

Chartered Accountants  
P.O. Box 210  
50/2, Sir James Peiris Mawatha,  
Colombo 02, Sri Lanka.  
T +94 (0) 11 2323571 - 3  
F +94 (0) 11 2433388  
E [audit@kreston.lk](mailto:audit@kreston.lk)  
[www.kreston.lk](http://www.kreston.lk)

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SRI RAMCO LANKA (PVT) LTD

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **SRI RAMCO LANKA (PVT) LTD** ("the Company"), which comprise the Statement of Financial Position as at 31<sup>st</sup> March 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, exhibited on pages 7 to 25.

### Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standard applicable to Small and Medium – sized Entities and for such internal control as Board determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

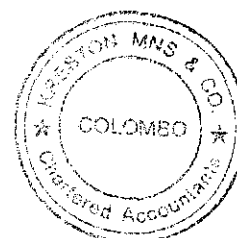
### Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> March 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard applicable to Small and Medium – sized Entities.



Contd.

#### Partners

Ms. Y. Shirani de Silva FCA, FCMA  
Ms. Sivaselvi Balachandran FCA, FCMA  
S. Rajanathan FCA, FCMA (UK)  
N.K. Alukorala FCA, ACMA  
Ms. H D S C A Tilakaratne FCA, ACMA  
K.I. Skandadasan B. Sc. (Madras), FCA, ACMA  
R.L.R. Balasingham FCA, ACMA  
N.K.G.V. Bandara ACA, ACMA, BSc(Acc) Sp

#### Kreston MNS & Co

Corporate Office, 2nd Floor, 74A, Dharmapala Mawatha, Colombo 7. T +94 (0) 11 2301396-7  
City Office at 18 – 1/2 A, First Floor, State Bank of India Building, Colombo 1. T +94 (0) 11 2327444  
Branches in Anuradhapura, Badulla, Batticaloa, Halton, Jaffna, Kandy, Kurunegala, Negombo, Nuwara Eliya, Trincomalee  
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## Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:

- we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
- the Financial Statements of the Company, comply with the requirements of section 151 of the Companies Act No. 07 of 2007.

*Krishna MNS*  
**CHARTERED ACCOUNTANTS**

**COLOMBO**

**18<sup>TH</sup> MAY 2017**

**SR/RB/bn**

SR-Sri Ramco Lanka(2017)-c8

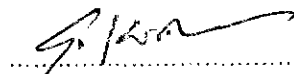


## STATEMENT OF FINANCIAL POSITION AS AT

		31.03.2017 SL Rs.	31.03.2016 SL Rs.
	Note		
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	4	210,258,592.27	223,882,734.67
Capital Work in Progress	5	153,560,847.86	140,949,408.86
Leasehold Land Prepayment	6	1,066,800.00	1,098,720.00
Investment in Subsidiary Company	7	1,002,140,990.00	1,002,140,990.00
Other Non Current Assets	9(b)	706,907.00	1,233,987.00
		<u>1,367,734,137.13</u>	<u>1,369,305,840.53</u>
<b>Current Assets</b>			
Inventories	8	405,926,945.08	574,265,122.48
Trade & Other Receivables	9	44,630,080.95	88,490,944.43
Other Current Assets	10	7,815,157.41	14,261,869.94
Leasehold Land Prepayment	6	31,920.00	31,920.00
Cash at Bank & in Hand	11	621,568,323.56	658,526,739.03
		<u>1,079,972,427.00</u>	<u>1,335,576,595.88</u>
<b>TOTAL ASSETS</b>		<u><u>2,447,706,564.13</u></u>	<u><u>2,704,882,436.41</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	13	230,002,020.00	230,002,020.00
Retained Earnings		1,773,493,114.76	1,862,523,638.76
		<u>2,003,495,134.76</u>	<u>2,092,525,658.76</u>
<b>Non-Current Liabilities</b>			
Deferred Liabilities	14	56,655,966.04	60,245,598.40
		<u>56,655,966.04</u>	<u>60,245,598.40</u>
<b>Current Liabilities</b>			
Trade & Other Payables	16	203,909,493.06	348,052,753.35
Trade Deposits		1,484,823.19	1,484,823.19
Income Tax Payable	17	63,553,616.06	60,831,095.50
Other Current Liabilities	18	40,308,358.44	3,449,524.93
Amount due to Related Company	19	70,419,455.12	53,909,070.09
Long Term Borrowings payable in the ensuing year	15	-	83,782,000.00
Bank Overdraft	11	7,879,727.46	601,912.19
		<u>387,555,463.33</u>	<u>552,111,179.25</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><u>2,447,706,564.13</u></u>	<u><u>2,704,882,436.41</u></u>

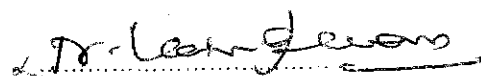
The Accounting Policies and Notes on Pages 7 to 25 form an integral part of these Financial Statements.

I certify that the Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

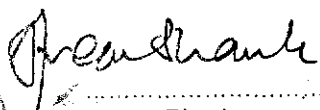
  
Assistant Manager - Accounts

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed on behalf of the Board of Directors.

  
Director



  
Director

18<sup>th</sup> May 2017.

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED

		31.03.2017 SL Rs.	31.03.2016 SL Rs.
	Note		
Revenue	21	2,311,806,367.82	1,842,409,508.14
Cost of Sales		(1,614,522,977.33)	(1,310,010,169.88)
Gross Profit		697,283,390.49	532,399,338.26
Other Income	22	1,396,021.04	2,234,686.78
		698,679,411.53	534,634,025.04
Distribution Costs		(87,357,956.23)	(63,819,647.42)
Administrative Expenses		(94,088,425.84)	(85,302,382.27)
Other Expenses		(17,193,739.42)	(15,766,722.82)
Finance Cost	23	(3,465,881.09)	(11,171,458.50)
Finance Income	23	411,884,440.05	129,565,213.85
Profit before Taxation	24	908,457,849.00	488,139,027.88
Taxation	25	(157,981,000.00)	(115,948,000.00)
Profit after Taxation		750,476,849.00	372,191,027.88
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		750,476,849.00	372,191,027.88



## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2017

	Note	Stated Capital SL Rs.	Retained Earnings SL Rs.	Total SL Rs.
Balance as at 31st March 2015		230,002,020.00	1,674,334,226.88	1,904,336,246.88
Dividend - Final 2014/2015	20	-	(46,000,404.00)	(46,000,404.00)
Dividend - First Interim 2015/16	20	-	(46,000,404.00)	(46,000,404.00)
Dividend - Second Interim 2015/16	20	-	(92,000,808.00)	(92,000,808.00)
Transactions with Owners		-	(184,001,616.00)	(184,001,616.00)
Profit for the year		-	372,191,027.88	372,191,027.88
Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		-	372,191,027.88	372,191,027.88
Balance as at st March 2016		230,002,020.00	1,862,523,638.76	2,092,525,658.76
Dividend - Final 2015/2016	20	-	(230,002,020.00)	(230,002,020.00)
Dividend - First Interim 2016/17	20	-	(287,502,525.00)	(287,502,525.00)
Dividend - Second Interim 2016/17	20	-	(230,002,020.00)	(230,002,020.00)
Dividend - Third Interim 2016/17	20	-	(92,000,808.00)	(92,000,808.00)
Transactions with Owners		-	(839,507,373.00)	(839,507,373.00)
Profit for the year		-	750,476,849.00	750,476,849.00
Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		-	750,476,849.00	750,476,849.00
Balance as at st March 2017		230,002,020.00	1,773,493,114.76	2,003,495,134.76



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

	Note	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Profit before Taxation		908,457,849.00	488,139,027.88
<b>Adjustments :</b>			
Provision for Retiring Gratuity	24	1,212,024.19	(179,375.12)
Leasehold Land Amortization (Factory & Staff Quarters)	24	31,920.00	31,920.00
Depreciation	24	33,814,098.72	36,176,611.06
Interest Paid	23	3,465,881.09	11,171,458.50
Provision for Replacement of Damaged Sheets	24	4,161,346.93	2,522,872.00
Finance Income	23	(411,884,440.05)	(129,565,213.85)
Profit on Disposal of Property, Plant & Equipment	22	(173,913.04)	(810,810.81)
Provision for Impairment - Other Debtors	24	8,000,000.00	10,846,394.62
Cost of Sheets replaced relating to previous year sales	18.1	(2,522,872.00)	(3,177,836.31)
<b>Operating Profit before changes in Working Capital</b>		<b>544,561,894.84</b>	<b>415,155,047.97</b>
<b>Changes in Working Capital</b>			
(Increase) / Decrease in Inventories	8	168,338,177.40	(267,979,306.20)
(Increase) / Decrease in Trade & Other Receivables	9	36,387,943.48	(28,742,568.75)
(Increase) / Decrease in Other Current Assets	10	6,446,712.53	(5,046,571.02)
Increase / (Decrease) in Trade & Other Payables	16	(144,143,270.29)	210,736,299.79
Increase / (Decrease) in Other Current Liabilities	18	35,220,358.58	(23,090,820.48)
Increase / (Decrease) in Amount due to Related Company	19	16,510,385.03	7,908,717.88
<b>Cash Generated from Operations</b>		<b>663,322,201.57</b>	<b>308,940,799.19</b>
W.H.Tax Paid / Notional Tax Paid	17	(4,738,504.51)	(3,833,384.10)
ESC Paid	17	(13,589,576.22)	-
Income Tax Paid	17	(141,115,398.71)	(98,628,359.00)
Gratuity Paid	14	(616,656.55)	(399,094.00)
Interest Paid	23/15	(3,465,881.09)	(12,415,285.50)
<b>Net Cash Flows from Operating Activities</b>		<b>499,796,184.48</b>	<b>193,664,676.59</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sales Proceeds from Disposal of Property, Plant & Equipment		173,913.04	810,810.81
Purchase of Property, Plant & Equipment	4	(9,108,468.80)	(17,678,794.30)
Investment in Capital Work-in-Progress	5	(23,692,926.51)	(15,188,049.55)
Finance Income Received	23	411,884,440.05	129,565,213.85
<b>Net Cash Flows from Investing Activities</b>		<b>379,256,957.78</b>	<b>97,509,180.81</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long Term Loan - Net	15	(83,782,000.00)	(112,796,000.00)
Dividend Paid	20	(839,507,373.00)	(184,001,616.00)
<b>Net Cash used in Financing Activities</b>		<b>(923,289,373.00)</b>	<b>(296,797,616.00)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(44,236,230.74)</b>	<b>(5,623,758.60)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	11	<b>657,924,826.84</b>	<b>663,548,585.44</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	11	<b>613,688,596.10</b>	<b>657,924,826.84</b>



**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - CORPORATE INFORMATION**

Name of the Company	- Sri Ramco Lanka (Pvt) Ltd.
Legal Form	- A Private Limited Liability Company incorporated in Sri Lanka under the Companies Act No. 17 of 1982 on 09.09.1994 - N(PVS) 13651 and re-registered under the Companies Act No. 07 of 2007 on 25.06.2008 - (PV 4683).
Registered Office / Factory	- Makandura Industrial Park, Makandura, Gonawila (NWP)
Nature of business / activities	- Manufacture & Local Sale of Asbestos Roofing Sheets (Approval obtained from the Ministry of Industries & BOI)
Parent enterprise	- Ramco Industries Ltd. Chennai - India

**NOTE 2 - GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH SRI LANKA ACCOUNTING STANDARD FOR SMALL AND MEDIUM SIZED ENTITIES (SLFRS FOR SMES)**

The Financial Statements of the Company for the year ended 31<sup>st</sup> March 2017 have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka. They are presented in Sri Lankan Rupees (Rs), which is also the functional currency of the Company.

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or cease operations.

**NOTE 3 - SUMMARY OF ACCOUNTING POLICIES**

**NOTE 3.1 - OVERALL CONSIDERATIONS**

The significant accounting policies that have been used in the preparation of these Financial Statements are summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

**NOTE 3.2 - INVESTMENT IN SUBSIDIARY COMPANY**

Investment in Subsidiary Company has been accounted for at cost, net of any impairment losses which are charged to the Income Statement.

Income from this investment is recognised only to the extent of dividends received.

**NOTE 3.3 - FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions are translated into the functional currency of the respective Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items that are measured at historical cost are not retranslated. Non-monetary items that are measured at fair value are translated at the exchange rates at the date fair value was determined.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 3 - SUMMARY OF ACCOUNTING POLICIES (CONTD.)

## NOTE 3.4 - REVENUE

Revenue is measured at the fair value of consideration received or receivable, excluding sales taxes collected on behalf of third parties, volume rebates, and trade discounts.

## (a) Sale of Goods

Revenue from sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer with the Company retaining neither continuing managerial involvement to the degree usually associated with the ownership, nor an effective control over the goods sold.

## (b) Interest and Dividend Income

Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

## (c) Others

Other income is recognised on an accrual basis.

## NOTE 3.5 - BORROWING COSTS

All borrowing costs are expensed in the period in which they are incurred.

## NOTE 3.6 - EVENTS OCCURRING AFTER THE REPORTING DATE

All material events occurring after the reporting date have been considered and where necessary adjustments to or disclosure have been made in the Financial Statements.

## NOTE 3.7 - PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following useful lives are used for the depreciation of Property, Plant & Equipment:

Plant & Machinery	10 %
Buildings	3.33 %
Lab Equipment	10 %
Motor Vehicles & Fork Lift Trucks	20 %
Furniture, Fixtures & Fittings	10 %
Electrical Goods	10 %
Electrical Installation	10 %
Office & Other Equipment	10 %



From the year 2006/2007 the Company changed its accounting policy to provide depreciation from the month of purchase / construction to the month of disposal. Upto the year 2005/06 full provision was made in the year of purchase / construction and no provision was made in the year of disposal.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 3 - SUMMARY OF ACCOUNTING POLICIES (CONTD.)

## NOTE 3.8 - LEASED ASSETS

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of the leased asset to the Company. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental costs, if any. A corresponding amount is recognised as a finance lease liability.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Company. The corresponding finance lease liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of lease payments is calculated using the effective interest method to represent a constant proportion of the capital balance outstanding and is charged to profit and loss over the period of the lease.

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

## NOTE 3.9 - CAPITAL WORK IN PROGRESS

Capital expenditure incurred which are not completed as at the Reporting date are shown as capital work in progress and the capital assets completed / installed during the year have been transferred to Property, Plant & Equipment.

## NOTE 3.10 - IMPAIRMENT TESTING OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT IN SUBSIDIARY COMPANY

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash-inflows (cash-generating units – CGUs). As a result, some assets are tested individually for impairment and some are tested at the CGU level.

Individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss for the amount by which the asset or CGU's carrying amount exceeds its recoverable amount.

All assets are subsequently assessed for indications that an impairment loss previously recognised may no longer exist. In that case the previous impairment loss is reversed through comprehensive Income Statement.

## NOTE 3.11 - CASH &amp; CASH EQUIVALENTS

Cash and Cash Equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of change in value.

For the purpose of the Cash Flow Statement Cash and Cash Equivalents comprise cash in hand, demand deposits, net of bank overdraft.

Cash Flow Statement has been prepared using indirect method.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 3 - SUMMARY OF ACCOUNTING POLICIES (CONTD.)

## NOTE 3.12 - FINANCIAL INSTRUMENTS

## (a) Financial Assets

Amounts due from related Companies, cash & cash equivalents and trade & other receivables

These financial assets are recognised initially at the transaction price.

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial or where the balances are recoverable on demand. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

**Investments in Fixed deposits**

Investments in fixed deposits are recognized initially at transaction price.

Investments in fixed deposits are measured subsequently at amortised cost using effective interest method less impairment.

## (b) Financial Liabilities

The Company's financial liabilities include borrowings, amounts due to related Companies and trade and other payables. Financial liabilities are recognised initially at transaction price. After initial recognition they are measured at amortised cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest. Amounts due to related Companies are stated at cost since these are considered as payable on demand.

## NOTE 3.13 - INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Value of Raw materials, finished goods and General Stock items are determined on weighted average basis. Inventories are assessed for impairment at each reporting date. Impairment losses on inventory are recognised immediately in profit or loss and presented within 'other operating expenses'.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 3 - SUMMARY OF ACCOUNTING POLICIES (CONTD.)

## NOTE 3.14 - INCOME TAXES

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to or claims from the Department of Inland Revenue relating to current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the Financial Statements.

Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and their tax bases that are expected to increase or reduce taxable profit in the future and on unused tax losses and unused tax credits.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization provided that they are enacted or substantively enacted at the reporting date, taking into consideration all possible outcomes of a review by the tax authorities.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted as necessary to reflect the current assessment of future taxable profit.

Current tax assets and liabilities, or deferred tax assets and liabilities, are offset only when the Company has a legally enforceable right to offset the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

## NOTE 3.15 - ECONOMIC SERVICE CHARGE (ESC)

As per the provisions of the Finance Act No. 11 of 2004, ESC is payable on the liable turnover at specified rates. ESC paid is deductible from the Company's income tax liability, and any excess can be carried forward and set off against the income tax payable for a specified period. No refund of ESC is due thereafter.

## NOTE 3.16 - EQUITY, RESERVES AND DIVIDEND PAYMENTS

The total amount received by the Company or due and payable to the Company in respect of the issue of shares are referred to as "Stated Capital".

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.



**NOTES TO THE FINANCIAL STATEMENTS (CONTD.)**

**NOTE 3 - SUMMARY OF ACCOUNTING POLICIES (CONTD.)**

**NOTE 3.17 - POST-EMPLOYMENT BENEFITS, SHORT-TERM EMPLOYEE BENEFITS AND TERMINATION BENEFITS**

**Post Employment Benefit**

The Company provides post-employment benefits through various defined contribution plans and defined benefit plans.

**Defined Contribution Plans**

A defined contribution plan is a post - employment benefit plan under which the Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to Employees' Provident and Employees' Trust Funds covering all employees are recognised as an expense in profit or loss as incurred.

The Company contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

**Defined Benefit Plan - Gratuity**

A defined benefit plan is a post - employment benefit plan other than a defined contribution plan. The defined benefit obligation is measured using the projected unit credit method assuming a 10 per cent average annual salary increase, with employee turnover based on the Company's recent experience. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

**Termination Benefits**

Termination benefits are recognised as an expense when the Company has announced a detailed formal plan for the termination to the employees affected and are measured at the estimated expenditure required to settle the obligations at the reporting date.

**NOTE 3.18 - OTHER CURRENT ASSETS AND OTHER CURRENT LIABILITIES**

Other Current assets comprise advances and prepayments and they are stated at cost less impairment losses. Other current liabilities are stated at cost.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 3 - SUMMARY OF ACCOUNTING POLICIES (CONTD.)

**NOTE 3.19 - SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**Significant management judgments**

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

**Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Impairment**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

**Inventories**

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

**Defined Benefit Obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as discount rate, future salary, increment rate, etc.

Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 3 - SUMMARY OF ACCOUNTING POLICIES (CONTD.)

## NOTE 3.19 - SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (CONTD.)

**Transfer pricing regulation**

The Company is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations, necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

**Fair value of financial Instruments**

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**NOTE 3.20 - EXPENDITURE**

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year.

All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the business has been treated as capital expenditure.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

## NOTE 4 - PROPERTY, PLANT &amp; EQUIPMENT

Item	As at 01.04.2016 SL Rs.	Additions SL Rs.	Disposal SL Rs.	As at 31.03.2017 SL Rs.
Plant & Machinery	545,209,971.93	18,279,366.33	-	563,489,338.26
Building	154,780,217.06	-	-	154,780,217.06
Lab Equipment	2,231,191.52	-	-	2,231,191.52
Motor Vehicles & Fork Lift Trucks	37,806,366.13	-	2,744,720.92	35,061,645.21
Furniture & Fittings	8,831,087.36	898,524.75	-	9,729,612.11
Electrical Goods	37,225,698.83	-	-	37,225,698.83
Office & Other Equipment	11,518,698.60	1,012,065.23	-	12,530,763.83
Electrical Installation	5,076,033.33	-	-	5,076,033.33
	<u>802,679,264.76</u>	<u>20,189,956.31</u>	<u>2,744,720.92</u>	<u>820,124,500.15</u>

Depreciation	As at 01.04.2016 SL Rs.	Charge for the year SL Rs.	On Disposal SL Rs.	As at 31.03.2017 SL Rs.
Plant & Machinery	428,646,209.43	22,785,261.22	-	451,431,470.65
Building	70,488,878.77	5,154,181.20	-	75,643,059.97
Lab Equipment	2,178,858.30	29,793.00	-	2,208,651.30
Motor Vehicles & Fork Lift Trucks	30,634,213.67	1,876,778.52	2,744,720.92	29,766,271.27
Furniture & Fittings	5,360,950.20	637,656.72	-	5,998,606.92
Electrical Goods	31,885,741.23	2,076,622.32	-	33,962,363.55
Office & Other Equipment	6,913,188.99	894,692.06	-	7,807,881.05
Electrical Installation	2,688,489.49	359,113.68	-	3,047,603.17
	<u>578,796,530.08</u>	<u>33,814,098.72</u>	<u>2,744,720.92</u>	<u>609,865,907.88</u>

Written Down Value	As at 31.03.2017 SL Rs.	As at 31.03.2016 SL Rs.
Plant & Machinery	112,057,867.61	116,563,762.50
Building	79,137,157.09	84,291,338.29
Lab Equipment	22,540.22	52,333.22
Motor Vehicles & Fork Lift Trucks	5,295,373.94	7,172,152.46
Furniture & Fittings	3,731,005.19	3,470,137.16
Electrical Goods	3,263,335.28	5,339,957.60
Office & Other Equipment	4,722,882.78	4,605,509.61
Electrical Installation	2,028,430.16	2,387,543.84
	<u>210,258,592.27</u>	<u>223,882,734.67</u>

Property, Plant & Equipment includes fully depreciated assets the cost of which amounts to Rs. 403,589,759.62

The Land on which the factory building at Gonawila had been constructed represents 20 Acres, 15 Acres for the factory and 5 Acres for staff quarters which has been allocated by the government. Although the order for allotment of 5 Acres staff quarters land had been obtained, the terms of payment has been finalised only for 3.5 Acres. The terms of payment for the balance 1.5 Acres block of land has not been finalised yet.

The 15 Acres allocated for the factory land had been obtained on a 50 Years lease commencing January 2001 for which a lump-sum payment of Rs.1,260,000/= had been paid as premium & a further sum of Rs. 630,000/= as rental payable annually up to August 2011.

Rental Payable from September 2011 are given below,

September 2011 to August 2016 Rs. 945,000.00 per year  
From September 2016 Rs.1,417,500.00 per year.

The 3.5 Acres staff quarter land has been obtained on a 50 years lease commencing September 2003 for which a lump-sum of Rs.336,000/= had been paid as premium and a further sum of Rs. 112,000/= as rental payable annually up to August 2008.

Rentals payable from September 2008 are given below.

September 2008 to August 2013 Rs. 168,000 per year  
From September 2013 Rs. 252,000 per year

## NOTE 4(a) - DEPRECIATION CHARGE FOR THE YEAR

On current year additions  
On previous year additions

332,284.18  
33,421,814.54  
33,814,098.72



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

31.03.2017  
SL Rs.31.03.2016  
SL Rs.

## NOTE 5 - CAPITAL WORK IN PROGRESS

Balance on 1st April	140,949,408.86	125,761,359.31
Additions during the year	23,692,926.51	15,188,049.55
Capitalised during the year	(11,081,487.51)	-
Balance on 31st March	<u>153,560,847.86</u>	<u>140,949,408.86</u>

Capital Work in Progress at year end represents the following Assets purchased / constructed which have not been installed as at the Reporting date.

## NOTE 5(a) - CAPITAL WORK IN PROGRESS - MAKANDURA FACTORY

Description	Balance on 01.04.2016	Additions during the year	Capitalised during the year	Balance on 31.03.2017
01 No. Conveyors & Long Cutting Device	3,503,766.02	-	-	3,503,766.02
05 Nos. Trolley Lifters	4,144,881.12	-	-	4,144,881.12
12 Nos. Sieve Cylinder	2,606,570.54	-	-	2,606,570.54
01 No. Bag Opening Device	5,223,500.25	-	-	5,223,500.25
01 No. Waste Handling System Without Drive Plant for Manufacture of Asbestos	858,546.95	-	-	858,546.95
Cement Products in CKD Condition	20,609,756.25	-	-	20,609,756.25
01 No. Shuttle Trolley	450,135.91	-	-	450,135.91
Plant - 01 Replacement	64,527,519.00	-	-	64,527,519.00
RM Automation	22,356,335.14	-	-	22,356,335.14
Recron Feeding System with accessories	1,563,087.71	-	1,563,087.71	-
Ball mill with motor	2,193,059.20	-	2,193,059.20	-
Flat Sheet Templates	7,325,340.60	18,645,009.22	7,325,340.60	18,645,009.22
Unloading Machine with Accessories	5,536,910.17	-	-	5,536,910.17
Sheet Forming Drum	-	3,560,152.00	-	3,560,152.00
Fibre Godown	-	1,487,765.29	-	1,487,765.29
	<u>140,949,408.86</u>	<u>23,692,926.51</u>	<u>11,081,487.51</u>	<u>153,560,847.86</u>





## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 6 - LEASEHOLD LAND PREPAYMENT

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
<b>On Operating Lease</b>		
Balance on 1st April	1,130,640.00	1,162,560.00
Amortisation during the year	(31,920.00)	(31,920.00)
Balance on 31st March	1,098,720.00	1,130,640.00
Leasehold Land Balance Chargeable to Income Statement within one year	31,920.00	31,920.00
Leasehold Land Balance Chargeable to Income Statement after one year	1,066,800.00	1,098,720.00
Represented by :		
Leasehold Land (Factory)	856,800.00	882,000.00
Leasehold Land (Staff Quarters)	241,920.00	248,640.00
	1,098,720.00	1,130,640.00

## NOTE 7 - INVESTMENT IN SUBSIDIARY COMPANY

Balance on 1st April	1,002,140,990.00	1,002,140,990.00
Additions during the year	-	-
	1,002,140,990.00	1,002,140,990.00
Disposal during the year	-	-
Balance on 31st March	1,002,140,990.00	1,002,140,990.00

## Represented by -

Investment in Sri Ramco Roofings Lanka (Pvt) Ltd.  
100,214,039 Ordinary Shares

Percentage Holding - 98.73% (2016 - 98.73%)

## NOTE 8 - INVENTORIES

Raw Materials	179,096,187.58	422,875,285.92
Finished Goods	203,486,647.31	132,199,773.00
Consumables - Machinery Spares & Others	23,344,110.19	19,190,063.56
	405,926,945.08	574,265,122.48



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

31.03.2017  
SL Rs.31.03.2016  
SL Rs.

## NOTE 9 - TRADE &amp; OTHER RECEIVABLES

Trade Debtors	30,344,142.93	70,287,987.05
Less : Provision for Impairment - Note 9(a)	(11,912,125.04)	(17,843,423.84)
	<u>18,432,017.89</u>	<u>52,444,563.21</u>
Other Debtors	96,767,059.99	96,767,059.99
Less: Provision for Impairment - Note 9(a)	(73,105,264.93)	(65,105,264.93)
	<u>23,661,795.06</u>	<u>31,661,795.06</u>
Housing Loan - Note 9(b)	606,368.00	639,708.00
Staff Debtors	54,900.00	211,378.16
Refundable Deposits	2,940,650.00	4,599,150.00
Less : Provision for Impairment - Refundable Deposits - Note 9(c)	(1,065,650.00)	(1,065,650.00)
	<u>2,536,268.00</u>	<u>4,384,586.16</u>
	<u>44,630,080.95</u>	<u>88,490,944.43</u>

## NOTE 9(a) - PROVISION FOR IMPAIRMENT

Balance on 1st April	82,948,689.77	72,734,294.15
Provision made during the year	8,000,000.00	10,846,394.62
Reversal of over provision	(108,000.00)	(632,000.00)
Written off against the provision	(5,823,298.80)	-
Balance on 31st March	<u>85,017,389.97</u>	<u>82,948,689.77</u>

## Represented by:-

Trade Debtors	11,912,125.04	17,843,423.84
Other Debtors	73,105,264.93	65,105,264.93
	<u>85,017,389.97</u>	<u>82,948,688.77</u>

## NOTE 9(b) - OTHER NON CURRENT ASSETS

Housing Loan		
Staff Loan balance on 31st March	1,313,275.00	1,873,695.00
Less: Loan receivable within one year	(606,368.00)	(639,703.00)
Loan receivable after one year	<u>706,907.00</u>	<u>1,233,987.00</u>

## NOTE 9(c) - PROVISION FOR IMPAIRMENT - REFUNDABLE DEPOSITS

Balance on 1st April	1,065,650.00	1,065,650.00
Provision made during the year	-	-
Balance on 31st March	<u>1,065,650.00</u>	<u>1,065,650.00</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 10 - OTHER CURRENT ASSETS

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
VAT Recoverable	-	7,239,024.49
NBT Recoverable	-	2,005,909.52
Prepayments & Advances	7,815,157.41	5,016,935.93
	<u>7,815,157.41</u>	<u>14,261,869.94</u>

## NOTE 11- CASH &amp; CASH EQUIVALENTS

State Bank of India	A/c. No. 25140043450001	-	139,555,735.74
Bank of Ceylon	A/c. No. 3003543	6,396,919.32	28,335,162.59
Sampath Bank Ltd	A/c. No. 0027 10005721	16,247,319.17	8,741,816.00
Nations Trust Bank	A/c. No. 003100004716	2,443,055.11	2,922,082.77
Indian Bank	A/c. No. 10803788	4,897.70	121,178.98
ICICI Bank Limited	A/c. No. 897505004575	1,096,403.25	359,426.49
Commercial Bank	A/c. No. 1170006500	999,850.00	5,686,450.00
Nations Trust Bank	A/c. No. 003100025148	74,234.50	175,000.00
Nations Trust Bank	A/c. No. 003100025616	-	762,621.92
People's Bank	A/c. No. 056100180008549	13,954,143.03	10,995,447.05
		<u>41,216,822.08</u>	<u>197,654,921.54</u>

## Short Term Deposits

Fixed Deposit	380,108,219.18	-
Commercial Bank - Money Market Deposits	182,339,244.80	10,064,612.48
NTB - Daily Repo	17,449,509.50	89,035,804.68
Commercial Bank - Repo	-	361,616,900.33
	<u>579,896,973.48</u>	<u>460,717,317.49</u>

## Cash in Hand

Cash in Hand - Factory	400,820.00	153,090.00
Sales Office Imprest	53,708.00	1,410.00
	<u>454,528.00</u>	<u>154,500.00</u>
	<u>621,568,323.56</u>	<u>658,526,739.03</u>

## Bank Balance - Unfavourable

State Bank of India	A/c. No. 25140043450001	(1,684,627.14)	-
Commercial Bank	A/c. No. 1144015969	(948,951.02)	(601,912.19)
Nations Trust Bank	A/c. No. 003100025616	(5,246,149.30)	-
		<u>(7,879,727.46)</u>	<u>(601,912.19)</u>
		<u>613,688,596.10</u>	<u>657,924,826.84</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 12 - FINANCIAL ASSETS &amp; FINANCIAL LIABILITIES

## Financial Assets

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Other Non Current Assets (Note 9(b))	1,313,275.00	1,873,695.00
Trade & Other Receivables (Note 9)	44,630,080.95	88,490,944.43
Cash at Bank & in Hand (Note 11)	621,568,323.56	658,526,739.03
	<u>667,511,679.51</u>	<u>748,891,378.46</u>

## Financial Liabilities

Trade & Other Payables (Note 16)	203,909,483.06	348,052,753.35
Trade Deposits	1,484,823.19	1,484,823.19
Amount due to Related Company (Note 19)	70,419,455.12	53,909,070.09
Bank Overdraft (Note 11)	7,879,727.46	601,912.19
Long Term Borrowings Payable in the ensuing year (Note 15)	-	83,782,000.00
	<u>283,693,488.83</u>	<u>487,830,558.82</u>

## NOTE 13 - STATED CAPITAL

No of Ordinary Shares Issued & Fully Paid	<u>23,000,202</u>	<u>23,000,202</u>
Stated Capital on 31st March	<u>230,002,020.00</u>	<u>230,002,020.00</u>

Except for the subscriber shares of 202, all the shares of the Company has been issued to Ramco Industries Ltd. Chennai.

## NOTE 14 - DEFERRED LIABILITIES

## (a) Provision for Retiring Gratuity

Balance on 1st April	12,654,598.40	13,233,067.52
Add : Provision for the year / (Reversal) - Note 14.1	<u>1,212,024.19</u>	<u>(179,375.12)</u>
	13,866,622.59	13,053,692.40
Less : Payments made during the year	<u>(316,656.55)</u>	<u>(399,094.00)</u>
Balance on 31st March	<u>13,249,966.04</u>	<u>12,654,598.40</u>

## (b) Deferred Taxation

Balance on 1st April	47,591,000.00	49,936,000.00
Add : Transfer (to) / from Income Statement	<u>(4,185,000.00)</u>	<u>(2,345,000.00)</u>
Balance on 31st March - Note 14.2	<u>43,406,000.00</u>	<u>47,591,000.00</u>
<b>Total</b>	<u>56,355,956.04</u>	<u>60,245,598.40</u>

## NOTE 14.1 - PROVISION FOR THE YEAR / (REVERSAL)

Charge for the year	1,752,118.23	1,631,064.33
Interest for the year	1,535,299.46	1,430,819.18
Deficit / (Surplus) charge for the year	<u>(2,075,393.51)</u>	<u>(3,241,258.63)</u>
	<u>1,212,024.19</u>	<u>(179,375.12)</u>

This provision has been computed in accordance with the Sri Lanka Accounting Standard. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

In order to carry out this valuation, the following assumptions were made:-

Retirement Age	55 years	55 years
Rate of Interest	13.00%	12.00%
Staff Turnover Factor (as a %)	13.71%	15.32%
Salary Increment	10.00%	10.00%

## NOTE 14.2 - DEFERRED TAX ASSET, LIABILITY RELATES TO THE FOLLOWING

## Deferred Tax Liability

Accelerated depreciation for tax purposes	47,115,990.49	51,134,288.00
<b>Deferred Tax Assets</b>		
Retirement Benefit Obligations	<u>(3,709,990.49)</u>	<u>(3,543,288.00)</u>
Net Deferred Tax Liability / (Asset)	<u>43,406,000.00</u>	<u>47,591,000.00</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

31.03.2017  
SL Rs.31.03.2016  
SL Rs.

## NOTE 15 - LONG TERM BORROWINGS

## Loan - Indian Bank

Balance on 1st April	83,782,000.00	196,578,000.00
Loan received during the year	-	-
	<u>83,782,000.00</u>	<u>196,578,000.00</u>
Loan instalments paid during the year	(83,782,000.00)	(112,796,000.00)
Balance on 31st March	-	83,782,000.00
Amount Payable within one year	-	(83,782,000.00)
Amount Payable after one year	-	-

Interest Rate : AWPLR+1% p.a. (Interest reset half yearly)

Terms of Repayments : 20 Quarterly Instalments with a holiday period of 6 months from the date of 1st availment.

## NOTE 16 - TRADE &amp; OTHER PAYABLES

Trade & Other Creditors	141,972,134.00	256,835,225.31
Accrued Expenses	56,381,852.88	71,851,068.05
Advance Received from Customers	5,555,496.18	19,366,459.99
	<u>203,909,483.06</u>	<u>348,052,753.35</u>

## NOTE 17 - INCOME TAX PAYABLE / (INCOME TAX REFUND DUE)

Balance on 1st April	60,831,095.50	44,999,838.60
Add : Provision for the year	162,166,000.00	118,293,000.00
	<u>222,997,095.50</u>	<u>163,292,838.60</u>
Less : W.H.Tax Paid	(3,337,966.55)	(2,234,994.94)
Notional Tax Paid	(1,400,537.96)	(1,598,389.16)
Set off of Economic Service Charge Paid	(13,589,576.22)	-
Income Tax Payments made during the year	(141,115,398.71)	(98,623,359.00)
Balance on 31st March	<u>63,553,616.06</u>	<u>60,831,095.50</u>

## NOTE 18 - OTHER CURRENT LIABILITIES

Provision for Replacement of Damaged Sheets - Note 18.1	4,161,346.93	2,522,872.00
E.P.F Payable	837,951.43	637,815.22
E.T.F Payable	125,692.71	95,672.35
PAYE Tax Payable	744,265.00	151,040.36
Stamp Duty Payable	47,500.00	42,125.00
NBT Payable	3,798,101.89	-
ESC Payable	4,228,365.93	-
VAT Payable	26,365,134.55	-
	<u>40,308,358.44</u>	<u>3,449,524.93</u>

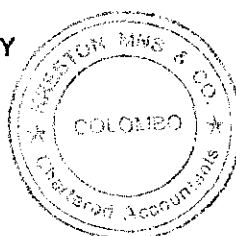
## NOTE 18.1 - PROVISION FOR REPLACEMENT OF DAMAGED SHEETS

Balance on 1st April	2,522,872.00	3,177,836.31
Add : Provision for the year	4,161,346.93	2,522,872.00
	<u>6,684,218.93</u>	<u>5,700,708.31</u>
Less : Cost of Sheets replaced relating to previous year sales	(2,522,872.00)	(3,177,836.31)
Balance on 31st March	<u>4,161,346.93</u>	<u>2,522,872.00</u>

## NOTE 19 - AMOUNT DUE TO RELATED COMPANY

Ramco Industries Ltd. (Channel)

70,419,455.12	53,909,070.09
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## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 20 - DIVIDENDS

Final Dividend for 2014/2015 (Rs 2 Per share) Paid on 25.09.2015

- Net Dividend	-	42,550,373.70
- WHT @ 7.5%	-	3,450,030.30
Gross	-	46,000,404.00

First Interim Dividend for 2015/2016 (Rs 2 Per share) Paid on 22.01.2016

- Net Dividend	-	42,550,373.70
- WHT @ 7.5%	-	3,450,030.30
Gross	-	46,000,404.00

Second Interim Dividend for 2015/2016 (Rs 4 Per share) Paid on 28.03.2016

- Paid out of Dividends Received	-	90,192,689.10
- Paid out of Profits and other Income	-	1,672,509.97
- WHT @ 7.5%	-	135,608.93
Gross	-	92,000,808.00

Final Dividend for 2015/2016 (Rs 10 Per share) Paid on 18.07.2016

- Net Dividend	212,751,868.50	-
- WHT @ 7.5%	17,250,151.50	-
Gross	230,002,020.00	-

First Interim Dividend for 2016/2017 (Rs 12.50 Per share) Paid on 26.12.2016

- Paid out of Dividends Received	90,192,689.10	-
- Paid out of Profits and other Income	182,511,598.21	-
- WHT @ 7.5%	14,798,237.69	-
Gross	287,502,525.00	-

Second Interim Dividend for 2016/2017 (Rs 10.00 Per share) Paid on 17.02.2017

- Paid out of Dividends Received	180,385,378.20	-
- Paid out of Profits and other Income	45,895,393.67	-
- WHT @ 7.5%	3,721,248.13	-
Gross	230,002,020.00	-

Third Interim Dividend for 2016/2017 (Rs 4.00 Per share) Paid on 21.03.2017

- Paid out of Dividends Received	90,192,689.10	-
- Paid out of Profits and other Income	1,672,509.97	-
- WHT @ 7.5%	135,608.93	-
Gross	92,000,808.00	-

Total	839,507,373.00	184,001,816.00
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## NOTE 21 - REVENUE

Gross amount Invoiced	3,085,971,797.35	2,340,711,002.11
Value Added Tax	(368,198,207.00)	(231,962,351.56)
	2,716,773,590.35	2,108,748,650.55
Sales Incentive (Volume Rebates)	(404,967,222.53)	(266,339,142.41)
	2,311,806,367.82	1,842,409,508.14

## NOTE 22 - OTHER INCOME

Reversal of Bad Debts over Provision - Trade Debtors	108,000.00	632,000.00
Scrap Sales - Note 22.1	741,475.93	201,939.04
Reversal of Bonus over Provision	-	159,951.92
Insurance Claim	52,478.96	144,553.46
Profit on Disposal of Property, Plant & Equipment	173,913.04	810,810.81
Unclaimed Payables Written Back	239,029.83	43,340.08
Raw Material & Consumable Sales - Note 22.2	1,422.62	127,781.56
Un Identified Receipts	-	114,309.91
Rental Income	79,700.66	-
	1,396,021.04	2,234,686.78



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 22.1 - SCRAP SALES

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Gross Amount	845,849.72	224,152.33
VAT	(104,373.79)	(22,213.29)
	<u>741,475.93</u>	<u>201,939.04</u>

## NOTE 22.2 - RAW MATERIAL &amp; CONSUMABLE SALES

Gross Amount	168,547.52	14,183,750.90
VAT	(21,984.46)	(1,405,596.94)
	<u>146,563.06</u>	<u>12,778,153.96</u>
Less: Cost of Items Sold	(145,140.44)	(12,650,372.40)
	<u>1,422.62</u>	<u>127,781.56</u>

## NOTE 22.3 - RENTAL INCOME

Gross Amount	91,655.76	-
VAT	(11,955.10)	-
	<u>79,700.66</u>	<u>-</u>

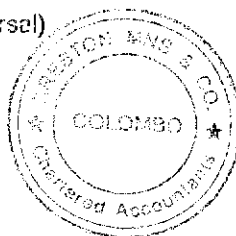
## NOTE 23 - FINANCE COSTS AND FINANCE INCOME

Overdraft Interest	-	198.78
Long term loan interest	3,465,881.09	11,171,259.72
Finance Cost	<u>3,465,881.09</u>	<u>11,171,458.50</u>
Dividend Income	360,770,756.40	90,192,689.10
Interest Income on Fixed Deposit, Money Market Deposits & Repo	51,113,683.65	39,372,524.75
Finance Income	<u>411,884,440.05</u>	<u>129,565,213.85</u>

## NOTE 24 - PROFIT BEFORE TAXATION

The following items have been recognised as expenses in determining profit before Tax.

Directors Remuneration	12,121,374.99	-
Depreciation	33,814,098.72	36,176,611.06
Leasehold Land (factory & Staff Quarters) Amortisation	31,920.00	31,920.00
Auditors Remuneration - Audit Fees	978,880.00	873,600.00
- Audit Fees Under Provision in respect of previous year	17,880.00	15,600.00
Staff Cost :		
- E.P.F	5,138,748.24	4,740,429.91
- E.T.F	1,234,687.08	1,185,108.20
- Provision for Retiring Gratuity / (Reversal)	1,212,024.19	(179,375.12)
- Other Staff Costs	103,321,863.39	86,933,350.25
Provision for Replacement of Damage Sheets	4,161,346.93	2,522,872.00
Royalty	225,747,088.92	180,023,453.68
Provision for Impairment - Other Debtors	8,000,000.00	10,846,394.62
Nation Building Tax	54,341,498.25	42,305,550.77



## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 25 - TAXATION

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Tax on Current year Profits	162,166,000.00	118,293,000.00
Deferred Taxation Charge - Note 25.1	(4,185,000.00)	(2,345,000.00)
	<u>157,981,000.00</u>	<u>115,948,000.00</u>

The Company is liable to Income Tax @ 28%.

## NOTE 25.1 - DEFERRED TAXATION CHARGE

Accelerated depreciation for tax purpose	(4,018,297.51)	(2,506,971.00)
Retirement Benefit Obligations	(166,702.49)	161,971.00
	<u>(4,185,000.00)</u>	<u>(2,345,000.00)</u>

## NOTE 25.2 - RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSES

Profit before Taxation	908,457,849.00	488,139,027.88
Expenses Disallowed for Tax Purposes	54,642,027.00	53,376,928.00
Expenses Allowable for Tax Purposes	(22,821,244.00)	(28,847,723.00)
Allowable Income	<u>(360,770,756.00)</u>	<u>(90,192,689.00)</u>
Assessable Income	579,507,876.00	422,475,543.88
Less : Qualifying Payments - Approved Donation	-	-
Taxable Income	<u>579,507,876.00</u>	<u>422,475,543.88</u>
Income Tax	28%	28%
Income Tax Payable	<u>162,262,208.00</u>	<u>118,293,152.00</u>
Total Income Tax Provision	<u>162,166,000.00</u>	<u>118,293,000.00</u>





## NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

## NOTE 26 - EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances has arisen since the reporting date which require adjustment to or disclosure in the Financial Statements.

## NOTE 27 - CONTINGENT ASSETS &amp; CONTINGENT LIABILITIES

There are no Contingent Assets & Contingent Liabilities as at 31.03.2017.

## NOTE 28 - CAPITAL COMMITMENTS

There were no material Capital expenditure commitments approved as at 31.03.2017.

## NOTE 29 - RELATED PARTY TRANSACTIONS

## (1) Transactions with Key Managerial Persons.

Key Managerial Persons include members of the Board of Directors of the Company and Key Employees of the Company.

	2016/2017 Rs.	2015/2016 Rs.
Key Managerial Persons Remuneration	19,978,015.05	15,381,370.00

(2) The Company has acquired Property, Plant & Equipment and Machinery Spares to the sum of Rs. 18,332,102.80 during the year (2015/2016 - Rs. 14,420,957.05) from its Holding Company Ramco Industries Ltd. - Chennai, India.

(3) Ramco Industries Ltd - Chennai is entitled to receive Royalty based on turnover (Turnover net of Sales incentive, VAT & NBT) of the Company at 10% for the period 28.09.2004 to 28.02.2019.

The amount charged for the year is disclosed in Note 24 to the Financial Statements.

(4) The amounts paid to Sri Ramco Roofings Lanka (Pvt) Ltd for Investment in Shares is disclosed in Note 7.

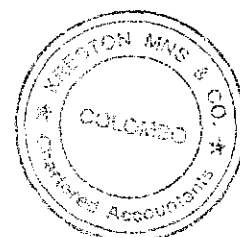
(5) The Company has entered into the following transaction with Related Company Sri Ramco Roofings Lanka (Pvt) Ltd.

	Amount (Rs.)
Raw Material & Consumable Sales	146,563.06

(6) The amount due to related company is disclosed in Note 19 to the Financial Statements.

Directors of this Company Mr. P. R. Ramasubramanian Raja and Mr. P.R. Venketrama Raja are also Directors of Ramco Industries Ltd. Chennai and Sri Ramco Roofings Lanka (Pvt) Ltd.

Directors of this Company Mr. Prem G. Shanker and Mr.N.Vasudevan are also Directors of Sri Ramco Roofings Lanka (Pvt) Ltd.



## SCHEDULES

31.03.2017

31.03.2016

SL Rs.

SL Rs.

## SCH 1 - COST OF SALES

**Raw Materials :**

Opening Stock	422,875,285.92	129,089,940.83
Add : Purchases	968,755,657.11	1,231,764,157.91
Less : Cost of Raw material Sales	(145,140.44)	(12,650,372.40)
	<u>1,391,485,802.60</u>	<u>1,348,203,726.34</u>
Less : Closing Stock	(179,096,187.58)	(422,875,285.92)
Raw Materials Consumed - Sch 1(a)	1,212,389,615.02	925,328,440.42
Direct Wages	10,101,560.93	9,336,982.12
Prime Cost	<u>1,222,491,175.95</u>	<u>934,665,422.54</u>

**Factory Overheads**

Repairs	- Electrical Goods	7,193,616.90	2,873,739.00
	- Machinery	37,349,749.55	22,901,957.72
	- Building	1,355,494.01	2,084,601.73
Depreciation	- Plant & Machinery	22,785,261.22	23,863,214.26
	- Lab Equipment	29,793.00	31,430.52
	- Electrical Goods	2,076,622.32	2,076,622.38
	- Building	5,154,181.20	5,154,181.20
Electricity		57,877,231.61	43,044,453.82
Labour Contract Payments		30,695,087.63	16,163,331.55
Casual Wages		-	113,477.95
Over Time		15,383,643.06	9,062,859.78
E.P.F		1,212,187.31	1,120,437.76
E.T.F		303,046.84	280,109.66
Fuel Expenses		2,281,408.63	1,770,263.83
Lab Expenses		101,038.10	11,976.00
Oil Consumed in Stripping		27,975,505.00	21,497,502.43
Felt belt Consumed		9,018,071.70	4,358,179.24
Royalty		225,747,038.92	180,023,453.68
Forklift hire charges		1,758,926.68	2,322,817.00
Bachoe and Tractor Hiring Charges		258,150.00	63,620.00
Repair & Maintenance Forklift		3,621,417.14	1,675,647.38
Stores Consumption		12,209,499.98	10,124,241.69
Pulvarizing Charges		1,046,927.25	460,640.00
Workers Welfare		265,000.00	498,287.00
Cleaning Charges		36,350.00	46,450.00
Production Incentive		254,587.04	162,894.96

Cost of Production	<u>1,683,481,061.04</u>	<u>1,286,951,813.08</u>
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**Finished Goods**

Opening Stock	132,199,773.00	158,461,551.70
Cost of Production	1,683,481,061.04	1,286,951,813.08
	<u>1,820,680,834.04</u>	<u>1,445,413,364.78</u>
Less : Cost of Sheets replaced relating to previous year sales	(2,522,872.00)	(3,177,836.31)
Less : Transferred To Charity & Donations	(148,337.40)	(25,585.59)
Less : Closing Stock	(203,486,647.31)	(132,199,773.00)
	<u>1,614,522,977.33</u>	<u>1,310,010,169.88</u>



## SCHEDULES (CONTD.)

## SCH 1(a) - RAW MATERIALS CONSUMED

	Slag	Kemolit	Damage Sheets	Flyash	Fibre	Cement	Pulp	Total
<b>2015/2016:</b>								
Opening Stock as at 01.04.2015	248,137.12	778,713.52	593,978.50	207,924.60	123,514,629.12	3,340,900.64	405,657.33	129,089,940.83
Add : Purchases	316,253.55	-	-	11,388,746.50	789,243,849.44	429,641,176.84	1,173,101.58	1,231,764,157.91
Less : Cost of Raw material Sales	-	-	-	-	(11,216,753.93)	-	(1,433,618.47)	(12,650,372.40)
	564,420.67	778,713.52	593,978.50	11,597,671.10	901,541,724.63	432,982,077.48	145,140.44	1,348,203,726.34
Less : Closing Stock as at 31.03.2016	(185,232.68)	(778,713.52)	-	(391,002.30)	(420,536,975.02)	(838,221.96)	(145,140.44)	(422,875,285.92)
	379,187.99	-	593,978.50	11,206,668.80	481,004,749.61	432,143,855.52	-	925,328,440.42
<b>2016/2017:</b>								
Opening Stock as at 01.04.2016	105,232.68	778,713.52	-	391,002.30	420,536,975.02	838,221.96	145,140.44	422,675,285.92
Add : Purchases	-	-	-	14,345,003.74	356,581,181.42	597,829,471.95	-	968,755,657.11
Less : Cost of Raw material Sales	-	-	-	-	-	-	(145,140.44)	(145,140.44)
	185,232.68	778,713.52	-	14,736,006.04	777,118,156.44	598,667,693.91	-	1,391,485,802.60
Less : Closing Stock as at 31.03.2017	(231,172.00)	(778,713.52)	-	(358,091.34)	(175,622,421.34)	(2,105,789.37)	-	(179,096,187.57)
	(45,939.32)	-	-	14,377,914.70	601,495,735.10	596,561,904.54	-	1,212,389,615.02



## SCHEDULES (CONTD.)

31.03.2017

31.03.2016

SL Rs.

SL Rs.

## SCH 2 - DISTRIBUTION COSTS

Depreciation - Motor Vehicles & Fork Lift Trucks	1,876,778.52	3,715,278.72
Advertisement	9,217,325.95	3,250,204.09
Loading & Unloading Charges	5,162,461.85	3,396,004.24
Sales Office - Rent	1,905,750.00	2,266,895.68
- Service Charges	150,000.00	171,820.00
- Electricity	549,749.26	492,924.83
- Water	-	14,822.15
Sales Promotion Expenses	11,763,822.87	3,640,393.61
Nation Building Tax - On Sheets Sales	54,335,471.80	42,174,971.30
- On Others	4,560.96	2,797.91
- On Raw Material & Consumable Sales	1,465.49	127,781.56
Sheet Transport Charges (Lorry Freight)	2,019,488.32	822,294.87
Additional VAT Paid	-	2,945,212.96
Incentive	371,081.21	798,245.49
	<u>87,357,956.23</u>	<u>63,819,647.42</u>

## SCH 3 - ADMINISTRATIVE EXPENSES

Agency Charges	120,000.00	220,000.00
Allowances	6,456,349.22	1,365,762.07
Audit Fees	978,880.00	873,600.00
Audit Fees Under Provision in respect of previous year	17,880.00	15,600.00
Bonus	7,727,332.95	7,117,533.37
Books and Periodicals	82,629.00	119,532.00
Canteen Expenses - Staff	4,309,336.00	3,223,436.00
Courier Charges	136,246.86	116,614.29
Charity & Donations	1,399,951.40	234,500.00
Depreciation - Furniture & Fittings	637,656.72	392,506.61
- Electrical Installation	359,113.63	235,223.50
- Office & Other Equipment	894,692.06	706,153.87
E.P.F	3,926,560.93	3,619,992.15
E.T.F	981,640.24	904,998.54
Garden Maintenance	76,486.75	72,315.00
Guest House Maintenance	738,663.28	316,388.00
Insurance	1,666,592.87	1,397,407.60
Lease Rent - Land	1,580,625.00	1,305,000.00
Leasehold Land - Factory & Staff Quarters Amortisation	31,920.00	31,920.00
Legal Expenses	420,296.28	529,383.00
Medical Expenses	226,071.05	1,301,750.40
Mess Expenses	1,964,292.51	1,946,723.00
Memberships & Subscriptions	4,713,816.32	4,490,500.00
Office Maintenance	475,628.80	372,309.45
Pooja Expenses	342,234.91	500,101.56
Printing & Stationery	1,754,386.21	768,509.99
Professional Fees	1,668,507.87	4,530,542.86



Contd.

## SCHEDULES (CONTD.)

31.03.2017  
SL Rs.31.03.2016  
SL Rs.

## SCH 3 - ADMINISTRATIVE EXPENSES (CONTD.)

Provision for Retiring Gratuity / (Reversal)	1,212,024.19	(179,375.12)
Repairs & Maintenance - Office Equipment and Furniture & Fittings	551,258.99	374,608.46
Salaries	32,721,341.16	30,166,602.38
Secretarial Fees	67,665.83	122,932.16
Security Charges	4,313,830.00	3,617,270.00
Staff Training & Welfare	1,175,084.47	1,334,919.80
Income Tax Computation Preparation Charges	250,880.00	224,000.00
Income Tax Computation Preparation Charges - Under provision in respect of previous year	4,480.00	4,000.00
Telephone Charges	1,856,997.37	2,128,026.56
Trade Expenses	195,953.30	2,174,003.29
Travelling & Conveyance	2,316,347.21	2,663,329.86
Stamp Duty Expenses - Receipts	138,325.00	121,550.00
Van Hiring Charges	3,402,856.00	2,921,333.00
Vehicle Maintenance	1,660,803.68	757,254.61
Workers Death Compensation	93,575.00	74,758.40
Leave Encashment	296,040.15	382,078.20
Ex Gratia	-	644,326.00
Consultancy Fees	-	318,048.78
Penalty Expense	50,864.40	79,676.00
Irrecoverable Balances Written off	92,308.18	662,686.63
	<u>94,088,425.84</u>	<u>85,302,382.27</u>

## SCH 4 - OTHER EXPENSES

Provision for Replacement of Damaged Sheets	4,161,346.93	2,522,872.00
Bank Charges	296,764.87	199,041.82
Provision for Impairment - Other Debtors	8,000,000.00	10,846,394.62
Exchange Loss	4,735,627.62	2,198,414.38
	<u>17,193,739.42</u>	<u>15,766,722.82</u>





## SRI RAMCO LANKA (PVT) LTD.

## SCHEDULES (CONTD.)

## SCH 6 - REFUNDABLE DEPOSITS

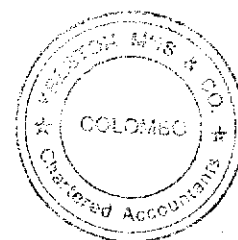
	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Security Deposit - Electricity Supply	750,000.00	750,000.00
Oxygen Cylinder Deposit	93,500.00	93,500.00
Diesel Purchasing Deposit	80,000.00	80,000.00
Deposits for Newspaper Advertisement	101,250.00	101,250.00
Deposit for Water Bootle	26,000.00	26,000.00
Deposit for Mobile Phones	14,900.00	14,900.00
	<u>1,065,650.00</u>	<u>1,065,650.00</u>
Provision for Impairment - Refundable Deposit	(1,065,650.00)	(1,065,650.00)
	-	-
Container Deposit	875,000.00	2,533,500.00
Rent Deposit	945,000.00	945,000.00
Oxygen Cylinder Depsoit	55,000.00	55,000.00
	<u>1,875,000.00</u>	<u>3,533,500.00</u>

## SCH 6.1 - STAFF DEBTORS

Advance Salaries & Wages	50,400.00	40,000.00
Festival Advance	4,500.00	23,590.96
Staff Advavnce	-	8,787.20
Staff Medicals	-	139,000.00
	<u>54,900.00</u>	<u>211,378.16</u>

## SCH 7 - TRADE &amp; OTHER CREDITORS

Holcim Lanka (Pvt) Ltd.	-	14,424,833.21
Ultra Tech Ceylinco (Pvt) Ltd.	25,233,569.17	6,026,449.49
Siam City Cement (Lanka) Ltd	20,106,395.37	-
Sama S.A.Mineracoes Associadas	-	55,403,513.63
Norita Resources PTE.Limited(USD 392,853.30))	60,464,051.40	163,234,224.68
Singha Cement (Pvt) Ltd	-	8,772,976.72
Tokyo Cement Company Lanka PLC	13,466,398.83	-
Other Creditors - Sch 7(a)	13,701,719.23	8,973,227.58
	<u>141,972,134.00</u>	<u>256,835,225.31</u>



## SCHEDULES (CONTD.)

31.03.2017  
SL Rs.31.03.2016  
SL Rs.

## SCH 7(a) - OTHER CREDITORS

Alamo Enterprises	16,000.00	-
Anjalee H/w	38,208.88	32,961.00
A I High Tech (Pvt) Ltd	12,650.00	-
Ceylon Electricity Board	316,305.60	-
Colonial Engineering	-	95,437.80
Ceylon Electricity - Mechanical Service (Pvt) Ltd	9,200.00	-
Deposit & Deductions	5,000.00	12,000.00
Imperial International	62,576.56	60,399.98
Mora Traders Centre	70,137.35	110,045.40
Lanka Bell	34,940.77	-
Lanka Polybags & Packaging (Pvt) Ltd	400,660.18	-
Monami Frieghters (Pvt) Ltd	3,000.00	-
Janashakthi Insurance PLC	-	73,823.41
Micro Trading Company	1,235.00	-
K A D Gerard	-	213,543.12
Maleesha Contractors	556,062.10	252,098.15
Prasanna Contractors	1,164,694.15	808,468.99
R.K.M.D Bandara	626,577.06	274,343.07
Canteen Deposit	25,000.00	20,000.00
Security Deposit	67,000.00	-
MTN Networks (Pvt) Ltd	-	30,684.36
Sigma Traders	42,500.00	39,272.37
V V Karunaratne & Company	-	1,905,520.40
Nippon Paint Lanka (Pvt) Ltd	63,000.22	-
Asian Paints Lanka Ltd	-	324,673.45
Auto-E-Zone Logistics(Pvt) Ltd	-	48,012.00
M/S.Rexel Electric (Pvt) Ltd	145,764.80	-
The Gemtrans Engineerings Co	149,500.00	-
Rex Industries (Pvt) Ltd	96,600.00	-
Liberty Motor Associate	125,036.05	105,212.46
Sierra Cables PLC	70,790.55	-
Sri Lanka Telecom PLC	115,590.46	-
New Metro Electricals	-	100,050.00
Office Stationary Solutions	-	3,625.00
Orel Corporation(Pvt)Ltd	13,913.40	-
SM International (Pvt) Ltd	133,000.00	-
The Partner & Co	-	23,625.00
Ruby International Associates Ltd	-	20,424.00
Tuly Overseas (Pvt) Ltd	-	9.97
Abesekara Abesinghe	47,000.00	94,000.00
Amanda Enterprises	-	7,800.00
Amco Stationers	-	10,600.00
Anuradha Agencies	43,540.44	24,929.50
Apex Trading Company	8,100.00	6,450.00
Bright Stamp	4,400.00	6,285.00

Contd.





## SCHEDULES (CONTD.)

## SCH 7(a) - OTHER CREDITORS (CONTD.)

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Central Bearings	8,875.13	90,009.96
Certis Lanka Courier Services	5,014.58	12,505.15
Chinthaka Medical	-	11,079.00
Console Electronics (Pvt) Ltd	-	82,140.00
Consolidated Bearing & supply Ltd.	124,200.00	56,043.90
Electro-Serv (Pvt) Ltd	24,202.90	2,967.03
Global Allianz (Pvt) Ltd	-	33,588.58
Hemapala Transporters	-	15,510.00
Hokusei International (Pvt) Ltd	247,495.00	52,831.60
Jayes Trading Company	58,144.00	92,540.70
Key Travels (Pvt) Ltd.,	-	61,300.00
J.M.W.L.K Jayasinghe	91,385.00	27,880.00
M/S Lenzing Accessories (Pvt) Ltd.	-	254,745.00
Ln Polysacks (Pvt) Ltd	-	49,916.70
M.I.P.Fernando & Co., Ltd	-	47,730.00
N & A Electricals	-	18,496.95
Nanda Trading House (Pvt) Ltd	-	94,151.75
New Land Environmental Service	33,612.00	35,000.00
Nirmana Fiber Glass Centre	-	250,000.00
New Perera Motors	-	2,125.00
P.R.K.Engineering	-	87,967.50
S S Hardware	-	2,400.00
Sarasi Engineering Works	196,895.00	44,957.47
Sandamali Drier Industries	-	17,500.00
Shawn&Shene Constructions	-	13,000.00
Svp Trading Co. (Pte) Ltd.	119,197.50	190,399.99
Thushari And Son	-	627,000.00
M/S. Thilak Machinery & Equipment	-	33,966.00
M/S. U.K.Electricals	-	9,660.00
United Tractor & Equipment (Pvt) Ltd	-	300,230.58
Water Mart Systems Ltd.,	7,354.92	4,303.00
Janatha Steel	10,257.86	3,300.77
Others	-	19,596.00
Jayakody Enterprises	212,464.73	190,890.05
M. Vadivel	-	44,665.00
S A Suraweera	58,000.00	97,714.00
A M Nimal Ayantha	-	48,000.00
Brighten Rest (Pvt) Ltd	-	8,376.00
Chamya Cabs	30,460.00	15,080.00
Dimuthu Tailors	-	73,500.00
D.L & F. De Saram	23,630.50	237,973.25
D M Vegetable Shop	16,820.00	10,470.00
E Priyashantha de Silva	-	27,290.00
HNB General Insurance Limited	-	22,156.12
K.Kanagaratnam	12,500.00	12,500.00
Lalith Contracts	56,775.00	14,800.00
Lakshan Engineering Works	199,350.00	69,800.00
Limansa Engineering Works	143,428.00	53,350.00
Media Factory (Pvt) Limited.	3,105,838.35	43,156.80
P A F Job Agencies Stationeries	28,705.00	22,500.00
P.M.P.M Pathiraja	-	6,040.00
Ranjith Suppliers & Transport	166,396.68	83,198.34
Real Hardware	166,396.68	83,198.34
R S Lal Priyantha	-	12,660.00
Ruwea Arts	-	35,000.00
Saravana's Stores	-	108,610.00
Stable Solutions	642,130.55	187,636.62
Ultimo Industrial Solution (Pvt)Ltd	-	21,526.00



Contd.

## SCHEDULES (CONTD.)

## SCH 7(a) - OTHER CREDITORS (CONTD.)

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Yenesha Travels (Private) Limited	-	83,400.00
Modern International	-	10,600.00
Ayodya Manpower Service	-	-
S A B Contractors	1,223,534.32	-
Dilshan Motor Cycles	1,472,452.00	-
Everbolt Engineering (Pvt) Ltd	7,080.00	-
Gonawardana Sons.	43,470.00	-
Harsha Amarasekara	1,401.21	-
Harshapriya Book Shop	92,373.75	-
J.K.Drive Technology (Pvt) Ltd	1,860.00	-
Manamperi Stores (Pvt) Ltd	96,600.00	-
M M J Travels	55,404.00	-
Shehan Gunawardena	31,500.00	-
Softlogic Retail (Pvt) Ltd	26,250.00	-
Tharanga News Paper	16,675.00	-
Vinro Lanka Security Service (Pvt) Ltd	1,250.00	-
Wickrama Motors	358,931.00	-
Others	4,525.00	-
	5,900.00	-
	<u>13,701,719.23</u>	<u>8,973,227.58</u>

## SCH 8 - ACCRUED EXPENSES

Audit Fees Payable	978,880.00	873,600.00
Bonus Payable	6,742,749.29	7,117,533.37
Canteen Bills Payable	477,295.00	292,945.00
Electricity Bills Payable	5,900,886.00	4,366,461.00
Bank Loan Payable	225,995.00	222,870.00
Income Tax Computation Charges	250,880.00	224,000.00
Rent & Other Charges	1,752,006.90	1,752,006.90
Salaries Payable	-	138,618.97
Sales Incentive Payable	31,735,468.00	51,522,164.82
Telephone Bills Payable	-	130,000.00
Wages Payable	1,815,818.65	1,329,759.65
Welfare Loan Recovery-Payable	59,950.00	244,200.00
Security Charges Payable	-	304,010.00
Welfare fund Payable	13,800.00	30,200.00
Custom duty & Other charges payable on Plant & Machinery	2,068,398.00	2,068,398.00
Professional Fees Payable	338,240.00	302,400.00
Production Incentive Payable	-	39,634.96
Lease Rent payable	942,484.88	834,484.88
Sheet Loading Charges Payable	28,163.00	30,300.00
Clearing Charges Payable	-	26,300.00
Dividend Payable	8,238.16	1,180.50
Sales Promotion	2,593,600.00	-
Staff Welfare Factory	434,500.00	-
Allowance Payable	14,500.00	-
	<u>56,381,852.83</u>	<u>71,851,068.05</u>



## SCH 9 - EPF

Factory Overheads	1,212,187.31	1,120,437.76
Administrative Expenses	3,926,560.93	3,619,992.15
	<u>5,138,748.24</u>	<u>4,740,429.91</u>

## SCHEDULES (CONTD.)

## SCH 10 - ETF

	31.03.2017 SL Rs.	31.03.2016 SL Rs.
Factory Overheads	303,046.84	280,109.66
Administrative Expenses	981,640.24	904,998.54
	<u>1,284,687.08</u>	<u>1,185,108.20</u>

## SCH 11 - OTHER STAFF COSTS

Direct Wages	10,101,560.93	9,336,982.12
Labour Contract Payments	30,695,087.63	16,163,331.55
Over Time	15,383,643.06	9,062,859.78
Allowances	6,456,349.22	1,365,762.07
Bonus	7,727,332.95	7,117,533.37
Canteen Expenses - (Staff)	4,309,336.00	3,223,436.00
Medical Expenses	226,071.05	1,301,750.40
Mess Expenses	1,964,292.51	1,946,723.00
Salaries	32,721,341.16	30,166,602.38
Staff Training & Welfare	1,175,084.47	1,334,919.80
Van Hiring Charges - Staff Travelling	3,402,856.00	2,921,333.00
Workers Death Compensation	93,575.00	74,758.40
Workers Welfare	265,000.00	498,287.00
Leave Encashment	296,040.15	382,078.20
Production Incentive	254,587.04	162,894.96
Casual Wages	-	113,477.95
Incentive	371,081.21	798,245.49
Ex Gratia	-	644,326.00
Consultancy Fees	-	318,048.78
	<u>115,443,238.38</u>	<u>86,933,350.25</u>
Less : Directors Remuneration	(12,121,374.99)	-
	<u>103,321,863.39</u>	<u>86,933,350.25</u>

