mega Mall (Pvt) Ltd.	1,410,813
Independent Television Network Limited.	8,910,006
Japan Coordinator Cooperation Agency (JICA)	30,525
B/F	55,062,554

	Rs.
Sub Note - 02 - Trade receivables - Local division (Contd.)	
C/F	55,062,554
Kandy Up Town - Liberty Plaza	40,038
Lanka Hospital Corparation PLC.	19,277,150
Litro Gas Terminal Lanka (Pvt) Ltd - Hambantota.	595,900
M.D. Gunasena & Co (Pvt) Ltd	204,113
Maliban Biscuit Manufactories-Regional Ware House	299,288
Maliban Dairy & Agri Products - Ware House	89,125
MARANGONI Industrial Tyres Lanka	759,710
Mattala Air-Port	172,241
Mayura Place Lakmuthu Sewana Flat.	307,800
Milco (Pvt) Ltd	1,890,883
Milco (Pvt) Ltd - Head Office	567,724
Milco (Pvt) Ltd - Rathnapura	183,472
Miloda Times Building	173,600
Ministry Of Education	805,300
Ministry Of Education Service.	89,265
Ministry of public administration & home affairs,	379,970
Multipurpose Gamma Irradiator Project	284,970
Municipal Council - Dehiwala, Mount Lavinia	526,594
National Centre For Non-Destructive Kalaniya.	274,505
National Gem & Jewellery Authority.	1,624,325
National Insurance Trust Fund	221,375
Oil Terminal Blumendal	872,738
Postgraduate Institute of English	129,375
Postgraduate Institute of Medicine	1,559,155
President Secretarial office Vehicle Park	686,000
Presidential Secretariat Office Mumthas Mahal	1,879,233
Rigid Tyre Corporation (Private) Limited	848,250
Sanken Construction (Pvt) Ltd	2,055,625
Sanken Construction Pvt (Ltd) - PGIM Building	892,423
SATHUTA Builders (Pvt) Ltd - Dematagoda	843,750
SATHUTA Builders (Pvt) Ltd - Kottawa	461,535
Screen Line Holdings (Pvt) Ltd - Avissawella	397,000
SLT Angoda.	172,825
SLT Badulla.	1,228,360
SLT Bandarawela.	712,588
SLT Battaramulla Teleshop.	164,375
SLT Galle.	14,328
SLT Gampola.	126,310
SLT Hambantota.	106,578
SLT Havelock Town.	298,341
SLT Head Office.	3,832,720
SLT Hokandara Exchange.	9,763
SLT Kaduwela Teleshop	(59,680)
SLT Kaduwela.	8,363
SLT Kandy.	163,253
SLT Kegalle.	815,360
SLT Kotahena.	1,400
SLT Kotugoda.	641,893
SLT Kotuwegoda.	18,088
SLT Liberty Plaza Exchange.	73,715
SLT Liberty Plaza Teleshop.	33,984
SLT Matale.	229,312
SLT Matara.	16,690
SLT Mihidu Mawatha.	301,207
B/F	103,364,752

	Rs.
Sub Note - 02 - Trade receivables - Local division (Contd.)	
C/F	103,364,752
SLT Minnana.	385
SLT Nawam Mawatha.	31,880
SLT OPMC Narahenpita.	293,176
SLT Peliyagoda Stores.	550,783
SLT Property Management (PVT) Ltd.	118,885
SLT RSU Church Road Mattakkuliya.	6,975
SLT RTO Avissawella.	340,200
SLT RTOM Kotte.	43,712
SLT Slave Island Complex.	51,360
SLT Slave Island Teleshop.	(5,533)
SLT Telecom Banglow.	209,376
SLT Telecom Stores - Maradana.	126,840
SLT Teleshop WTC.	183,195
SLT Unawatuna.	3,640
SLT Vilasitha Kirulapana.	23,738
SLT Wellampitiya.	86,025
SLT Wellawatta.	70,780
SLT York Street.	57,697
Sri Jayewardenepura General Hospital & Postgraduat	5,715,134
Sri Lanka Air Lines - Security	6,244,869
Sri Lanka Airlines Limited- RAMP	11,626,815
Sri Lanka Catering (Pvt) Ltd	1,588,088
Sri Lanka Cricket Board	1,954,738
Sri Lanka Customs	14,148,395
Sri Lanka Foundation	376,050
Sri Lanka Medical Council	479,480
Sri Lanka Planetarium.	597,304
Sri Lanka Rupavahini Corporation.	4,185,779
Sri Lanka Savings Bank	2,429,350
Sri Lanka Telecome PLC.	1,440,670
Sri Lanka Thriposha Ltd.	1,274,364
Sri Lanka Tourism Development Authority	470,523
State Mortgage & Investment Bank	681,494
Sumithra Prakashana	5,550
Teaching Hospital & Nursing College - Jaffna	6,395,385
The Open University of Srilanka.	18,021,335
University of Peradeniya	20,673,014
University Of Rajarata	2,373,673
University Of Ruhuna - Galle Sector	1,475,550
University Of Ruhuna - Matara Sector	4,409,605
University of Sabaragamuwa	2,714,670
University of Uva Wellassa	(88,320)
Vallibel Finance PLC	73,342
Wanathamulla "Methsiri Uyana" Flat.	69,050
	214,893,768

	Rs.
Sub Note - 03 - Trade receivables - Maritime division	
Alphard Maritime Private Limited	71,981
Ambreyrisk Services	19,984,414
Aspida Maritime Security Corporation	2,208,529
Avant Garde Maritime Services (Pvt) Ltd	223,688,145
Avant Garde Maritime Services (Pvt) Ltd	1,009,852,489
Ceyship Management Limited	3,185,126
Corinthian Protection International Ltd	17,451,320
Cronos International PTE , LTD	18,772
Diamond Shipping Services(Pvt)Ltd	1,304,947
Emergency Manuvering Lanka (PVT) Ltd.	4,285,318
Expolanka USA LLC	1,367,151
Freightplan (Pvt) Ltd	543,000
Hua Xin Zhong An (Beijing) Security	(52,114)
IMS Enterprises SA	851,880
M/S Sea Marshals Ltd	1,503,652
Marine One Private Limited	2,130,792
Monaro Maritime Services Private Limited	18,029
Muse Professional Group	580,072
Neptune Maritime Security Ltd	(3,438)
NSTN Maritime Service (Pvt) Ltd	2,332,622
Olympic Marine Services	446,400
Pulsar Shipping Agencies (Pvt) Ltd	372,141
Pulsar Shipping Agencies (Pvt) Ltd	180,780
Raffles Ship Management Services (Pte) Ltd	3,608,240
Sea Energy Lanka (Pvt) Ltd	4,858,522
Sea Marshals Ltd	992,000
Seahorse International Security Solution Corparati	223,704
Seven Sails Shipping & Maritime(Pvt)Ltd	2,850,082
Stad Security & Investigations Services	123,480
Thai Maritime Solutions Company	3,280,703
Triples Shipping	1,011,200
Universal Maritime Solutions(Bvi) Ltd	10,415,230
Vin Ocean Shipping Limited	291,648
Wilhelmsen Meridian Navigation Ltd	3,890,438
Trade Debtors Revaluation	207,724,449
	1,531,591,705

	2018 Rs.	2017 Rs.
Sub Note - 04- Deposit and prepayments		
Deposit -		
Refundable deposit - RALL Head Office	650,000.00	1,955,000.00
Office rent -		
Head Office	-	1,300,000
Anuradhapura	125,000	125,000
Galle	280,000	247,500
Ambalanthota	685,000	705,000
Jaffna	30,000	30,000
Kurunegala	80,000	80,000
Rathnapura	194,000	194,000
Hostel rent -		
Avissawella	20,000.00	-
Ekala	-	84,000
Uva	700,000	700,000
Mihintale	48,000	48,000
Battaramulla	966,333	1,290,000
Borella	147,000	276,000
Salve Island	150,000	150,000
Borella	198,000	198,000
Kolonnawa	304,000	201,500
Madiwela	62,000	62,000
Mandawala	159,000	159,000
Minuwangoda	-	(13,000)
Narahenpita	1,575,000	1,455,000
Nugegoda	616,000	802,000
Katunayaka	210,000	
Kuliyapitiya	6,000	6,000
Peradeniya	315,000	315,000
Belihuloya	240,000	240,000
Sapugaskanda	162,500	162,500
Rathmalana	201,000	138,000
Thalawathugoda	357,500	357,500
Siyabalape	99,000	81,000
Ragama	430,000	235,000
	9,010,333	11,584,000

	2018 Rs.	2017 Rs.
Sub Note - 05 - Staff receivables		
Salary advance -		
Security staff	4,649,459	4,679,459
Sea Marshal	193,845	258,780
Festival advance	3,779,207	3,590,436
Vehicle loan	179,842	539,842
	8,802,352	9,068,517

	2018 Rs.	2017 Rs.
Sub Note - 06 - Other receivables		
Catering Control A/c	5,466,899	5,466,899
Credit Card sale Control A/c	16,955	-
Sahanya death donation	6,868,049	7,220,922
With-holding tax	8,693,847	8,693,847
Refundable deposit tender	1,436,300	1,660,720
Medical charges control	(33,063)	(29,488)
Economic service charge	10,840,518	13,262,999
Suwasampatha insurance	6,402,430	7,129,098
Laptop receivable	242,375	242,375
Office rent & Other receivable	101,479	101,479
Group Photo Reveivable	36,050	36,050
Uniform cost	4,264,352	4,002,683
	44,336,189	47,787,583

	2018 Rs.	2017 Rs.
Sub Note - 07 - Trade payables - Local division		
ABANS Retails (Pvt) Ltd	8,880	8,880
Ceylinco Insurance PLC	501,083	826,312
Ceylon Electricity Board	22,920	22,920
Gestetner of Ceylon PLC - P.O. Box 331, 248, Vauxhall Street, Colombo - 02	(14,252)	-
Metro Stationery	3,675	3,675
Mobitel (Pvt) Ltd	331,371	-
BMICH, Bauddhaloka Mawatha, Colombo - 07	-	294,803
Sri Lanka Insurance Corporation PLC - 21, Vauxhall Street, Colombo - 02	(71,394)	(15)
Transcend Cleaners	49,000	-
	831,282	1,156,576

	2018 Rs.	2017 Rs.
Sub Note - 08 - Other payables		
Accrued expenses -		
Security staff salaries	43,498,762	50,253,739
FOC and WT salaries	316,364	264,470
Employees' provident and trust fund	3,590,111	4,421,513
Audit fees	212,821	212,821
Spectacles	13,560	13,560
Death donation fund	2,027,785	2,004,513
Training cost	(1,500)	-
Suwasampatha claim	127,651	136,371
Welfare fund	108,520	31,900
Meal deduction	1,403,857	960,550
	51,297,930	58,299,436

Current Statues of Pending Litigation Matters- Rakna Arakshaka Lanka Limited

Case No.	Court/ Labour Tribunal	Parties	Act/ Ordinance	Current Status
CA/CA 240/2017	Court of Appeal	**Applicant:-** M/s Rakna Arakshaka Lanka Limited No. 532/6, Elvitigala Mawatha, Narahenpita, Colombo-05. **Respondent:** Avant Garde Maritime Service (Private) Limited No. 613, Bangalawa Junction, Kotte Road, Kotte.	Singapore Arbitration Rules	Necessary Action taken in order to withdraw Case bearing No. CHC 628/2017 ARB filed in Commercial High Court, pertaining to the said matter. Decision of the CA/CA/ 240/2017 has to be discussed with the Legal Counsels for the RALL for further action.
CHC /279/18/MR	In the High Court of Western Province Holden in Colombo (In the Exercise of its Civil Jurisdiction)	**Plaintiff:-** M/s Rakna Arakshaka Lanka Limited No. 532/6, Elvitigala Mawatha, Narahenpita, Colombo-05. **Defendant:** Avant Garde Maritime Service (Private) Limited No. 613, Bangalawa Junction, Kotte Road, Kotte.	Debt Recovery (Special Provisions) (Amendment) Act No. 2 of 1990	Case filed in the High Court of Western Province Holden in Colombo (In the Exercise of its Civil Jurisdiction) and fixed for Trail. **Prayers:-** (a) Judgment for a sum of Rs. 497,456,271/71 together with interest. (b) Judgment for a sum of Rs. 96,883,331/17 together with interest (c) Judgment for sum of Rs. 255,793,975/14 together with interest. (d) Cost of Grants.
B 44146/15	Magistrate Courts- Colombo	No Accused **Plaintiff:-** Chief Inspector of Police – Lasantha Rathnayake appeared for Plaintiff. **Defendant: -** Sri Lanka Sipping Limited M/s Rakna Arakshaka Lanka Limited with 13 Defendants. Ministry of Defense	Criminal Procedure Code No. 15 of 1979	Cased filed in respect of importation of illegal weapons and transportation and hold possession weapons without having licenses. Matter fixed for further Trial on 17th January, 2020.
LT/08/67-69/2017- LT -08/79/2016 (Except LT 08/74/2016)	Court No. 08 Labour Tribunal – Colombo	**Applicants:-** L.D. Pathmakumara Gunawardena & Other Applicants **Respondent:**	Industrial Disputes (Hearing and Determination of Proceedings) (Special Provisions) Act No. 13 of 2003	Written Submissions to be filed on 22nd January, 2020.

		M/s Rakna Arakshaka Lanka Limited No. 532/6, Elvitigala Mawatha, Narahenpita, Colombo-05		
LT/02/692-695/2017	**Court No. 08 Labour Tribunal – Colombo**	**Applicants:-** 1. L.A.D.P. Gunawardena 2. M.D.R.I. Gunathilake 3. B.R. Lamahewage 4. Hilmi Imtiyas Ahamath **Respondent:** M/s Rakna Arakshaka Lanka Limited No. 532/6, Elvitigala Mawatha, Narahenpita, Colombo-05	Industrial Disputes (Hearing and Determination of Proceedings) (Special Provisions) Act No. 13 of 2003. High Court (Special Provisions) Act No. 19 of 1990. 1978 Constitution of Democratic Socialist Republic of Sri Lanka.	Labour Tribunal Order delivered on 02nd December, 2019 and according to the Order Labour Tribunal order the Respondent to pay accumulated sum of Rs. 1.25 Million to the Applicants as compensation. Being dissatisfied with the Order delivered by the Labour Tribunal, Respondent- Appellate filed In the High Court of Western Province Holden in Colombo (In the Exercise of its Civil Jurisdiction) against the Applicant-Respondents.
CO/08/185/2019 – CO/08/189/2019	**Labour Tribunal Colombo**	**Applicants:-** 1. Yapa Appuhamilage Mitila Yapa Assistant Labour Commissioner (Acting) Labour Department Colombo-05 **Respondent:** M/s Rakna Arakshaka Lanka Limited No. 532/6, Elvitigala Mawatha, Narahenpita, Colombo-05	Wages Board Ordinance No. 27 of 1941.	Labour Department filed this Case against the Respondent Company, stating that, Respondent Company has not paid Overtime and Salaries to the Applicants (Company Employees) from April, 2015 to April, 2017. Matter is fixed for further Trial and produce further facts.