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වර්ෂ 2019/2020
ANNUAL REPORT
2019/2020

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වර්ෂ 2019/2020
Rakna Arakshaka Lanka Ltd

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

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ABOUT THIS REPORT

Welcome to our 2019/20 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 2020. 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 2018/2019 Annual Report and is consistent with our annual reporting cycle for both financial and sustainability reporting. This 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 2020. Further financial position as at 31st March 2020 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 2020 covers the 12 months period from 1st April 2019 to 31st March 2020. Further it's 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 2003.

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	

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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 having its Registered Office at No. 143/A, Kirulapone Avenue, Colombo-05, which was a brain child of former 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) was 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 1876 highly qualified and well-trained security officers. RALL is also committed to offer top-rated Sea Marshals with military background for Private Maritime Security Companies (PMSCs) and on-board shipping vessels. Having recruited 630 registered Sea Marshals, RALL symbolizes the 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 Restaurant is a leader in quality food service. We are culinary forward, sustainability conscious and relentlessly focused on hospitality. Delicious and memorable experiences created by our passionate chefs, defines who we are and what we strive to be. RALL operates one restaurant at Thalpathpitiya over the Diyawanna Lake and the two food outlets at Kimbulawala & Nawam Mawatha. The central kitchen has been established in Kirulapone.

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

07 Feb 2007
Inauguration
of RALL

Established
regional
service

Implement
ation of
Welfare
programs

Financial
Support for
Medical
Requirement

12 Feb 2012
Established
CIMSTA

17 Jan 2011
Established
Maritime
Division

Dec 2008
Launched
the website

New sites
were
opened in
Southern
Province

July 2012
Established
Rakna
Catering
Service

MESSAGE FROM THE CHAIRMAN/CEO

On behalf of the Board of Directors it is a pleasure to welcome you to the twelfth 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 2020.

The Company has reported a revenue of Rs. 1,262 million, which is 52% growth compared to previous financial year. This is mainly due to the reversal of the liquidation process commenced in previous year and expansion of the operations of Land & Maritime security services.

After the appointment of new management team and the Board of Directors in 2022, it was decided to initiate the steps to complete the previous annual reports and to hold delayed AGMs. As the Chairman of the organization, I convinced the Board of Directors and approved the previous year's financial statements on behalf of the previous Board of Directors.

Despite the gamut of challenges created by COVID-19 and the impacts caused to business, our security guards were able to facilitate uninterrupted services to our clients.

FINANCIAL REVIEW

For the year ended 31st March 2020, the Company has recorded a revenue of Rs. 1,262 million and a net profit after tax of Rs. 272 million during the year under review. The increase of the net profit is mainly due to increase in revenue by 52% in the current year.

CONCLUSION

On behalf of the Board, I would like to thank our valued shareholders for their continuous 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

2019/20 Reporting Period	
Nalaka Kaluwewa – Chairman	January 2017 to December 2019
Wijith Welikala- Chairman	January 2020 to April 2020
Directors	
B.A.T. Rodrigo	May 2015 to January 2020
J.M.A. Douglas	January 2019 to May 2019
R.M.P.S. Rathnayake	Mat 2019 to January 2020
S.P. Kiriwaththuduwa	January 2020 to July 2020
M.M.C.P. Mohottigedara	February 2020 to December 2020

2019/20 Annual Report Finalized	
Major General P. RWP RSP USP psc MSc Chandrawansa (Retd.) - Chairman	August 2022
Directors	
P.H.A.S. Wijayarathna	August 2022
D.M.S. Dissanayake	August 2020
K.T.K.P. Arampath	August 2022
G.S.K. Samarathunga	August 2022
S.K.K. De Silva	August 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 Resource)

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.

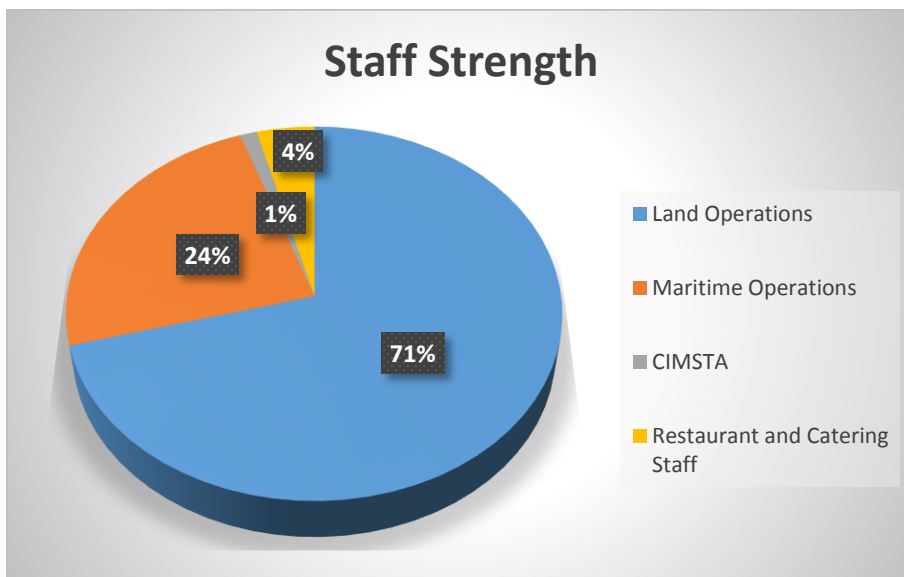
Strategies to enhance the value of human capital

- 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 2020 as follows.

Divisions	As at 31 March 2020
Land Operations	
Security Staff	1876
Maritime Operations	
Sea Marshals- Registered with RALL	630
Weapon Technicians	2
CIMSTA	
Admin Staff	32
Restaurant and Catering Staff	
Catering Staff	13
Administration Staff	57
Operational Staff	27
Finance Staff	12
Total	2649



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



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 Resource)

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

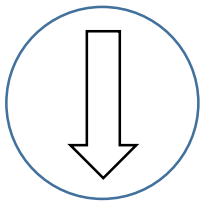
- Learning and development
- Policies, frameworks and processes
- Standard operating procedures
- Corporate culture
- Responsible leadership
- Sole Authority to granting approval through MOD for Sea Marshals engagement
- RALL is only Sri Lankan organization where can issue Sri Lankan Government own weapons 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

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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 31st March 2020, it employs 1,876 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 31st March 2020 has increased to approximately 160 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 benchmark 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 2019/20

Land Operations Security Segment reported Rs.786,407,107 in revenue for the financial year 2019/2020. This service segment constituted 62.3% of the overall company revenue in 2019/20.



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 contributes high turnover volume to the RALL Portfolio comprises of over 630 highly trained sea marshals. The service office is Located at the Headquarter Building and one specialized Maritime Operation center and Armory is located at Galle.



Maritime Security Services of RALL offers professionally trained ex-military personnel to Private Maritime Security Companies (PMSCs). All Sea Marshals are professionally trained with live firing sessions. As per the instructions issued by the MOD to all international private Maritime Security companies on 18th June 2013 and letters issued thereafter, any Sri Lankan individual operating as a sea marshal should be registered with RALL and need to obtain approval from the MOD through the RALL.

RALL recommends service personnel to go through the training program to obtain Continuous Discharge Certificate (CDC). CDC is the basic Seafarers identity document, which needs to be obtained by all Sea Marshals. English speaking proficiency is a compulsory requirement to obtain the CDC. RALL is one of the few companies in international maritime industry which provides Government authorized arms for its maritime operations and achieved competitive advantage over its competitors.



The company also engages in training of sea marshals. The Maritime Security training program at RALL includes live firing sessions for Sea Marshals under the guidance and supervision of the Sri Lanka Coastal Guard and Sri Lanka Navy, a unique and standout feature. There is no other institute in the world that provides Anti-Piracy Training and live Fire Training to Sea Marshals.



The Maritime Security segment of RALL wishes to apply for IOS 28007: Private Security Maritime certification which provides streamlined guidelines for private Maritime Security Companies (PMSC) providing Privately Contracted Armed Security Personnel (PCASP) on board ships (and pro forma contract). However, at present Maritime Security courses of RALL are based on BMPs (Best Management Practices). Though Maritime Division of RALL is in ninth year

of operation, which has gained a considerable market share with approximately 9 clients as at 31st March 2020, including following listed clients.

- Ambrey
- Marine One (Pvt) Ltd
- Raffels Ship Management Pte Ltd
- Maritime Asset Security and Training (MAST)
- Pulsar Shipping Agencies (Pvt) Ltd
- Avant Guard Maritime Services (Pvt) Ltd



Operation In 2019/20

Maritime security segment has reported Rs. 475,885,183 in revenue for the financial year 2019/20. This service segment constitutes 37.7% of the overall company revenue in 2019/2020.



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 operates one restaurant at Thalpathpitiya and two food outlets at Kimbulawala & Nawam Mawatha. Central kitchen is located at Kirulapone.

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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 2019/2020 exhibited on pages 37 to 56. 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 2020 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.

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Secretary to the Board



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல. }
My No. }

DEF/B/RALL/1/2020/01

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி }
Date }

2022 අගෝස්තු 31 දින

සභාපති

සීමාසහිත රක්ෂා ආරක්ෂක ලංකා සමාගම

සීමාසහිත රක්ෂා ආරක්ෂක ලංකා සමාගමේ 2020 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් තෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 මතය විශාලනය

සීමාසහිත රක්ෂා ආරක්ෂක ලංකා සමාගමේ (“සමාගම”) 2020 මාර්තු 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය සහ එදිනෙන් අවසන් වර්ෂය සඳහා වූ ලාභ හෝ අලාභ සහ වෙනත් 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 2020 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 ප්‍රකාරව මාගේ විධානය යටතේ විගණනය කරන ලදී. ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154 (6) ව්‍යවස්ථාව ප්‍රකාරව මාගේ වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුවේ සභාගත කරනු ලැබේ.

සමාගමේ මූල්‍ය ප්‍රකාශන පිළිබඳව මම මතයක් ප්‍රකාශ නොකරමි. මතය විශාලනය සඳහා පදනම කොටසේ සාකච්ඡා කර ඇති කරුණුවල වැදගත්කම හේතුවෙන් මෙම මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් විගණන මතයක් සඳහා පදනමක් සැපයීමට ප්‍රමාණවත් හා උචිත විගණන සාක්ෂි ලබා ගැනීමට මා හට නොහැකි විය.

1.2 මතය විශාලනය සඳහා පදනම

- (අ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 01 හි 32 ඡේදය ප්‍රකාරව, ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිතියක් මගින් අවශ්‍ය කෙරෙන හෝ අවසර දී ඇති විටෙක හැර වත්කම් හා වගකීම් සහ ආදායම් හා වියදම් හිලවී නොකළ යුතුය. එසේ වුවද, 2020 මාර්තු 31 දිනට වෙළඳ හා වෙනත් ලැබිය යුතු ගිණුමේ පැවති රු. 63,331,928 ක් වූ බැර ශේෂ එදිනට පැවති හර ශේෂවලටද, වෙළඳ හා වෙනත් ගෙවිය යුතු ගිණුමේ පැවති රු.270,892 ක් වූ හර ශේෂ එදිනට පැවති බැර ශේෂවලටද හිලවී කර මූල්‍ය ප්‍රකාශනවල දක්වා තිබුණි.
- (ආ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 01 හි 38 ඡේදය ප්‍රකාරව, ශ්‍රී ලංකා මූල්‍ය වාර්තාකරණ ප්‍රමිතියක් මගින් අවසර දී ඇත්නම් හෝ වෙනත් ආකාරයකින් අවශ්‍ය කෙරේ නම් හැර අස්තීත්වයක් විසින් මූල්‍ය ප්‍රකාශනවල වාර්තාකරන සියලුම වටිනාකම් සඳහා පසුගිය කාලපරිච්ඡේදයේ සන්සන්දනාත්මක තොරතුරු හෙළිවී කළ යුතු වුවද, ඉකුත් වර්ෂයේ විගණන වාර්තාවෙන් පෙන්වා දුන් නිර්දේශයන්ට අදාළ අවශ්‍ය නිවැරදි කිරීම් මූල්‍ය ප්‍රකාශනවල ඇතුළත් කර නොතිබුණි.
- (ඇ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 01 හි 106 (ඇ) ඡේදය ප්‍රකාරව, ස්කන්ධ වෙනස්වීම් ප්‍රකාශයෙහි වෙනත් විස්තීර්ණ ආදායම් තුළ ඇතුළත් ආයුගණක අලාභය සහ විදේශ විනිමය ලාභය වෙත වෙනම හෙළිදරව් කළ යුතු වුවද, ඉන් බැහැරව රු.426,396,700 ක් වූ මුළු විස්තීර්ණ ආදායමට ස්කන්ධ වෙනස්වීම් ප්‍රකාශය තුළ දක්වා තිබුණි.
- (ඈ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 01 හි 112 (ඈ) ඡේදය ප්‍රකාරව, පිළිවෙලින් රු.18,546,256 ක් හා රු.27,819,456 ක් වූ බැංකු ණය ජංගම නොවන හා ජංගම වගකීම් ලෙස වර්ගීකරණය කර තිබුණද ඒ පිළිබඳ තොරතුරු සටහන් මගින් ඉදිරිපත් කර නොතිබුණි.
- (ඉ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත 10 හි 08 සහ 09 (ආ) ඡේද ප්‍රකාරව, 2020 දෙසැම්බර් 16 දිනට සමාගම සතු ආයුධාගාරයන්හි පාවිච්චියට නුසුදුසුයැයි හඳුනාගෙන තිබුණු රු.2,577,280 ක් වූ පතොරම්/වෙඩිද්‍රව්‍ය/තුවක්කු නොගය සමාලෝචිත වර්ෂයට අදාළව ගැලපීම් නොකිරීම හේතුවෙන් ජංගම වත්කම් එම ප්‍රමාණයෙන් වැඩියෙන් දක්වා තිබුණි.
- (ඊ) ශ්‍රී ලංකා ගිණුම්කරණ ප්‍රමිත අංක 24 හි 25 හා 26 ඡේද ප්‍රකාරව, රාජ්‍ය ආයතන අනෙකුත් රාජ්‍ය ආයතන සමඟ පවතින ගනුදෙනු හා සම්බන්ධිත නොගෙවූ ශේෂ හෙළිදරව් කළ යුතු වුවද ඒ අනුව කටයුතු කර නොතිබුණි.
- (උ) ශ්‍රී ලංකා මූල්‍ය වාර්තාකරණ ප්‍රමිත අංක 07 (SLFRS 07) හි 14 වන ඡේදය ප්‍රකාරව, සීමාසහිත රක්තා ආරක්ෂක ලංකා සමාගම විසින් ආරක්ෂක සේවාවක් ලබාදීම වෙනුවෙන් ඇප වශයෙන් තබා ඇති ස්ථිර තැන්පතු සම්බන්ධයෙන් විස්තර මූල්‍ය ප්‍රකාශනවල හෙළිදරව් කර නොතිබුණි.

- (ඌ) ශ්‍රී ලංකා මූල්‍ය වාර්තාකරණ ප්‍රමිත අංක 07 (SLFRS 07) හි 08 වන ඡේදය ප්‍රකාරව, සෑම කාණ්ඩයකටම අයත් මූල්‍ය වත්කම් හා වගකීම්වල ධාරණ අගය මූල්‍ය තත්ත්ව ප්‍රකාශනය තුළ හෝ එහි සටහන් තුළින් හෙළිදරව් කළ යුතු වුවද ඒ අනුව කටයුතු කර නොතිබුණි.
- (එ) ආරක්ෂණ සේවා සැපයීම, පාවෙන අවි ගබඩාව හා රංගල අවි ගබඩාව සඳහා සේවා සැපයීම, තැන්පතු , කලින් ගෙවීම් , වෙළඳ හා අනෙකුත් ලැබිය යුතු වටිනාකම රු.2,674,767,444 ක්වූ ශේෂ මෙන්ම ස්ථාවර වත්කම් වටිනාකම තහවුරු කරගැනීම සඳහා වූ ශේෂ සනාථ කිරීම් හා භෞතික තොග සත්‍යාපන වාර්තා විගණනය වෙත ඉදිරිපත් නොකැරුණු අතර වෙනත් විගණන ක්‍රමවේද මගින් මෙම ශේෂයන්ගේ පැවැත්ම සම්පූර්ණයෙන් හා නිවැරදිව සනාථ කර ගැනීමට නොහැකි විය.
- (ඒ) මූල්‍ය ප්‍රකාශන අනුව ඇවින්ගාඩ් සමාගමට ගෙවිය යුතු රු. 762,831,040 ක්වූ වගකීම් සනාථ කිරීමට අවශ්‍ය ශේෂ සනාථ කිරීමේ ලිපි විගණනයට ඉදිරිපත් නොවූණි.
- (ඔ) විගණනයට ලැබුණු තොරතුරු අනුව ගෙවිය යුතු ආදායම් බදු ලෙස සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශනවල රු. 200,181,662 ක හර ශේෂයක් දක්වා තිබුණු අතර 2014/15 මූල්‍ය වර්ෂයේ දී ගෙවිය යුතු ආදායම් බදු ශේෂය 222,332,918 ක් විය. එය 2015/16 මූල්‍ය වර්ෂයේ සිට 2019/20 වර්ෂය දක්වාම හර ශේෂයන් ලෙස පෙන්වූම කර තිබුණි. එසේම 2020.03.02 දිනැති අංක.EPFS/COMM/2022/12 දරණ දේශීය ආදායම් කොමසාරිස් ජනරාල් විසින් එවා තිබූ තහවුරු කිරීමේ ලිපියේ සඳහන් ගෙවිය යුතු බදු ශේෂයන් හා සමාලෝචිත වර්ෂයේ මූල්‍ය ප්‍රකාශනවල පෙර වර්ෂයේ ගෙවිය යුතු බදු ලෙස දක්වා තිබූ ශේෂයන් අතර වෙනස්වීම් නිරීක්ෂණය විය.
- (ඕ) පෙර වර්ෂයේ රු. 200,664,717 ක ගෙවිය යුතු ආදායම් බදු හර ශේෂයක් මූල්‍ය ප්‍රකාශනවල දක්වා තිබුණු අතර සමාලෝචිත වර්ෂයේ දී ගෙවිය යුතු ආදායම් බදු හර ශේෂයක් ලෙස රු.200,181,662 දක්වා තිබුණි. නමුත් දේශීය ආදායම් කොමසාරිස් ජනරාල් විසින් 2022 මාර්තු 10 දින ලබාගත් ශේෂ තහවුරු කිරීම් අනුව පෙර වර්ෂයේ දී එවැනි හර ශේෂයක් පවතින බව දක්වා නොතිබුණි. එහෙත් ගිණුම්වල ඒ වෙනුවෙන් අඩමාන ණය සඳහා අවශ්‍ය වෙන් කිරීම් කර නොතිබුණි.
- (ක) සමාගමේ මූල්‍ය ප්‍රකාශන අනුව 2020 මාර්තු 31 දිනට පැවති රු. 2,674,767,444 ක්වූ වෙළඳ හා වෙනත් ලැබිය යුතු ශේෂයෙන් රු.1,784,594,523 ක් සමුද්‍රීය ආරක්ෂණ සේවා සැපයීමෙන් ලැබිය යුතු ණය ශේෂය විය. ඉන් රු.1,631,525,702 ක් එනම් මුළු ණය සියයට 91.4 ක් ඇවින්ගාඩ් ආයතනයෙන් ලැබිය යුතු ණය ශේෂය විය. රංගල හා ගාල්ල පාවෙන අවි ගබඩා තුළින් ලැබිය යුතු පිළිවෙලින් රු.83,868,069 ක් හා රු.377,764,559 ක්වූ ශේෂ වර්ෂ 07 කට අධික කාලයක සිට අයනොවී තිබූ අතර එම ශේෂයන් තහවුරු කරගැනීමට අදාළ සාක්ෂි විගණනයට ඉදිරිපත් නොවූ අතර එම ණය අයකරගැනීමටද කටයුතු කර නොතිබුණි.

(ආ) සමාගමේ ප්‍රධාන කාර්යාල ගොඩනැගිල්ල ඉදිකිරීම සඳහා 2020 මාර්තු 31 වන විට රු.මිලියන 739.4 ක පිරිවැයක් දරා තිබුණද ගොඩනැගිල්ලේ ඉදිකිරීම් කටයුතු අතරමග නවතා දමා තිබුණි. ගොඩනැගිල්ල ඉදිකිරීම සඳහා සැලසුම්කර තිබූ ඉඩමෙහි අයිතිය සමාගම වෙත පවරාගැනීමට කටයුතු කර නොතිබූ අතර මූල්‍ය ප්‍රකාශනවල භානිකරණය සම්බන්ධයෙන්වූ වෙන්කිරීම්ද කර නොතිබුණි.

(ඇ) සී/ස ඇවන්ගාඩ් මැට්ටයිම් සර්විස් (පුද්) සමාගම විසින් සී/ස රක්තා ආරක්ෂක ලංකා සමාගමට එරෙහිව සිංගප්පූරුවේ ජාත්‍යන්තර බේරුම්කරණ අධිකරණයේ පවරා තිබූ නඩුවේ තීන්දුව ලෙස වන්දි වශයෙන් ඇ.ඩො මිලියන 05 ක් හා සිංගප්පූර් ඩොලර් 826,000 ක් ගෙවන ලෙස සමාගමට 2016 නොවැම්බර් 24 දින නියම කොට තිබුණද සමාලෝචිත වර්ෂය අවසන් වන විටත් මේ සඳහා අභියාචනා ඉදිරිපත් කිරීමක් හෝ ඒ පිළිබඳව මූල්‍ය ප්‍රකාශනවල ප්‍රතිපාදනද සලසා නොතිබුණි.

ඉහත විස්තර කර ඇති පරිදි, මූල්‍ය තත්ත්ව ප්‍රකාශනයේ විස්තීර්ණ ආදායම් ප්‍රකාශයේ හිමිකම් වෙනස්වීමේ ප්‍රකාශනයේ සහ මුදල් ප්‍රවාහ ප්‍රකාශනයේ ඇතුළත් ප්‍රමාණාත්මක අයිතම විකල්ප ක්‍රම මගින් තහවුරු කිරීමට හෝ සත්‍යාපනය කිරීමට මට නොහැකි විය. මේ හේතුවෙන්, මූල්‍ය තත්ත්ව ප්‍රකාශනය, විස්තීර්ණ ආදායම් ප්‍රකාශනය, හිමිකම් වෙනස්වීමේ ප්‍රකාශනය, සහ මුදල් ප්‍රවාහ ප්‍රකාශනය සැකසෙන වටිනාකම් හෝ අයිතමයන් වල වාර්තාගත හෝ වාර්තා නොකළ වටිනාකම් හෝ ගනුදෙනු සම්බන්ධයෙන් කිසියම් ගැලපීමක් කිරීමට අවශ්‍ය දැයි මට නිශ්චය කිරීමට නොහැකි විය.

1.3 මූල්‍ය ප්‍රකාශන පිළිබඳ කළමනාකරණයේ සහ පාලනය කරන පාර්ශවයන්ගේ වගකීම්

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

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

සමාගමේ මූල්‍ය වාර්තාකරණ ක්‍රියාවලිය සම්බන්ධ වගකීම, පාලනය කරන පාර්ශවයන් විසින් දරනු ලබයි.

- 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (අ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ පාලක මණ්ඩලයේ යම් සාමාජිකයෙකුට සමාගම සම්බන්ධවී යම් ගිවිසුමක් සම්බන්ධයෙන් සෘජුව හෝ අන්‍යාකාරයකින් සාමාන්‍ය ව්‍යාපාරික තත්වයෙන් බැහැරව සම්බන්ධයක් ඇති බව.
- 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (ඊ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව පහත සඳහන් නිරීක්ෂණ හැර යම් අදාල ලිඛිත නීතියකට හෝ සමාගමේ පාලක මණ්ඩලය විසින් නිකුත් කරන ලද වෙනත් පොදු හෝ විශේෂ විධානවලට අනුකූල නොවන ලෙස ක්‍රියා කර ඇති බව.

නීතිරීති / විධානයට යොමුව

විස්තරය

(අ) 2007 අංක 07 දරන සමාගමේ ශේෂ පත්‍ර දිනයෙන් පසුව මාස 06 ක් සමාගම පනතේ 150 (1) ඇතුළත හෝ රෙජිස්ටාර්වරයා විසින් නිශ්චය කරනු ලබන පරිදි දීර්ඝ කරන ලද යම් කාලයක් ඇතුළත, මූල්‍ය ප්‍රකාශන සම්පූර්ණ කර ඇති බවටත් මූල්‍ය ප්‍රකාශන වගකිවයුතු පුද්ගලයෙකු විසින් එය පනතේ නියමයන්ට අනුකූලව වන බව සහතික කර ඇති බවටත්, අධ්‍යක්ෂ මණ්ඩලය වෙනුවෙන් සමාගමේ අධ්‍යක්ෂවරයන් දෙදෙනෙකු විසින් දින යොදා අත්සන් කර ඇති බවටත් අදාල සමාගමේ අධ්‍යක්ෂ මණ්ඩලය විසින් වගබලා ගත යුතු වුවද ඒ අනුව කටයුතු කර නොතිබුණු අතර 2020 මාර්තු 31 න් අවසන් වර්ෂය සඳහා වූ ගිණුම් අත්සන් කර තිබුණේ 2022 අප්‍රේල් 29 දීය.

(ආ) 2003 ජූනි 02 දිනැති අංක.PED/12 දරන රාජ්‍යය ව්‍යාපාර යහපාලනය පිළිබඳ වක්‍රලේඛය

(i) 5.1 වගන්තිය

සමාලෝචිත වර්ෂය සඳහා යාවත්කාලීන කරන ලද සංයුක්ත සැලැස්මක් පිළියෙල කර නොතිබුණි.


- (ii) 6.5.1 ඡේදය සමාගම විසින් ගිණුම් වර්ෂය අවසාන වී දින 60 ක් ඇතුළත මූල්‍ය ප්‍රකාශන සහ කෙටුම්පත් වාර්ෂික වාර්තාව විගණකාධිපති වෙත හා පිටපත් අදාළ අමාත්‍යාංශය හා රාජ්‍ය ව්‍යාපාර දෙපාර්තමේන්තුව වෙත ඉදිරිපත් කළ යුතු වුවද, සමාලෝචිත වර්ෂය සඳහා අධ්‍යක්ෂ මණ්ඩලය විසින් අනුමත කරන ලද අවසාන මූල්‍ය ප්‍රකාශන වර්ෂ 01 මාස 10 ක ප්‍රමාදයක් සහිතව 2022 අප්‍රේල් 29 දින විගණකාධිපති වෙත ඉදිරිපත් කර තිබුණි.
- (iii) 6.5.3 ඡේදය 2017/18 හා 2018/19 වර්ෂයන් සඳහා වාර්ෂික වාර්තා පාර්ලිමේන්තුවේ සභාගත කර නොතිබුණි.
- (iv) 7.4.1 වගන්තිය වර්ෂයකට විගණන හා කළමනාකරණ කමිටු රැස්වීම් වාර 04 ක් අවම වශයෙන් පැවැත්විය යුතු වුවත්, සමාලෝචිත වර්ෂය තුළ රැස්වීම් වාර 01 ක් පමණක් පවත්වා තිබුණි.
- (v) 7.4.5 ඡේදය සමාලෝචිත වර්ෂය සඳහා 2020 මාර්තු 31 දිනට වූ ස්ථාවර වත්කම් සත්‍යාපනය සඳහා භාණ්ඩ සමීක්ෂණ මණ්ඩලයක් පත්කර නොතිබුණු අතර ස්ථාවර වත්කම් ලේඛණයක් නඩත්තු කර යාවත්කාලීන කර නොතිබුණි.
- (vi) 9.3 ඡේදය සමාගම සංස්ථාපනය කළ දින සිට මේ දක්වා සේවක මණ්ඩලය සඳහා බඳවා ගැනීමේ හා උසස් කිරීමේ පටිපාටියක් සකස් කර රාජ්‍ය ව්‍යාපාර දෙපාර්තමේන්තුව විසින් අනුමත කරවා ගෙන නොතිබුණි.

- 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.

- 2018 අංක 19 දරණ ජාතික විගණන පනතේ 12 (උ) වගන්තියේ සඳහන් අවශ්‍යතාවය අනුව සමාගමේ සම්පත් සකසුරුවම් ලෙස, කාර්යක්ෂම ලෙස සහ ඵලදායී ලෙස කාලසීමාවන් තුළ අදාළ නීතිරීති වලට අනුකූලව ප්‍රසම්පාදනය කර භාවිතා කර නොමැති බව.

2.3 වෙනත් කරුණු

- (අ) සමාලෝචිත වර්ෂයේ ලැබිය යුතු ණය ශේෂයන්හි කාල විශ්ලේෂණය අනුව ආයතන 89 කින් වසර 05 ට වැඩි කාලයක සිට ලැබිය යුතු ණය ශේෂය රු.1,454,554,288 ක් පැවතියද, අදාළ ණය ශේෂ අයකර ගැනීම කෙරෙහි අවධානය යොමු කර නොතිබුණි.
- (ආ) රක්ෂා ලංකා ආරක්ෂක සමාගමේ ප්‍රධානතම ආදායම් මාර්ගය දේශීය හා සමුද්‍රීය ආරක්ෂක සේවා සැපයීම වුවද, එම ආදායම් නිසි පරිදි ඉන්වොයිස් කර අදාළ ආයතන වෙත යවා, එය විධිමත්ව කළමනාකරණයට හා පාලනයට සුදුසු අභ්‍යන්තර පාලන ක්‍රමවේද ස්ථාපිත කිරීම කෙරෙහි කළමනාකරණයේ අවධානය යොමු වී නොතිබුණි.
- (ඇ) 2020 මාර්තු 31 දිනට පාරිච්ඡේදන ක්‍රියාමාර්ග ගෙන තිබුණද මේ දක්වාම අවසන් වී නොතිබුණි.
- (ඈ) පෙර වර්ෂයේ මූල්‍ය ප්‍රකාශනවල උපයන වට බදුවල රු.54,829 හර ශේෂයක් දක්වා තිබුණු අතර සමාලෝචිත වර්ෂයේ ද උපයන වට බදුවල රු.308,065 හර ශේෂයක් දක්වා තිබුණි. දේශීය ආදායම් කොමසාරිස් වෙතින් ලබාගත් ශේෂ සනාථන ලිපිය අනුව පෙර වර්ෂයේ එවැනි හර ශේෂයක් පවතින බව දක්වා නොතිබුණි. එහෙත් ගිණුම්වල ඒ වෙනුවෙන් අධිමාන ණය සඳහා අවශ්‍ය වෙන් කිරීම් කර නොතිබුණි.
- (ඉ) සමාලෝචිත වර්ෂයේ විලම්භිත බදුහර ශේෂය රු. 73,643,559 ක් වූ අතර පෙර වර්ෂයේ එම ශේෂය රු.12,929,036 ක්වී තිබුණි. පෙර වර්ෂය හා සාපේක්ෂව රු. 60,714,523 කින් සමාලෝචිත වර්ෂයේ විලම්භිත බදු හර ශේෂය වැඩිවී තිබුණි. එසේම මූල්‍ය තත්ත්ව ප්‍රකාශයේ දිගුකාලීන වගකීම් ජංගම නොවන යටතේ විලම්භිත බදු හර ශේෂය දක්වා තිබුණි.


 ඩබ්ලිව්.පී.සී. වික්‍රමරත්න
 විගණකාධිපති

Rakna Arakshaka Lanka Limited

No. 143/A, Kirulapone Avenue, Colombo 05.

Statement of profit or loss and other comprehensive income

For the year ended 31st March	Notes	2020 Rs.	2019 Rs.
Revenue	03	1,262,292,291	833,188,247
Direct costs	04	(1,013,823,470)	(644,398,574)
Gross profit		248,468,821	188,789,672
Profit from catering service	05	9,421,224	14,291,468
Other income	06	1,113,911	855,281
Administrative expenses	07	(113,864,393)	(128,537,181)
Other expenses	08	(77,000)	(80,000)
Operating profit		145,062,563	75,319,240
Finance income	09	88,940,517	76,717,673
Finance cost	10	(6,953,076)	(4,271,818)
Non-operating profit		81,987,441	72,445,855
Profit before income tax		227,050,004	147,765,095
Income tax expense	11	44,527,348	(18,275,597)
Profit for the year		271,577,352	129,489,498
Other comprehensive income			
Exchange gain/(loss)		155,017,636	217,101,618
Actuarial gain/(loss) on retirement benefit obligation net of tax		(198,288)	6,998,041
Total comprehensive income		426,396,700	353,589,157
Basic earnings per share	12	852	707

The accounting policies and notes appearing on pages 05 to 20 are an integral part of these financial statements.



Rakna Arakshaka Lanka Limited

No. 143/A, Kirulapone Avenue, Colombo 05.

Statement of financial position

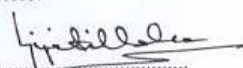
As at 31st March	Notes	2020 Rs.	2019 Rs.
Non current assets			
Property, plant and equipments	13	22,636,137	26,952,540
Intangible assets	14	271,753	396,404
Building construction work	15	739,461,678	739,461,678
Total non current assets		762,369,568	766,810,621
Current assets			
Inventories	16	35,947,297	39,958,929
Trade and other receivables	17	2,674,767,444	2,299,088,165
Short term deposits	18	1,217,406,276	1,186,233,654
Cash and cash equivalents	19	147,957,830	94,281,899
Total current assets		4,076,078,847	3,619,562,647
Total assets		4,838,448,415	4,386,373,268
Shareholders' equity			
Stated capital			
500,205 Ordinary shares		5,002,050	5,002,050
Retained earnings		3,918,345,541	3,513,948,842
Shareholders' equity		3,923,347,591	3,518,950,892
Non current liabilities			
Retirement benefit obligations	20	18,174,234	18,451,062
Deferred taxation	21	(73,643,559)	(12,929,036)
Bank Loan		18,546,256	-
Total non current liabilities		(36,923,069)	5,522,026
Current liabilities			
Bank Loan		27,819,456	-
Trade and other payables	22	865,170,747	820,021,959
Deposits payable	23	243,435,103	234,986,957
Taxes payable	24	(184,401,414)	(193,108,566)
Total current liabilities		952,023,892	861,900,351
Shareholders' equity and liabilities		4,838,448,415	4,386,373,268

These financial statements have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007.



Director Finance

The Board of Directors are responsible for these financial statements. Signed for and on behalf of the Board of Directors.



Chairman



Director

30th July 2021



Rakna Arakshaka Lanka Limited

No. 143/A, Kirulapone Avenue, Colombo 05.

Statement of changes in equity

	Stated Capital	Retained earnings	Total Equity
Balance as at April 01st, 2018	5,002,050	3,220,038,822	3,225,040,872
Prior year adjustments - Overstatement of income		(14,679,137)	(14,679,137)
Balance as at April 01st, 2018	5,002,050	3,205,359,685	3,210,361,735
Dividend paid for 2014/2015		(45,000,000)	(45,000,000)
Profit for the year		353,589,157	353,589,157
Balance as at March 31, 2019	<u>5,002,050</u>	<u>3,513,948,842</u>	<u>3,518,950,892</u>

	Stated Capital	Retained earnings	Total Equity
	Rs.	Rs.	Rs.
Balance as at April 01st, 2019	5,002,050	3,513,948,842	3,518,950,892
Prior year adjustments - Overstatement of income		-	-
Balance as at April 01st, 2019	5,002,050	3,513,948,842	3,518,950,892
Dividend paid for 2014/2015		(22,000,000)	(22,000,000)
Profit for the year		426,396,700	426,396,700
Balance as at March 31, 2020	<u>5,002,050</u>	<u>3,918,345,541</u>	<u>3,923,347,591</u>

The accounting policies and notes appearing on pages 05 to 20 are an integral part of these financial statements.



Rakna Arakshaka Lanka Limited

No. 143/A, Kirulapone Avenue, Colombo 05.

4

Cash flow statement

	2020 Rs.	2019 Rs.
Cash flow from operating activities:		
Profit before tax	227,050,004	147,765,095
Adjustments for -		
Prior year adjustments	-	(14,679,137)
Depreciation and amortization	8,234,452	10,173,765
Provision for retirement benefit	4,412,334	5,606,381
Bad debt provision	17,506,520	5,952,538
Differed taxation	(60,714,522)	4,312,981
Interest expense	6,953,076	4,271,818
Lease rental	-	196,920
Actuarial gain/loss	198,288	(6,998,041)
Exchange gain/loss	155,017,636	217,101,618
Interest income	(88,940,517)	(76,717,673)
Changes in working capital		
(Increase)/decrease in inventories	4,011,631	(5,069,847)
(Increase)/decrease in trade and other receivables	(393,185,798)	(122,098,001)
Increase/(decrease) in tax payable	8,707,152	(4,784,487)
Increase/(decrease) in deposits payable	8,448,146	(44,969,834)
Increase/(decrease) in trade and other payable	45,148,788	4,722,278
Cash generated from operating activities	(57,351,098)	131,784,414
Tax paid	44,527,348	(18,275,597)
Gratuity paid	(4,887,450)	(8,566,162)
Net cash flows from operating activities	(17,711,200)	104,942,655
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipments	(3,793,399)	(2,725,700)
Purchase of intangible assets	-	(175,000)
(Investment in)/withdrawal from short term deposit	(31,172,622)	(432,342,168)
Interest income	88,940,517	76,717,673
Net cash flows used in investing activities	53,974,496	(358,525,195)
Cash flows from/(used in) finance activities		
(Repayment)/borrowing of interest bearing borrowings	(2,318,288)	(194,179)
Bank loan Obtained	48,684,000	-
Interest expenses	(6,953,076)	(4,271,818)
Dividend payment	(22,000,000)	(45,000,000)
Payment of finance lease liabilities	-	(196,920)
Net cash flows used in finance activities	17,412,636	(49,662,916)
Net increase in cash and cash equivalents	53,675,932	(303,245,456)
Cash and cash equivalents as at April 01,	94,281,899	397,527,356
Cash and cash equivalents as at March 31, (Note 19)	147,957,830	94,281,899



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 143/A, Kirulapone Avenue, 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 2020 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, i.e. 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 have been made in the respective notes to the financial statements.



	2020	2019
	Rs.	Rs.
Note - 03 - Revenue		
Local division		
Rendering security services	796,463,587	412,272,159
Nation building tax	(10,056,480)	(10,277,646)
	<u>786,407,107</u>	<u>401,994,513</u>
Maritime division		
Rendering security services	426,834,859	387,193,275
Admin Fee Income	49,050,325	32,649,265
Rendering services for fishing vessels	-	11,351,194
	<u>475,885,183</u>	<u>431,193,734</u>
	<u>1,262,292,291</u>	<u>833,188,247</u>
Note - 04 - Direct costs		
Local division		
Security staff		
Salaries	627,683,747	312,734,015
Employees' provident fund	28,444,050	16,826,644
Employees' trust fund	7,111,013	4,206,661
Bonus	-	12,576,000
Boarding and hostel charges	5,266,584	4,707,000
Training school expenses net of income	560,702	(1,137,297)
	<u>669,066,096</u>	<u>349,913,022</u>
Maritime division		
Security staff		
Salaries	339,220,095	288,306,117
Employees' provident fund	3,586,080	3,179,948
Employees' trust fund	896,520	794,987
Bonus	-	2,212,000
Wepon Store Charges	1,054,678	-
Training Expenses	-	(7,500)
	<u>344,757,374</u>	<u>294,485,552</u>
	<u>1,013,823,470</u>	<u>644,398,574</u>



	2020	2019
	Rs.	Rs.
Note - 05 - Profit from catering service		
Income		
Sales	48,932,551	54,044,510
Cost of sales	<u>(34,342,431)</u>	<u>(34,718,751)</u>
Gross profit	14,590,120	19,325,759
Expenses		
Casual wages With EPF & ETF	3,663,615	3,292,730
Electricity	379,916	441,646
Water	143,955	164,761
Telephone Charges	20,607	11,545
Cleaning	198,225	615,775
Bonus	20,000	20,000
Transport	60,975	20,525
Repair and maintenance	549,143	323,527
Stationary	12,737	19,285
Bank charges	119,722	112,247
Other expenses	-	12,250
	<u>5,168,896</u>	<u>5,034,291</u>
Profit for the year	<u>9,421,224</u>	<u>14,291,468</u>

Note - 06 - Other income**Local division**

Staff vehicle loan interest	-	2,100
Bus hiring income	758,267	494,510
Sundry sales	-	425
Penalties charged	242,855	104,240
Non-refundable deposits - Tender	-	12,000

Maritime division

Penalties charged	-	52,583
Arms & ammo charges	105,288	179,423
Training income	7,500	10,000
	<u>1,113,911</u>	<u>855,281</u>



	2020 Rs.	2019 Rs.
Note - 07 - Administrative expenses		
Chairman and directors' allowances	568,450	859,220
Executive and staff salaries	41,540,074	37,950,851
Employees' provident fund	2,811,132	2,739,414
Employees' trust fund	702,783	684,854
PAYE Tax expense	-	207
Overtime and subsistence allowances	447,831	386,332
Bonus	760,100	801,000
Fuel allowance	6,647	-
Gratuity expense	4,412,334	5,606,381
Workmen's compensation insurance expense	342,477	272,996
Tea and meals	1,506,133	1,070,833
Insurance	272,734	282,562
Anniversary & other function expenses	222,647	400,281
Printing and stationery	3,134,076	1,318,494
Professional fee expenses	112,500	-
Surcharge expenses	-	407,800
Compensation	-	160,000
Director board & audit comitee siting expenses	248,000	265,000
Stamp and postage	532,095	20,479
Audit Fee	899,700	36,000
ID cost expenses	104,689	10,326
Telephone and internet	1,961,829	1,711,688
Public liability insurance	42,923	109,879
Office rent	7,605,000	9,793,000
Consultancy & legal document charges	4,696,495	30,615,419
Depreciation and amortization	8,234,452	10,173,765
Overseas travelling expenses	1,054,747	2,332,728
Fuel	1,426,825	928,200
Travelling and transport	221,386	301,693
CEO allowance	368,516	510,000
Casual staff wages	640,032	179,550
Operational and other office expenses	2,344,718	5,503,891
Water charges	436,300	633,763
Electricity charges	1,290,259	1,899,908
Doubtful debts	17,506,520	5,952,538
<u>Repair and maintenance -</u>		
Weapons	17,600	17,600
Vehicles	1,026,932	742,030
Computers	125,306	191,285
Software	983,769	717,904
Office	3,419,150	2,754,187
<u>Advertisement -</u>		
Recruitment & business promotion	1,837,232	195,125
	113,864,393	128,537,181
Note - 08 - Other expenses		
Donation	77,000	80,000



	2020	2019
	Rs.	Rs.
Note - 09 - Finance income		
Interest on fixed deposits and treasury bills	60,672,991	64,077,346
Interest on USD fixed deposits	26,141,049	9,474,835
Interest on savings/ deposits	979,724	3,165,491
Interest on repo investment	1,146,754	-
	<u>88,940,517</u>	<u>76,717,673</u>

Note - 10 - Finance cost		
Bank charges	4,832,408	4,269,077
Interest on lease agreement	-	2,741
Bank loan interest	2,115,370	
Over draft interest	5,298	
	<u>6,953,076</u>	<u>4,271,818</u>

	2020	2019
	Rs.	Rs.
Note - 11 - Income tax expenses		
Current income tax expense	16,187,174	13,962,616
Deferred tax expense	<u>(60,714,522)</u>	<u>4,312,981</u>
	<u>(44,527,348)</u>	<u>18,275,597</u>

Note - 12 - Basic earnings per share

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.

	2020	2019
	Rs.	Rs.
Net profit attributable to ordinary shares (Rs.)	426,396,700	353,589,157
Number of shares outstanding during the year	<u>500,205</u>	<u>500,205</u>
Basic earning per share	<u>852</u>	<u>707</u>



Note - 13 - Property, plant and equipment

	Balance as at March 31, 2019	Additions during the year	Balance as at March 31, 2020
	Rs.	Rs.	Rs.
At cost			
Local division			
Freehold			
Furniture and fittings	9,090,158	165,038	9,255,195
Office equipment	6,220,446	1,012,170	7,232,616
Computers	5,537,123	1,552,300	7,089,423
Other equipment	9,362,654	377,042	9,739,696
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	686,850	1,916,490
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
	<u>151,014,899</u>	<u>3,793,399</u>	<u>154,808,298</u>
	Accumulated as at March 31, 2019	For the year	Accumulated as at March 31, 2020
	Rs.	Rs.	Rs.
Depreciation			
Local division			
Freehold			
Furniture and fittings	7,744,650	649,975	8,394,626
Office equipment	3,310,049	582,711	3,892,760
Computers	5,467,464	201,500	5,668,965
Other equipment	5,051,539	828,145	5,879,684
Vehicle	13,999,036	283,422	14,282,458
Weapons	1,686,119	156,656	1,842,775
Leasehold vehicle	11,352,679	-	11,352,679
Maritime division			
Furniture and fittings	1,177,277	199,892	1,377,169
Office equipment	313,270	52,160	365,430
Computers	1,229,640	122,732	1,352,372
Other equipment	11,889,329	1,783,159	13,672,488
Weapons	21,484,636	3,249,450	24,734,086
Body armor and ballistic helmet	39,356,670	-	39,356,670
	<u>124,062,359</u>	<u>8,109,802</u>	<u>132,172,161</u>
Carring value	<u>26,952,540</u>		<u>22,636,137</u>



	Balance as at April 01, 2019	Additions during the year	Balance as at March 31, 2020
	Rs.	Rs.	Rs.
Note - 14 - Intangible asset			
At cost			
Local division			
Accounting software system	984,179	-	984,179
Maritime division			
Accounting software system	2,681,152	-	2,681,152
	<u>3,665,331</u>	<u>-</u>	<u>3,665,331</u>
Amortization			
Local division			
Accounting software system	608,175	104,250	712,425
Maritime division			
Accounting software system	2,660,752	20,400	2,681,152
	<u>3,268,927</u>	<u>124,650</u>	<u>3,393,577</u>
Carrying value	<u>396,404</u>		<u>271,753</u>
Note 15 - Building construction work	2020	2019	
	Rs.	Rs.	
Payments to Maga Engineering (Pvt) Ltd.	608,089,855	608,089,855	
Payments to Design Group Five International (Pvt) Ltd.	131,371,822	131,371,822	
	<u>739,461,678</u>	<u>739,461,678</u>	

Adhering to the guidance of Ministry of Defence, the construction of building has been stopped temporary.

	2020	2019
	Rs.	Rs.
Note - 16 - Inventories		
Uniforms	5,795,397	9,320,454
Catering inventory and equipment	358,017	358,017
Ammunition	29,793,883	30,280,458
	<u>35,947,297</u>	<u>39,958,929</u>
	2020	2019
	Rs.	Rs.
Note - 17 - Trade and other receivables		
Trade receivables		
Local division	431,072,098	214,494,669
Maritime division	1,784,594,523	1,651,041,557
	2,215,666,621	1,865,536,226
Provision for doubtful debts	(110,783,331)	(93,276,811)
Net Trade Receivable	<u>2,104,883,290</u>	<u>1,772,259,415</u>
Other receivables		
Call 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	27,002,333	15,552,833
Staff receivable	6,282,909	8,137,187
Others	74,966,285	41,506,103
	<u>2,674,767,444</u>	<u>2,299,088,165</u>

Provision for Doubtful Debts of 5% is recognized for trade receivable balance from the financial year 2019/20.



	2020	2019
	Rs.	Rs.
Note - 18 - Short term deposits		
Local division		
Fixed deposits - Bank of Ceylon	156,143,393	156,143,393
Interest receivable	5,169,996	5,444,529
Treasury bills	19,747,101	19,747,101
Interest receivable	219,366	437,814
Maritime division -		
Fixed deposits - Bank of Ceylon	1,016,153,376	959,659,606
Interest receivable	19,973,044	19,801,210
Catering Division		
Fixed deposits - Bank of Ceylon	-	25,000,000
	<u>1,217,406,276</u>	<u>1,186,233,654</u>

Following fixed deposits mortgaged to Bank of Ceylon for bid / performance bonds.

Fixed deposit no	Amount (Rs.)
80119544	53,271,438
74726551	20,000,000
	<u>73,271,438</u>

	2020	2019
	Rs.	Rs.
Note - 19 - Cash and cash equivalents		
Favourable balance		
Cash at Bank	151,548,692	92,566,067
Cash in hand	(3,590,862)	1,715,832
Cash and cash equivalents for the purpose of cash flow statement	<u>147,957,830</u>	<u>94,281,899</u>
Note - 20 - Retirement benefit obligations		
Present Value of Obligation as at 1st April	18,451,062	28,408,884
Provision for the period	4,412,334	5,606,381
Payments during the year	(4,887,450)	(8,566,162)
Actuarial (Gain) / Loss	198,288	(6,998,041)
Balance at the end of the year	<u>18,174,234</u>	<u>18,451,062</u>
Note 20.1- Provision for the year		
Current service cost	2,567,228	2,765,493
Interest cost	1,845,106	2,840,888
	<u>4,412,334</u>	<u>5,606,381</u>

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	65 years



	2020 Rs.	2019 Rs.
Note - 21 - Deferred taxation		
Balance - beginning of the year	(12,929,036)	(17,242,017)
Provision during the year	(60,714,522)	4,312,981
Balance - end of the year	<u>(73,643,558)</u>	<u>(12,929,036)</u>

Deferred tax provision is made-up as follows

	Temporary Deference Rs.	Tax effect on temporary difference Rs.
Accelerated depreciation for tax purpose	(18,975,517)	(5,313,145)
Accelerated amortization for tax purpose	937,898	262,612
Retirement benefit obligation	18,174,234	5,088,786
Actuarial Gain on retirement benefit obligation	(198,288)	(55,521)
Temporary Difference on Brought forward business loss	263,074,381	73,660,827
	<u>263,012,709</u>	<u>73,643,558</u>

Brought Forward Tax losses have been considered in the Deferred Tax Calculation assuming that can be recovered from future profits based on the growth prospects of the company.

Note - 22 - Trade and other payables

Trade payables		
Local division	1,010,567	964,075
Joint venture Avant Garde Maritime Services	762,831,040	762,831,040
Catering Service	713,611	279,019
Other payables	100,615,529	55,947,825
	<u>865,170,747</u>	<u>820,021,959</u>

Note - 23 - Deposits payable

Customer deposits	83,435,103	74,986,957
Fishing vessel deposit	160,000,000	160,000,000
	<u>243,435,103</u>	<u>234,986,957</u>

Note - 24 - Taxes payable

Income taxes payable	(200,181,662)	(200,664,717)
Value added tax payable	11,705,579	1,231,144
Nation building tax payable	4,267,609	5,199,955
PAYE tax payable	(308,065)	(54,829)
ESC payable	-	1,119,480
Stamp Duty Payable	115,125	60,400
	<u>(184,401,414)</u>	<u>(193,108,566)</u>



Current Status of Pending Litigation Matters- Rakna Arakshaka Lanka Limited

Case No.	Court/ Labour Tribunal	Next Date	Parties	Act/ Ordinance	Current Status	Remarks
CA/CA 240/2017	Court of Appeal	N/A	Court of Appeal Applicant:- M/s Rakna Arakshaka Lanka Limited Respondent:- Avant Garde Maritime Service (Private) Limited	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.	Mr. Chandaka Jayasundara P.C. & Mr. Pulasthi Roopasinghe AAL appearing behalf of the Applicant.
CHC /279/18/MR	In the High Court of Western Province Holden in Colombo (In the Exercise of its Civil Jurisdiction)	03/03/2021	Plaintiff:- M/s Rakna Arakshaka Lanka Limited Defendant:- Avant Garde Maritime Service (Private) Limited	Debt Recovery (Special Provisions) (Amendment) Act No. 2 of 1990	Settlement terms agreed by both parties to be entered in courts.	Mr.Prasanna Arampath appearing behalf of the Plaintiff.
HC (TAB) 751/2019-Trial-At-Bar	In the Trial-At-Bar Holden in Colombo,		Plaintiff: Attorney General's Department. Accused: 1. Rakna Arakshaka Lanka Limited 2. Avant Guard Maritime (Services) Limited		Delivered on 17th January, 2020 and according to the Order the 1st Accused – Rakna Arakshaka Lanka Limited and 2nd Accused – Avant Guard Maritime (Services) Limited, free and acquitted from all the charges and 1st Accused – Rakna Arakshaka Lanka Limited and 2nd Accused – Avant Guard Maritime (Services) Limited is not a party of the said pending appeal process filed by Attorney General's Department. Matter Concluded.	Mr. Chandaka Jayasundara P.C. & Mr. Asela Serasinghe appeared on behalf of RALL.
Magistrate Courts – Colombo						



Current Status of Pending Litigation Matters- Rakna Arakshaka Lanka Limited

B 44146/15	Magistrate Colombo	Courts-	N/A	No Accused Plaintiff:- Chief Inspector of Police – Lasantha Rathnayake appeared for Plaintiff. Defendant:- Sri Lanka Shipping Limited M/s Rakna Arakshaka Lanka (Private) Limited with 13 Defendants. Ministry of Defense	Criminal Procedure Code No. 15 of 1979	Cases filed in respect of importation of illegal weapons and transportation and hold possession weapons without having licenses. Matter fixed for further Trial on 17 th January, 2020. Matter Concluded.	Mr. Chandaka Jayasundara P.C. & Mr. Asoka Serasinghe appearing behalf of RALL.
Labour Tribunal – Colombo							
HCALT 11/2020	High Court	of	13/05/2021	Respondent Applicants:- L.D. Pathmakumara Gunawardena & Other Applicants Respondent Appellant: M/s Rakna Arakshaka Lanka Limited	Industrial Disputes (Hearing and Determination of Proceedings) (Special Provisions) Act No. 13 of 2003	12 appeal cases were filed in the H.C of Colombo agasint the LT order to pay accumulated sum of Rs.492,500.00 to the applicants as compensation.	Mr. Kumara Wickrama- AAL appearing behalf of the Respondent.
HC No. 02	High Court	of	01/03/2021				
HC No. 04	High Court	of	10/04/2021				
HCALT 13/2020	High Court	of	22/01/2021				
HC No. 03	High Court	of	12/02/2021				
HCALT 14/2020	High Court	of	09/03/2021				
HC No. 05	High Court	of	13/01/2021				
HCALT 15/2020	High Court	of					
HC No. 06	High Court	of	01/03/2021				
HCALT 16/2020	High Court	of	17/04/2021				
HC No. 07	High Court	of	22/06/2021				
HCALT 17/2020	High Court	of	12/02/2021				
HC No. 01	High Court	of					
HCALT 18/2020	High Court	of					
HC No. 02	High Court	of					
HCALT 19/2020	High Court	of					
HC No. 01	High Court	of					
HCALT 20/2020	High Court	of					
HC No. 03	High Court	of					
HCALT 21/2020	High Court	of					
HC No. 05	High Court	of					
HCALT 22/2020	High Court	of					
HC No. 06	High Court	of					
32561	Magistrate Colombo	Courts-				Order delivered and management agreed to pay the claimed back-wages of Rs.	Mr. Uditha Kanangara .
Labour Matter Enforcement Order	Magistrate Colombo	Courts-					



Current Status of Pending Litigation Matters- Rakna Arakshaka Lanka Limited

<p>LT Case No. 05/20374/2014 G. S. Premasiri –VS- M/s Rakna Arakshaka Lanka Limited</p> <p>LT Case No. 05/20375/2014 S. Weerakoon –VS- M/s Rakna Arakshaka Lanka Limited</p>					<p>27,500/- in Open Courts on 06th March, 2020</p> <p>Trail commenced in Labour Tribunal of Badulla. As instructed by the Counsel, Parties entered into Settlement Discussions and said applicant claimed for Rs. 500,000/- for settlement.</p> <p>Subject to Board Approval (131st Board Meeting), Management decided to settle the matter by paying Rs. 500,000/- considering the amount to be paid to the Applicants, if the decision delivered against the Company. Matter concluded.</p> <p>On 27th October, 2020 settlement amount paid to the Applicants (Rs. 500,000/-) each and Settlement Conditions entered in the Case Record.</p> <p>Motion to be filed in order to obtain the Final Order and to be presented to the Board of Directors in the next Board Meeting.</p> <p>Matter Concluded.</p>	<p>Mr. Dhanushka Waligama</p>
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Current Status of Pending Litigation Matters- Rakna Arakshaka Lanka Limited

HCALT 81/2019 HC No. 04 HCALT 82/2019 HC No. 04 HCALT 83/2019 HC No. 05 HCALT 84/2019 HC No. 01	High Colombo	Court of	05/05/2021 05/05/2021 28/02/2021 05/05/2021	<p>Respondent Applicants:-</p> <ol style="list-style-type: none"> L.A.D.P. Gunawardena M.D.R.I. Gunathilake B.R. Lamahewage Himi Imityas Ahamath <p>Respondent Appellant: M/s Rakna Arakshaka Lanka Limited</p>	<p>Industrial Disputes (Hearing and Determination of Proceedings) (Special Provisions) Act No. 13 of 2003.</p> <p>High Court (Special Provisions) Act No. 19 of 1990.</p> <p>1978 Constitution of Democratic Socialist Republic of Sri Lanka.</p>	<p>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.</p> <p>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.</p>	Mr. Kumara Wickrama appearing on behalf of the Respondent-Appellate.
26943/05/2020 26945/05/2020 27141/05/2020 27143/05/2020 27145/05/2020 27147/05/2020	Magistrate Colombo	Courts	03/03/2021	<p>Applicants:-</p> <ol style="list-style-type: none"> Yapa Appuhamilage Mitila Yapa Assistant Labour Commissioner (Acting) Labour Department Colombo-05 <p>Respondent: M/s Rakna Arakshaka Lanka) Limited</p>	<p>Wages Board Ordinance No. 27 of 1941.</p>	<p>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.</p> <p>Matter is fixed for order.</p>	Mr. Kumara Wickrama appearing on behalf of the Respondent.



Current Status of Pending Litigation Matters- Rakna Arakshaka Lanka Limited

District Court - Colombo				
DMR 03989/2017	District Court of Colombo (No. 08)	17/03/2021	<p>Plaintiff: Attorney General's Department</p> <p>Respondent: 1. Avant Guard Maritime Services Limited (AGMS) 2. Rakna Arakshaka Lanka Limited (RALL)</p>	<p>Claiming Rs. 782,647,116.00 to be recovered by the Sri Lanka Navy for the period from 2014.12.01 to 2015.11.13.</p> <p>Mr. Sepala Rathnayake and Mr. Mahesh Katulanda AAL appearing behalf of the 02nd Defendant.</p>

