

ANNUAL REPORT 2018

Board of Investment of Sri Lanka

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Message from the Director General



Completing 41 successful years of glorious history for being well recognized as the apex investment promotion agency, the Board of Investment of Sri Lanka serves the core economic objectives of the country to maintain the growth standards. BOI works with all positive leadership and conducive investment policies, backed by fast developing infrastructure to face the challenge of attracting high performing industries. To enhance the effects of positive signals on the country's growth, BOI has taken necessary steps to increase domestic value added production to make Sri Lanka an active partner in the Global Production sharing.

Being the main body to attract FDI aligned with development goals set out along with the government's economic strategies, BOI has contributed immensely to the Sri Lankan economy, by means of enhanced export earnings, diversification of export products, creation of employment opportunities, transfer of advanced technology and skills, infrastructure development, rural development and poverty reduction.

While the organization successfully continues to expedite the growth objectives of the Sri Lankan economy, BOI has been very successful in this year by attracting the highest ever FDI inflow of USD 2.37 Bn. The contribution given by BOI industries to the total export earnings of the country amounts to 65% which also accounts for 85% of the national industrial export earnings.

The Board of Investment of Sri Lanka (BOI) has taken a number of initiatives in 2018 to improve its service delivery which includes addressing regulatory deficiencies and inter-agency coordination issues by inter connecting line agencies under a single virtual platform; Single Window Investment Facilitation Taskforce (SWIFT). Signing of Memoranda of Understandings (MOUs) under SWIFT has given a legal framework for granting approvals/permits/licenses by the line agencies minimizing the lead time that increases transaction costs to investors.

I am well contented to be a part of this affluent journey of BOI in serving the country with all its good efforts and would like to thank the Chairman and the Board of Directors for the exceptional contribution towards the notably high performance of the year 2018 and appreciate hard work and dedication of the BOI staff for being the excellent team they are.

Board of Directors 2018



Mr. Dumindra Ratnayaka
- Chairman



Eng. Mangala P.B. Yapa
- Member



Mr. Sagara Gunawardana
- Member



Mr. Ajit Gunewardene
- Member



Mr. Hemantha Wickramasinghe
- Member

Vision

"To make Sri Lanka the most preferred destination for Sustainable investment in Asia"

Mission

"BOI will work in a positive and speedy manner to fulfil Sri Lanka's potential to attract and retain quality investment that leads to an enhanced export base, and brings more and better jobs, enhanced knowledge and skills through new technologies and innovations."

BOI Profile

The Board of Investment of Sri Lanka (BOI), the country's apex agency for investment promotion and facilitation, was incorporated as a statutory body in 1978 as Greater Colombo Economic Commission (GCEC). The authority of GCEC was confined to the specific areas demarcated as Export Processing Zones to which concessions and other facilities were provided. These Zones were initially established in Katunayake and Biyagama. The GCEC was converted to BOI in 1992 by an Act passed in Parliament expanding its scope to cover the entirety of the country. BOI has evolved from an agency primarily responsible for the promotion, coordination and facilitation of foreign and local investment in the area of industrial exports, to include services and infrastructure sectors as well.

At present, BOI owns and operates a total of twelve Export Processing Zones (EPZs) covering four provinces in Sri Lanka.

Objectives

The key objectives of the BOI focus on; foster and generate economic development, widen and strengthen the base of the economy, encourage and promote Foreign Direct Investments, diversify the sources of foreign exchange earnings and increase export earnings, encourage and foster the establishment and development of industrial and enterprises within the Republic.

Role

To target and attract investments to priority sectors supporting implementation of the Government's investment policy and progressively increase the level of FDI, contributing towards achieving national growth targets.

The BOI acts as the first point of contact for investors who intend to set up projects in high value added/ high-tech manufacturing, high value added apparel, IT enabled services, tourism, food processing, logistics, education and large scale infrastructure or other chosen sectors in Sri Lanka. Information and guidance are provided and approvals required from other Line Agencies are coordinated by the BOI to facilitate the investors.

Investment applications in respective sectors are evaluated by the BOI for approving and granting concessions and facilitate visa issuance for expatriates.

The BOI provides assistance to investors throughout the project cycle from start-up to implementation and successful operation of the project, by facilitating and attending to import/export clearance for import of capital goods and raw materials and export of final products.

The BOI develops Export Processing Zones with readily available infrastructure facilities to provide investors with suitable sites for the implementation of projects within a minimum period of time.

Milestones

1978	Greater Colombo Economic Commission (GCEC) was established under the Parliament Act No. 04 of 1978.
1979	Establishment of the Katunayake Export Processing Zone in 1979 which is the first and largest zone to be maintained. A Job Bank was set up by the GCEC to assist Zone Enterprises.
1986	Establishment of Biyagama Export Processing Zone in 1986 as the second zone of the BOI.
1990	Foreign Investment Advisory Committee & the GCEC were merged together and GCEC became the sole authority to approve foreign investment in Sri Lanka.
1991	Establishment of Koggala Export Processing Zone for the development of Southern Province.
1992	The Board of Investment of Sri Lanka (BOI) was incorporated as a statutory body under the Act No: 49 of 1992 and BOI is the successor to Greater Colombo Economic Commission (GCEC). "200 Garment Factory Program" was introduced to minimize the unemployment under the Government Regional Development Program.
1995	Establishment of Kandy Industrial Park. Amalgamated Board of Investment with Bureau of Infrastructure Investment (BII).
1998	Establishment of Meerigama EPZ and Malwatta EPP.
1999	Establishment of Horana EPZ and Wathupitiwala EPZ
2000	Establishment of Polgahawela EPZ, Mawathagama EPZ and Mirijjawila EPZ
2001	Acquired Seethawaka Zone to the Board of Investment of Sri Lanka as Seethawaka EPZ
2006	"300 Enterprises Program" was launched with the objective of taking industry to the rural sector.
2008	BOI Head Office was permanently established in the World Trade Centre by purchasing 09 floors of the WTC.
2009	BOI became the first Government Institution to receive ISO 9001: 2000. BOI Jaffna Office was established.
2011	Achieved US$ 1 Bn. FDI target.
2013	BOI is the main organizer for the "Common Wealth Business Forum" which was held in parallel with the "Common Wealth Heads of Government Meeting (CHOGM) 2013".
2014	BOI sponsored the "Asia Pacific Business Forum 2014".
2017	The 40th anniversary celebration of BOI.
2018	Highest ever FDI Achieved US$ 2.37 Bn.

Highlights 2018

Over 2,250 companies operating under BOI.
591 (Section 16) -1704 (Section 17)





Over US$ 17 billion cumulative FDI Contribution to economic development.

Highest ever recorded FDI of USD 2.37 Bn. in 2018.





Contributes 71% of national exports and 85% of industrial exports.

507,000 direct employment.

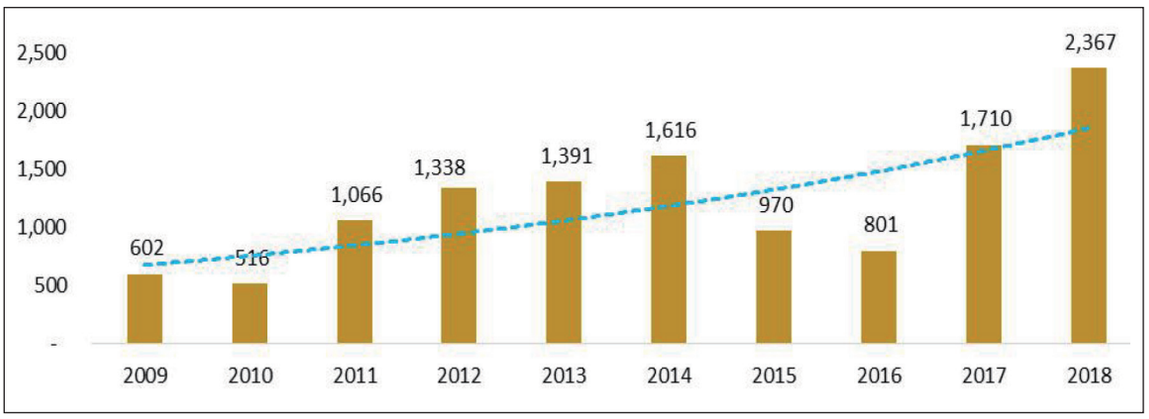




Administer 12 Export Processing Zones/ Industrial Parks.
Planning for 3 proposed New Zones.

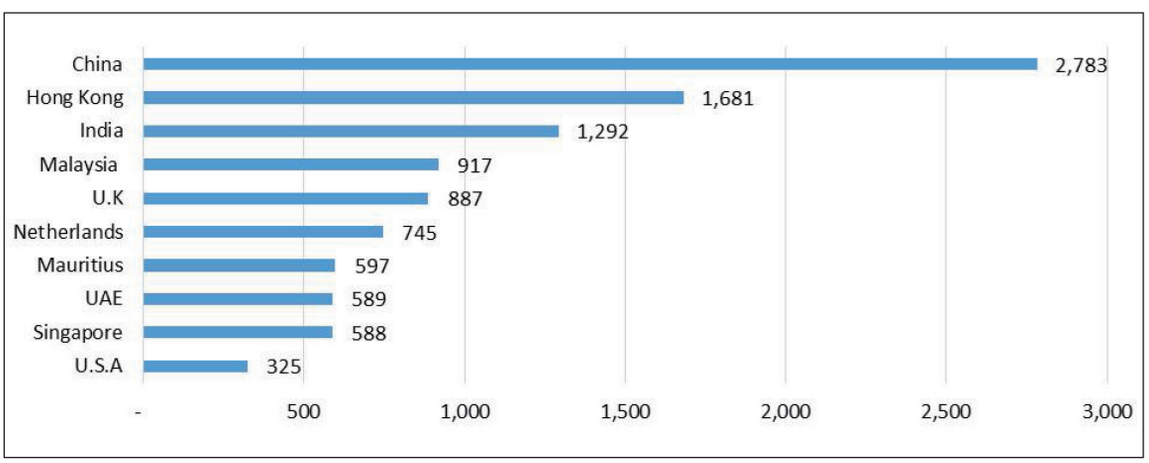
BOI at a Glance

Foreign Direct Investment (2009 - 2018) – USD Mn



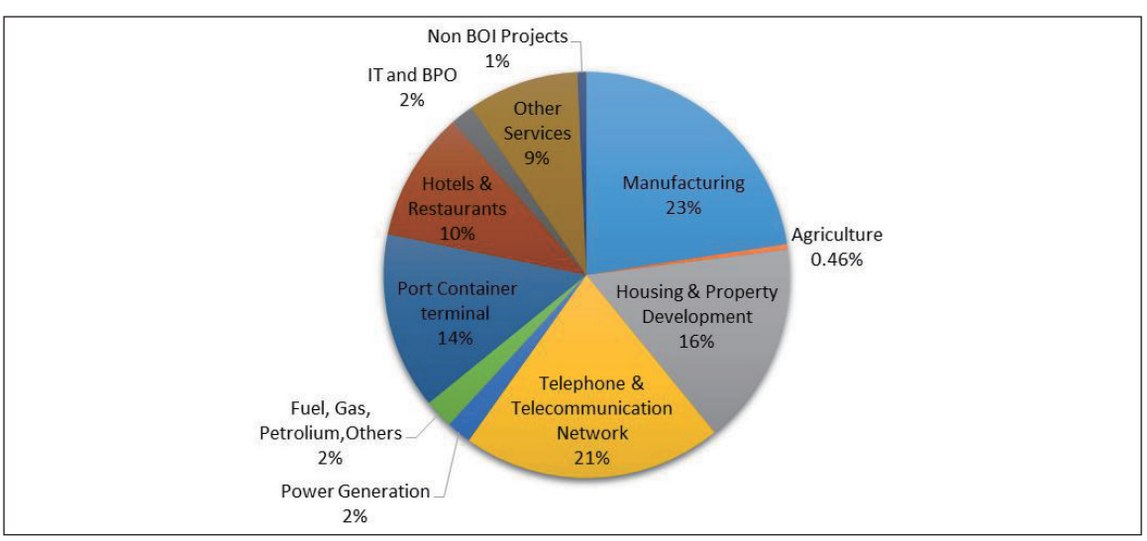
Source: BOI

Top 10 Investing Countries in Sri Lanka (2009 – 2018) – USD Mn



Source: BOI

Foreign Direct Investment by Sector (2009-2018)



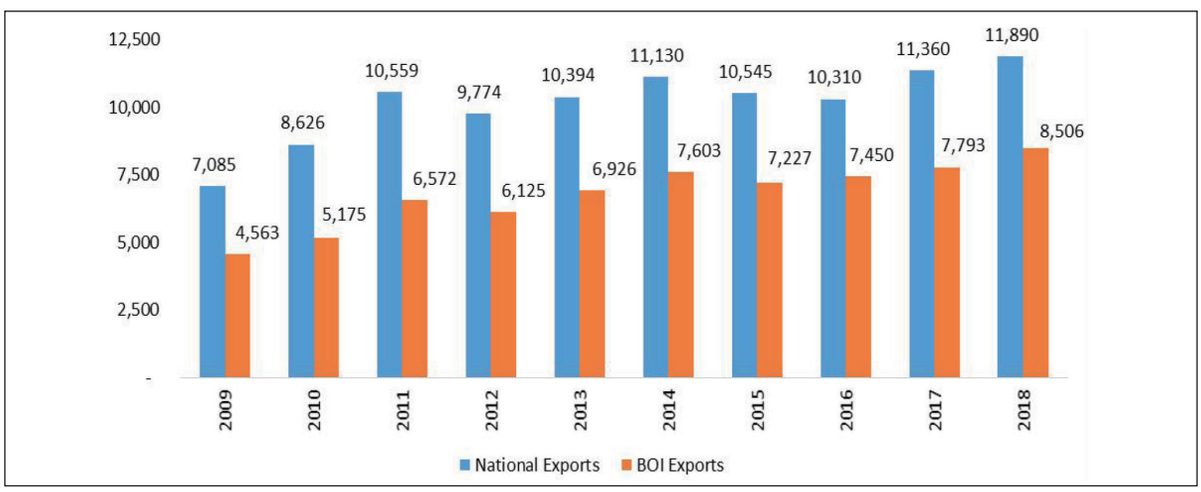
Source: BOI

Foreign Direct Investment as a Percentage of GDP (2009 -2018) – (%)



Source : BOI and Central Bank

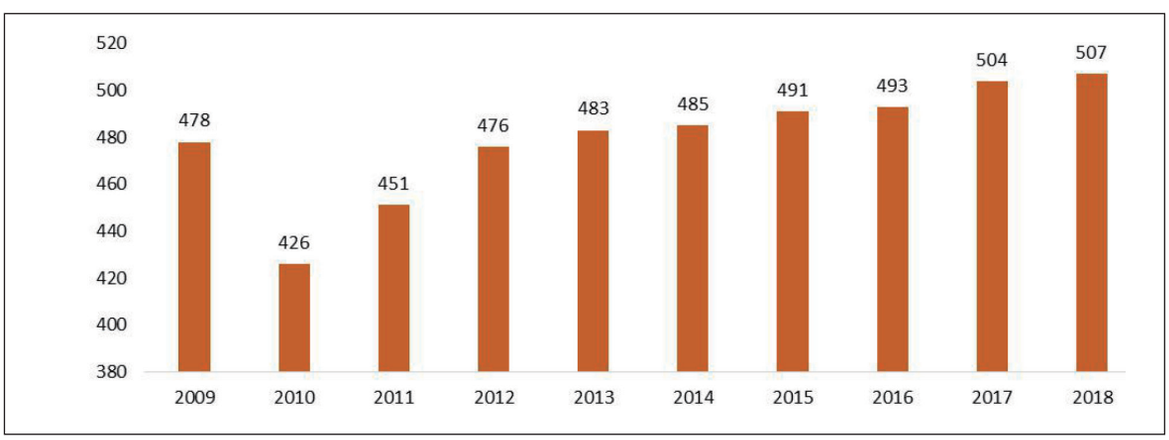
Contribution to National Exports (2009-2018) – US$ Mn



Source: BOI & Central Bank

Contribution to the National Employment (2009-2018) (000's)

BOI Enterprises: 6% to the total labour force



Source: BOI & Central Bank

Progress of Recent Initiatives

Major Areas of Improvement made to Investment Facilitation

- **Speedy Evaluation of Investments**

Using a template developed by McKinsey Consultants, all projects are screened and evaluated to identify the right investments and to turndown non-credible investors. This process has enabled BOI officers to spend more time on viable projects.

- **Strengthening Investment Facilitation through Acceleration of Investment Approval Process**

BOI has taken several initiatives to reduce the time taken for the approval process and to resolve investor issues in an efficient manner by establishing the following Committees.

- The Project Screening Committee (PSC) of the BOI immediately screens all investment applications jointly with cross functional departments to grant approval in an expeditious manner.
- Any projects which needs further clearance on operational issues will be referred to higher level committees such as the Single Window Investment Approval Committee (SWIAC) chaired by Secretary to the Treasury and Investment Approval Facilitation Committee (IAFC) chaired by Senior Advisor to the Hon. Prime Minister for a speedy approval.
- In March 2018, Cabinet Committee on Economic Management (CCEM) was replaced by the National Economic Council chaired by H.E the President.
- All proposals that require BOI lands are evaluated according to technical and financial criteria by the Land Allocation Committee for the purpose of ensuring proper use of zonal lands, increasing the utilization rate.

Progress of Single Window Investment Approval Committee (SWIAC) Meetings - 2018

No. of Meetings Held	- 07
No. of Project Discussed	- 11
No. of Project Approved	- 01
No. of project Deferred	- 04
No. of projects Escalated	- 04
No. of Projects Rejected	- 02

The progress of the Investment Approval Facilitation Committee (IAFC) meetings held during year 2018.

No of meetings	No of issues taken	Issues rectified	Issues rejected
30	73	71	2

- **Promoting Re-investments**

A working Group for promoting re-investment was established with a given mandate of encouraging existing investors to reinvest, expand or upgrade their businesses through facilitating and solving their bottlenecks. Further, this Group was also entrusted with identifying new potential investors through existing investors channels.

Objectives of this Group are to promote re-investment and attract new investments through;

- Utilizing leading business community & existing investors.
- Assisting & guiding throughout the project cycle.
- Creating investor confidence.

During the first half of 2018, the re-investment has contributed to realize FDI with a value of USD 24.75 Mn.

- **Development of New Zones**

According to the objectives of the government and as fully described in the Budget Proposals for year 2016, 2017 & 2018, high priority has been given for the development of new industrial zones in various parts of the country. Currently there are 12 EPZ/IPs operating under BOI, last of which was developed in the year 2002. Therefore, the zones developed under this initiative will be new additions after 18 years.

Out of the lands identified as suitable for developing investment zones, the development activities with three sites namely Bingiriya, Mawathagama and Wagawatte have already begun and they are in different stages of development process in collaboration with other line agencies. BOI pays special attention on environmental aspects when identifying lands and developing new zones to accommodate investment projects especially with waste management requirements and ensure that all project activities within zones are to be facilitated in accordance with the National Environmental Regulations.

- **Augmentation of Major Infrastructure in the Existing Export Processing Zones of the BOI**

With the passage of time and the increase of activities within the Export Processing Zones over the years, it has become necessary that major common infrastructure of the Export Processing Zones should essentially be augmented and wherever necessary rehabilitated to meet the present day demands. The Technical Services Department has already augmented the sewerage schemes of Katunayake and Biyagama Export Processing Zones.

Simultaneously improvements have been made with respect to the rehabilitation of water distribution network and sewer collection network of Katunayake Export Processing Zone. Completion of common infrastructure in the new Export Processing Zone at Wagawatta is in progress. Construction of ponds system for Wastewater Treatment at Mirigama Export Processing Zone is nearing completion.

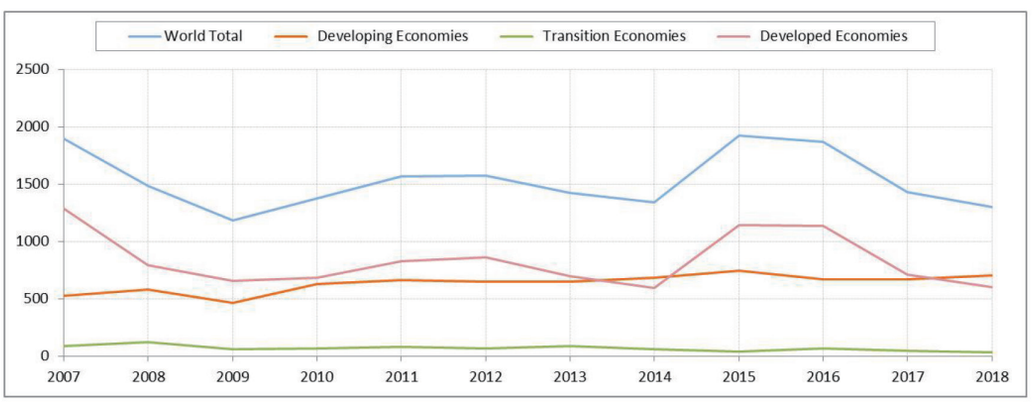
- **Face Lifting of Existing Zones (Katunayake, Koggala, Biyagama, Seethawaka)**

Face lifting of BOI zones has been identified as one of the new initiatives to showcase BOI zones to the world as attractive investment destinations. Since the first few zones were established nearly 40 years ago, it has been noted that the infrastructure facilities and appearance of entrances should be upgraded to suit with the present day requirements. Accordingly initial procurement activities were commenced at the fourth quarter of 2018 with the Board approval to initiate face lifting programme from the Katunayake export processing zone.

World Investment Scenario 2018

For the third consecutive year, Global Foreign Direct Investment (FDI) fell by 13% in 2018, to an estimated US$ 1.3 trillion from US$ 1.7 trillion in 2017. The decline was due to large repatriations of accumulated foreign earnings by United States multinational enterprises following the corporate income tax reforms introduced at the end of 2017, which were in contrast with the trends in cross-border merges and acquisitions and announced greenfield investments.

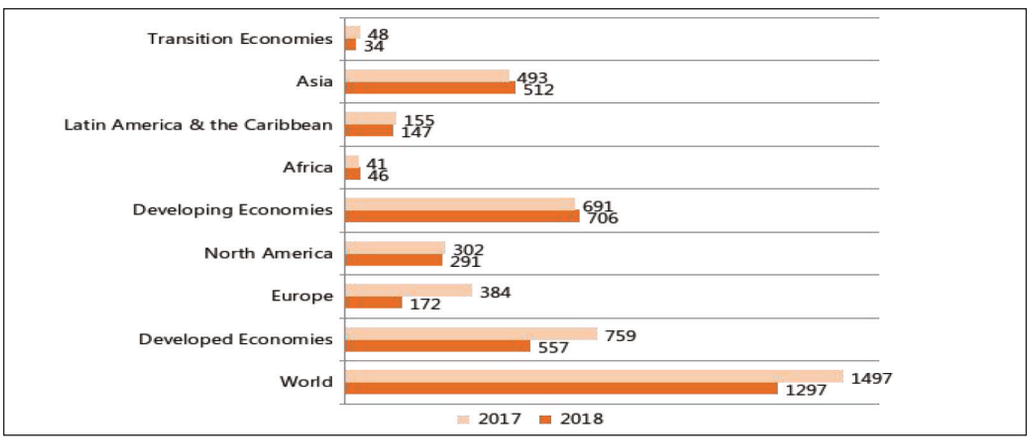
FDI Inflows, Global and by Economic Group 2007 - 2018



Source: World Investment Report, 2019

There was a sharp fall in the FDI flows in developed economies and economies in transition while those to developing economies remained stable. As a result, developing economies accounted for a growing share of global FDI inflows in 2018, absorbing 58% of the world total, compared with 47% in 2017. FDI flows to developed countries declined by 27% with inflows to Europe halving to less than USD 200 billion and those of United States by 9% to US$ 252 billion. With an estimate of US$ 451 billion, inflows to developed countries were at the lowest level since 2004.

However the FDI flows to the developing economies increased by 2% to US$ 706 billion, but the rise was unevenly spread, with almost all the growth being concentrated in East and South-East Asia. FDI flows to developing Asia rose by 5% to an estimated US$ 505 billion, being the largest recipient of FDI flows in the world but the main FDI growth was seen in South-East Asia, for the third consecutive year, with 11% increase in FDI to a record level of US$ 145 billion. Meanwhile the FDI inflows to the transition economies of South-East Europe and the Commonwealth of Independent States declined for a second consecutive year, by 8% to about US$ 44 billion, recording its second lowest since 2006.



Source: World Investment Report, 2019

Global Outflows

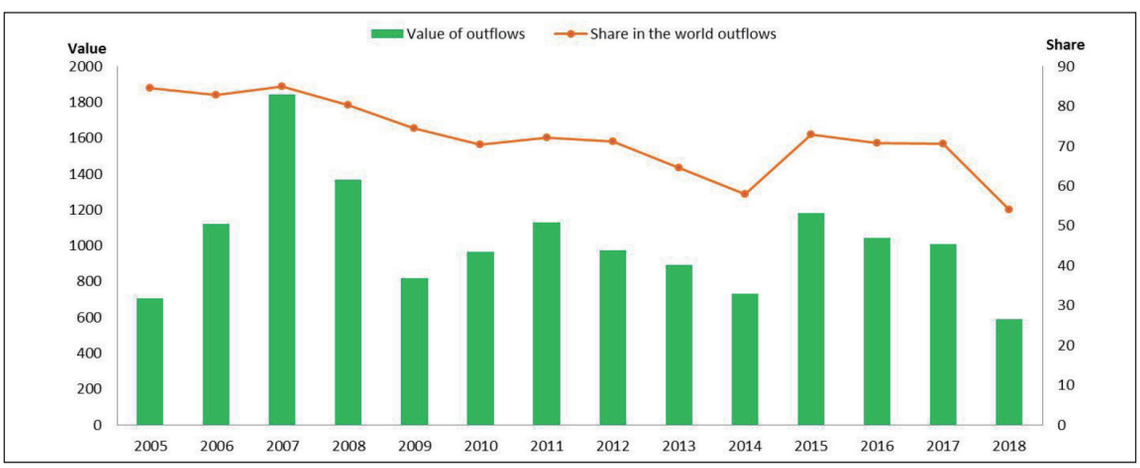
2018 also marked the lowest global outward FDI from developed countries, with their share dropping to a 55% of US$ 558 billion. FDI outflows from the United States declined sharply to a US$ 65 billion, compared to US$ 300 billion in 2017.

FDI outflows from Europe rose by 11% to a US$ 418 billion with the French investing more than US$ 100 billion, becoming the largest Europeon investor in the world. Like United States, outflows from United Kingdom declined to US$ 50 billion from US$ 118 billion in 2017 despite a rise in cross-border M&As. Japan, became the largest investor in the world despite a decline of 11% with US$ 143 billion.

Outward investment by developing economies also fell by 10% to US$ 418 billion with outflows from developing Asia falling by 3% and China by 18%. However, China was recorded as the second largest investor in the world.

The FDI outflows from transition economies however, remained unchanged at US$ 38 billion with the Russian Federation increasing its outflows by 7% to US$ 36 billion.

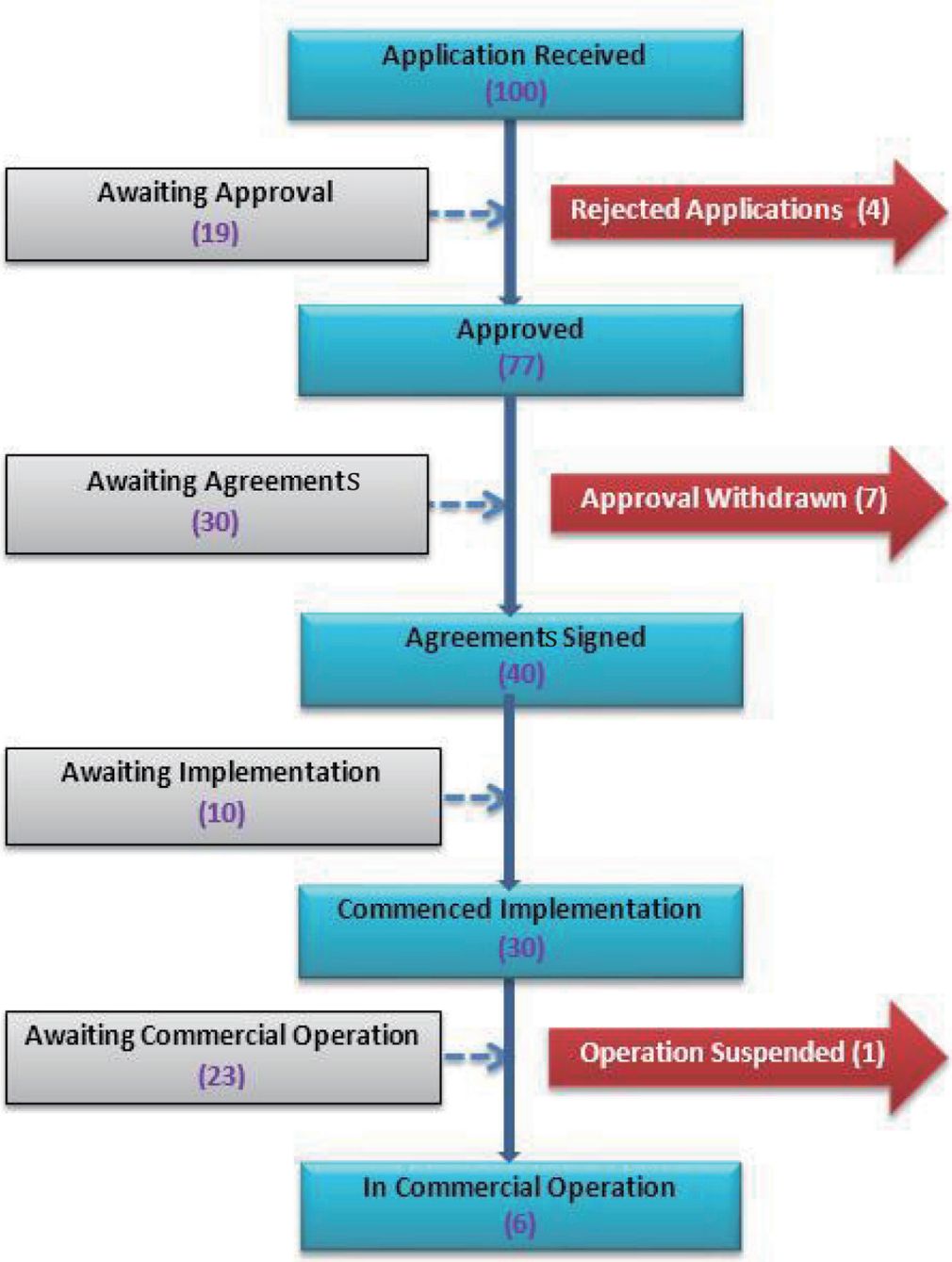
FDI Outflows, Global and by Economic Group 2005 - 2018



Source: World Investment Report, 2019

Investment Performance 2018

1. Progress made on Applications Received in 2018



Source: MIS BOI (27th May 2019)

In the year 2018, 100 applications for new projects were submitted to the Board. Out of those 100 applications, 77 applications were approved of which 06 projects have commenced commercial operation and 23 projects are under implementation.

In addition, 60 applications for project expansions of existing projects have been received during year 2018.

2. Status-wise Project Details

◆ Project Approved & Agreement Signed in 2018

The total numbers of project approvals granted in 2018 was 130 with a total estimated investment of US$ 2,508 Mn. (Rs. 381,929 Mn.) The estimated total number of employment opportunities of approved projects in the year 2018, is over 27,000.

Investment & Employment Share of Approved Projects in 2018 – by Sector

Sector	No. of Projects	Est. Investment (Rs Mn.)	Employment (Nos.)
Services/Infrastructure	57	275,584.84	8,823
Housing & Property Development	10	40,446.62	2,481
Hotels, Restaurant Services & Entertainment Complexes	15	25,956.41	1,525
Shopping & Office Complex	10	65,868.91	2,941
Hospital Services & Medical Centers	2	401.16	71
Power Generation Plants	2	4,460.90	36
Call Centers/BPO & Hosting Centers	1	188.40	18
Port Development	1	2,370.00	175
Container Services, Warehousing & Freight Forwarding	5	13,486.33	315
Other	11	122,406.12	1,261
Other	8	4,526	489
Manufacturing	**17**	**31,963.25**	**4,595**
Agriculture	**5**	**3,756.75**	**729**
Expansions of Existing Projects	**51**	**70,624.15**	**13,114**
Total	**130**	**381,928.99**	**27,261**

Source: MIS BOI

Out of the total approved investment in the year 2018, the Services/Infrastructure sector accounts for the highest contribution (72%) followed by the investments from expansions (17%) and the Manufacturing sector (10%).

Out of the total estimated employment of the approved projects in 2018, 32% was created from the Services/Infrastructure sectors while 24% was from the Manufacturing sector.

The total number of projects which signed agreements with BOI in 2018 accounted for 94, of which 46 were new projects and 48 were expansions of existing projects. The total estimated investment of these projects was amounted to US$ 1,470 Mn (Rs.221, 404.27 Mn) and were expected to generate over 24,100 employment opportunities.

◆ Projects Commenced Construction/Implementation in 2018

In the year 2018, 64 new projects and 24 expansion projects commenced implementation / construction. The total estimated investment of projects that commenced implementation was US$ 1,156 Mn. (Rs. 164,517.16 Mn.). The expected employment generation was over 19,600 numbers.

Top 10 Projects (based on Est. Investment) Commenced Construction / Implementation in 2018

Project Name	Business Activity	Est. Employment (Nos.)	Est. Investment (Rs. Mn.)	Sector	Location
Harbour Village (Private) Limited.	Mixed Development Complex	375	12,650	Infrastructure	Kotahena, Colombo 15
Lanwa Sanstha Cement Corporation (P) Ltd	Cement Grinding & Blending Plant	200	15,112	Manufacturing	EPZ, Mirijjawila
Western Power Company (Pvt) Ltd.	10 Mw Waste To Energy Power Plant	88	10,032	Utilities	Wattala
Best Pacific Textiles Lanka (Pvt) Ltd.	Synthetic Fabric Processing	950	10,710	Apparel	Gonawila
Summer Season Ltd.	212 Roomed Hotel At Weligama	375	5,111	Tourism & Leisure	Matara
Inqube Global (Pvt) Ltd.	An Export Trading House	20	4,272	Apparel	EPZ, Katunayake
Ceylon Holiday Resorts Ltd.	To Set Up A Hotel	212	4,667	Tourism & Leisure	Bentota
Galle Face Properties (Pvt) Ltd.	Mixed Development Project At Colombo-03 -Renuka Holdings Plc	54	3,622	Infrastructure	Galle Face Terrace, Colombo 3
Walkers C M L Property Development (P) L	To Set Up Apartment Complexes In 03 Locations	37	3,810	Infrastructure	Colombo 10, Nugegoda, Baththaramulla
Brandix Apparel Solutions Ltd.	Garments	4,668	3,790	Apparel	Rambukkana

Source: MIS BOI

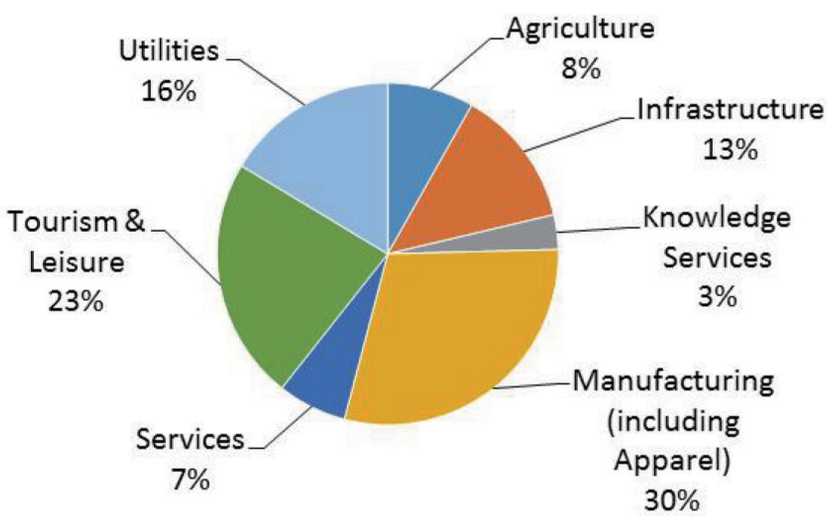
◆ Projects Commenced Commercial Operation in 2018

During the year 2018, a total of 76 projects (55 new projects and 21 expansion projects) have commenced commercial operation. The total realized investment of these projects accounted for US$ 1,065.64 Mn (Rs. 142,721.21 Mn), and approximately 9,624 employment opportunities were created by these projects.

◆ Sector wise Distribution of Projects Commenced Commercial Operation in 2018

Out of 76 projects that commenced commercial operation in 2018, 14 projects were in the Tourism and Leisure sector followed by 10 projects in the Utilities, 33 projects in Manufacturing sector (including Apparel), 8 projects in Infrastructure sector, 4 projects in Services sector, 5 projects in Agriculture sector and 2 projects in Knowledge Services sector.

Projects Commenced Commercial Operation in 2018
Sectoral Disitribution

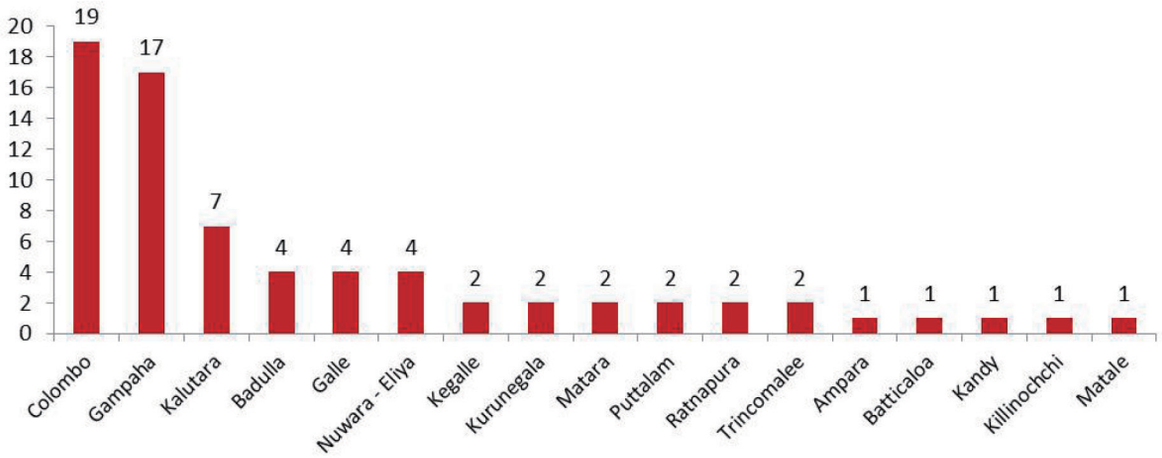


Source: MIS BOI

◆ District wise Distribution of Projects Commenced Commercial Operation in 2018

38% of the projects that commenced commercial operation in 2018 were located within the Colombo and Gampaha districts. The balance projects were geographically distributed over the other 16 districts.

District Wise Distribution of Projects Commenced Commercial Operation in 2018



Source: MIS BOI

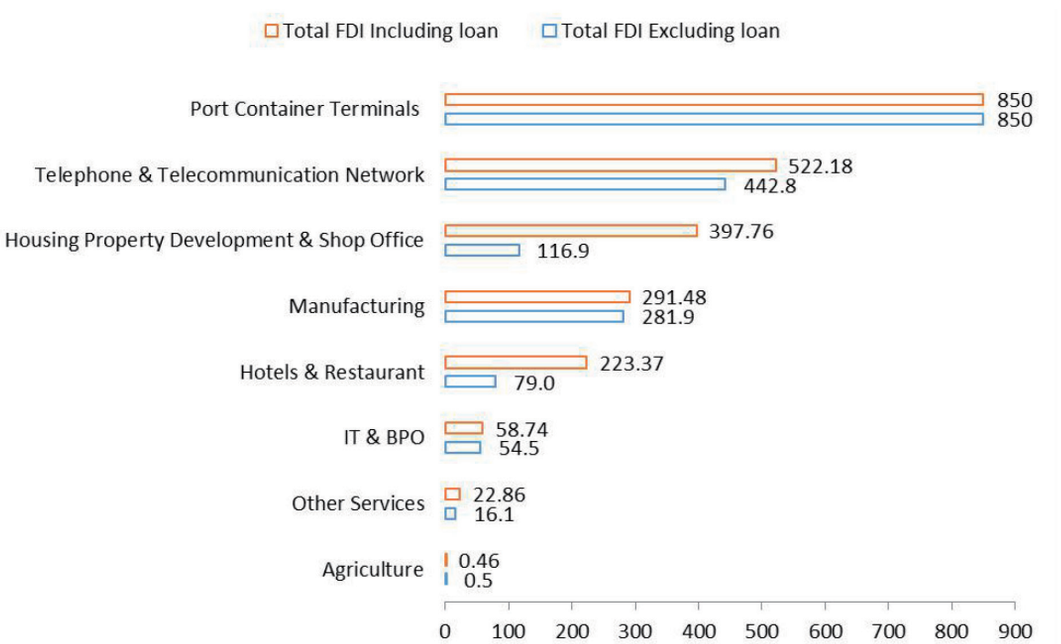
Note: Remaining 4 projects are expansions related to telecommunication sector for which the exact locations cannot be stated.

3. Foreign Direct Investment Attracted In 2018

The highest ever FDI was recorded in Sri Lanka in the year 2018 which was amounted to US$ 1,842 Mn excluding foreign loans and US$ 2,367 Mn including foreign loan component.

Sector Wise FDI Received in 2018

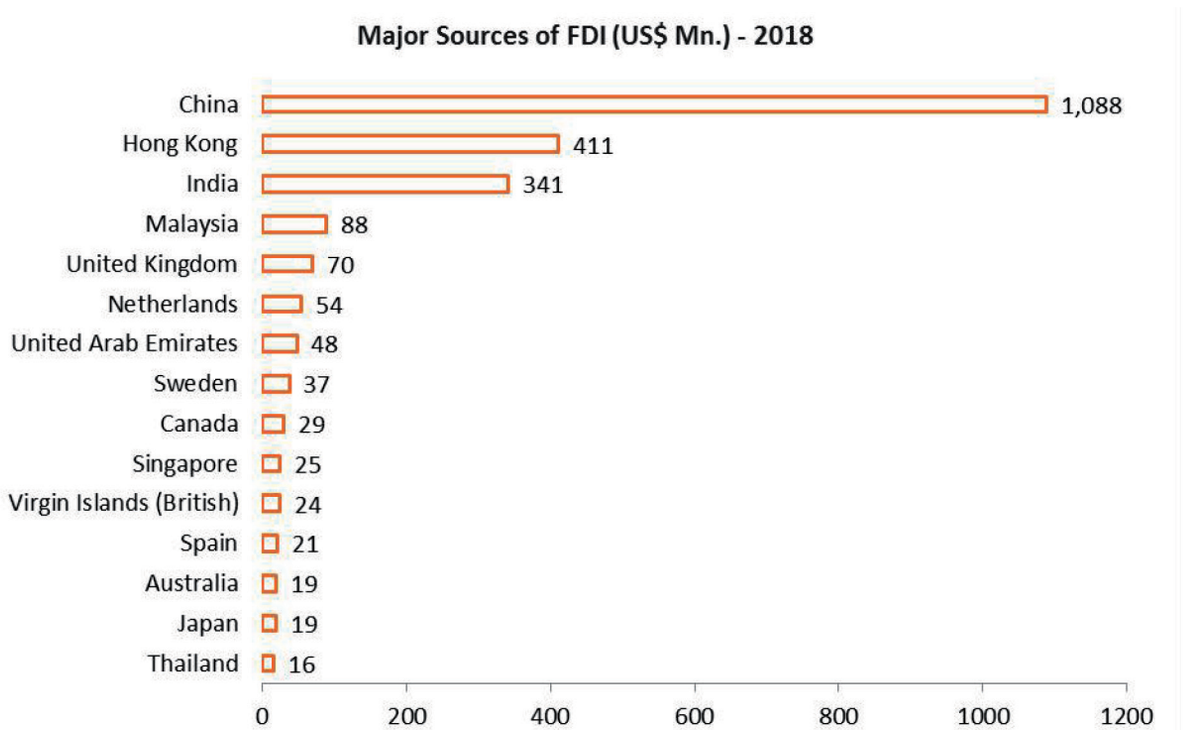
Out of total FDI received in 2018, Port Development sector has received the highest FDI amounting to US$ 850 Mn (36%), followed by Telephone & Telecommunication sector with US$ 522 Mn. (22%), Housing & Property Development sector with US$ 398 Mn. (17%), Manufacturing sector with US$ 291Mn. (12%), Hotel sector with US$ 223 Mn. (9%) and the IT & BPO sector with US$ 59 Mn. (2%) etc.



Source: MIS BOI

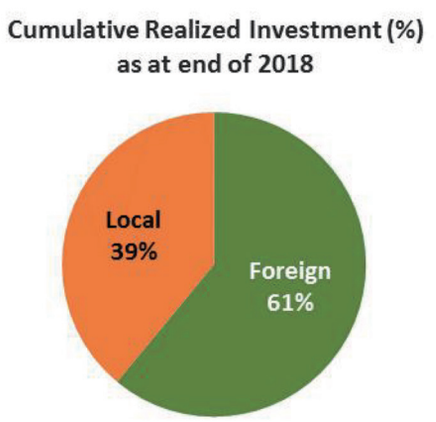
Major Sources of Foreign Direct Investment – 2018

China was the largest source of FDI in 2018 with US$ 1,088 Mn. This was followed by Hong Kong (US$ 411 Mn.), India (US$ 341 Mn.) , Malaysia (US$ 88 Mn.) , United Kingdom (US$ 70 Mn.), Netherlands (US$ 54 Mn.), UAE (US$ 48 Mn.), Sweden (US$ 37 Mn.), Canada (US$ 29 Mn.), Singapore (US$ 25 Mn.), Virgin Islands(British) (US$ 24 Mn.), Spain (US$ 21 Mn.), Australia (US$ 19 Mn), Japan (US$ 19 Mn.), Thailand (US$ 16 Mn.) etc. These fifteen countries together accounted for 97% of the total FDI received in the year 2018.



Source: MIS BOI

4. Realized Investment (Cumulative)

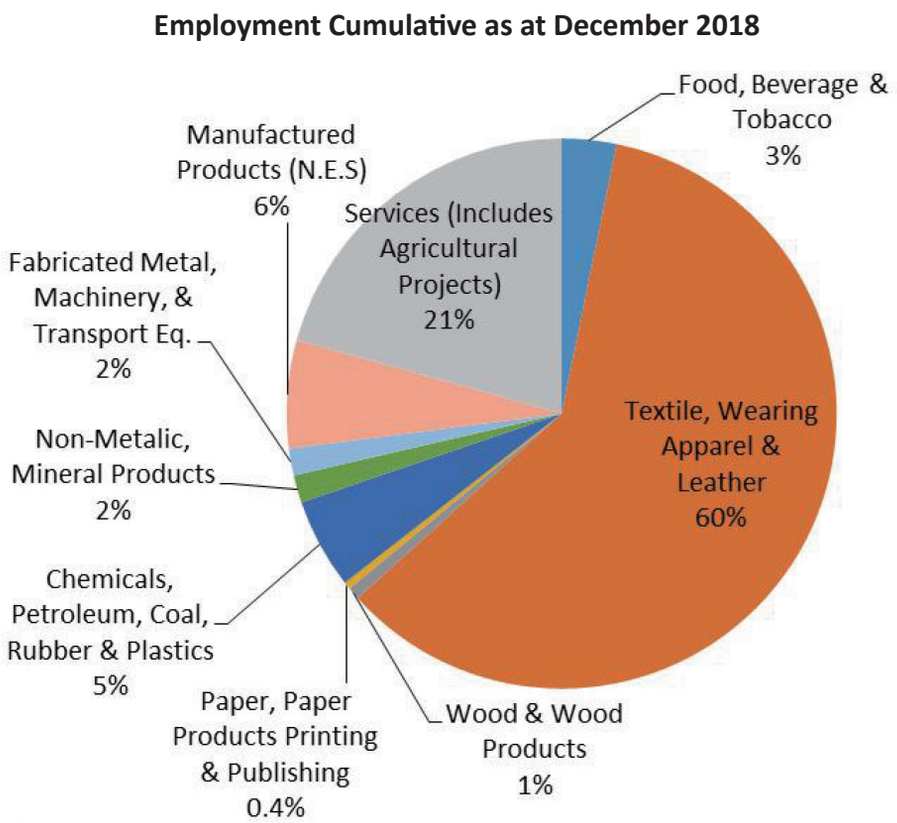


Source: MIS BOI

The realized cumulative total investment as at end of the year 2018 was Rs. 3,302 Bn., which showed a 21% increase compared to the previous year. Out of Rs. 3,302 Bn. total realized investment, 61% (Rs. 2,014 Bn.) represented the foreign component and the balance 39% (Rs. 1,288 Bn.) represented the domestic private investments.

The Infrastructure & Services sector accounted for 77% of the total realized cumulative investment and the balance 23% was from the Manufacturing sector including Apparel.

5. Employment (Cumulative)



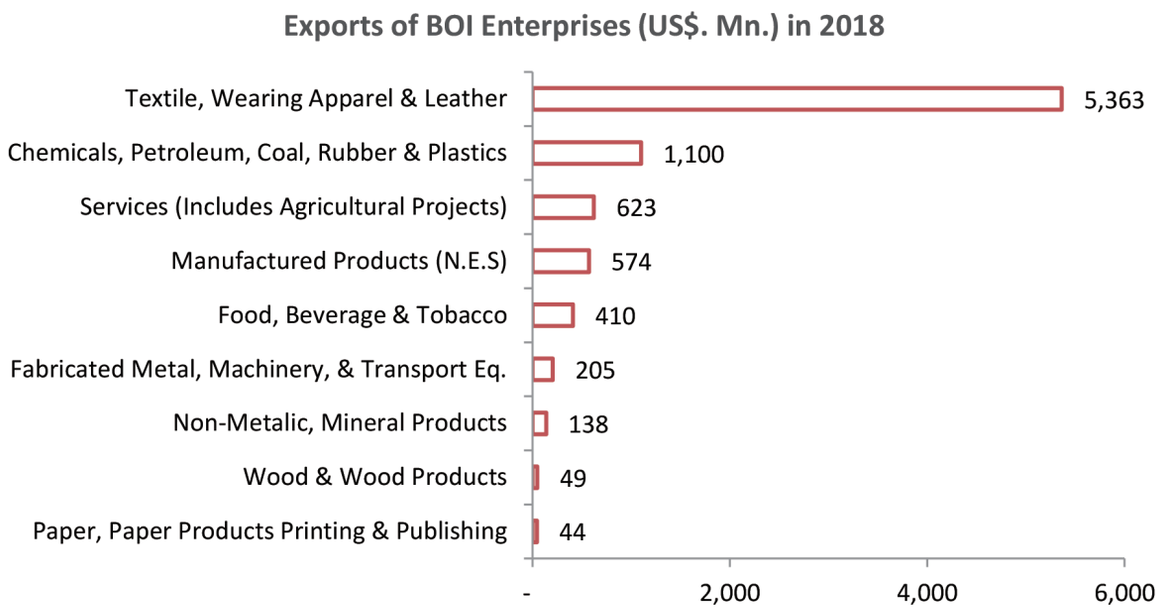
Source: MIS BOI

The cumulative employment of BOI projects as at December 2018 was recorded as 507,313.

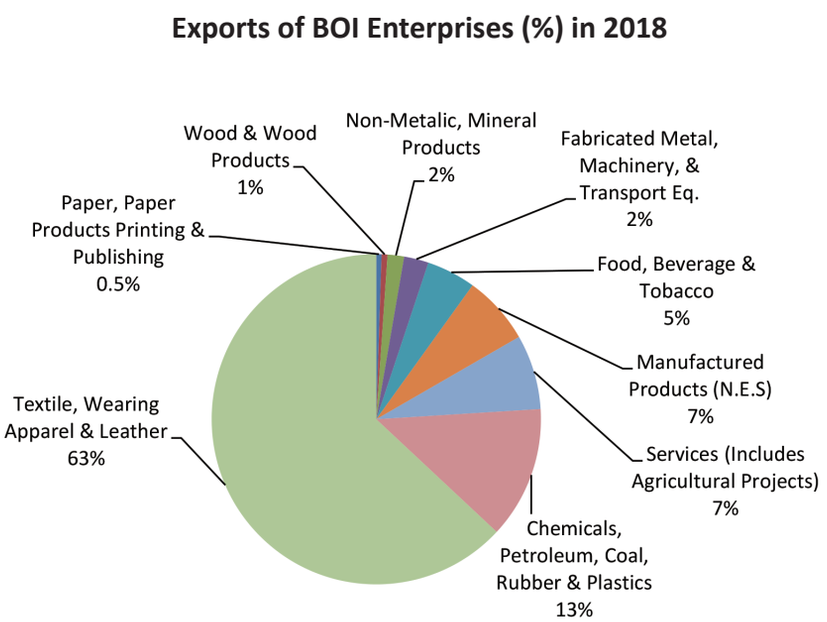
60% of the total cumulative employment of BOI projects was from the Textile, Apparel & Leather sector and 19% was from other Manufacturing sectors. Services & Infrastructure sector including Agriculture represented 21% of the total cumulative employment in 2018.

6. Export Performance

The total exports of BOI enterprises in 2018 were amounted to US$ 8,506 Mn. which represented 71% of national exports and 85% of national industrial exports.



Source: MIS BOI



Source: MIS BOI

During the year of 2018, Apparel sector represented the highest percentage of exports (63%) followed by the Manufacturing sector (excluding apparel) amounting to 30%. Services and Agriculture sectors represented 7% of the total BOI exports.

Departmental Performance

1. Investment Promotion Department

The Investment Promotion Department is the first point of contact for the new investors. The main function of the Investment Promotion Department is to attract Foreign Direct Investment (FDI) from the respective target countries and sectors. The Investment Promotion Department also encourages existing investors/companies to make additional investments and expand their existing projects.

Services rendered by the Department

- Organizing Investment Promotion Missions Overseas to Target Markets:

  Coordinating one to one meetings with potential investors, Arranging Road Shows with potential investors/ companies, Sector specific discussions with respective groups, Meeting with existing companies / investors to update on business and investment climate in the country, Meetings with Chambers of Commerce and Counter Part Organizations to create more awareness on investment opportunities in the country and Networking with business councils to attract more FDI.

  Participating at Events focusing on identified thrust sectors:

- Representing BOI at International Forums, Conferences and Exhibitions for networking and dissemination of information on investment opportunities in Sri Lanka.
- Inviting Inward Delegations to Sri Lanka, to give potential investors an insight on the investment climate in the country and facilitate their visits to the country.
- Organizing inward business delegations to visit Sri Lanka, in order to study the existing business, investment climate and arranging programs including presentations, meetings with the Government, Private sector and site visits.
- Co-ordination of Investor Facilitation meeting with existing investors to discuss their issues, such as the EU/SL Investor Dialogue and Forum with Japanese companies in Sri Lanka.

General Promotion Activities

- Creating more awareness on Investment Opportunities in Sri Lanka in the respective countries, Identification of target sectors to attract FDI from the respective markets.
- Identification of target companies in the respective countries.
- Building up relationships and networking with respective Chambers of Commerce, Business Councils, Banks and other relevant organizations for investment promotion, Co-ordination with Foreign Missions in Sri Lanka and Sri Lankan Missions aboard.
- Close liaison with Industry Associations, and Co-ordination with Line Agencies & Authorities such as Sri Lanka Tourism Development Authority, Export Development Board, Gems & Jewellery Authority, Airport & Aviation Authority etc.
- Networking with respective groups of the Diaspora in the relevant countries to attract more FDI as well as networking with existing companies to encourage more investments.

Investment Forums / Seminars and Exhibitions in Sri Lanka

Organizing investment forums in Sri Lanka for foreign / local participants in collaboration with the Chambers and Counterparts and Participation in Trade Exhibitions to disseminate information on investment opportunities.

Local Conferences

Presentations at local conferences and actively participating and networking with foreign participants, to create awareness on the investment climate.

Progress of the year 2018

Outward Missions
Japan – 12th - 17th March 2018 Investment Promotion Mission with the assistance of JCCI / JETRO to coincide with the visit of H.E. the President to Japan. The program comprised of a business forum followed by one to one meetings with potential companies. The BOI was represented by the Chairman, Executive Director (Investment Promotion), and a presentation on Investment Opportunities in Sri Lanka was made by the BOI at the Investment Forum where H.E the President was the guest of Honour. The forum was attended by approximately 330 business participants.
Germany – 24th -26th September, 2018 BOI organized an Investment Promotion Mission to Germany in September 2018 with the assistance of AHK German Industry and Commerce in Sri Lanka. Hon. Minister of Development Strategies & International Trade led the delegation that comprised of Senior Government officials and selected companies from the private sector who participated in three forums in three cities (Frankfurt, Hamburg, Berlin), followed by one to one meetings/ discussions. The BOI was represented by the Director General, BOI.
Japan 5th – 9th November 2018 Follow up visit to the leads obtained during the Mission to Japan in March 2018 was made by having three investment forums in Osaka, Nagoya & Tokyo with the support of UNIDO, JETRO, MUFG Bank & JICA. The program in Osaka was conducted in collaboration with the Ministry of Foreign Affairs, Economic Diplomacy Program (EDP). The BOI was represented by Executive Director (Investment Promotion) and Deputy Director (Investment Promotion) / Desk officer for Japan.

Inward Missions
China • 12 Member Delegation from Chengdu, China, 3rd January 2018 • 10 Member Business Delegation from China, 8th January 2018 • 07 Member Business Delegation from Wuxi, China (Coco Food Trading Company), 11th January 2018 • 03 Member Delegation from Beijing, 11th January 2018 • 20 Member Delegation from Tourism Academy China, 16th January 2018 • 11 Member Business Delegation, 17th January 2018 • 90 Member Delegation from Association for International Economic Cooperation in China, 17th January 2018 • 08 Member Business Delegation, 18th January 2018 • Delegation from Chengdu, China, 3rd January 2018
Indonesia • Delegation from Indonesia to coincide with the visit of H.E. the President of Indonesia, 24th January 2018
Japan • 30 Member Delegation organized by Kansai Productivity Center, Osaka, 23rd January 2018 • 06 Member Delegation from Sumitomo Wiring System Inc., 3rd February 2018 • Representatives of Kanekogyo Inc., 9th February 2018 • Representatives of Kanekogyo Inc., 9th February 2018 • 100 Member Delegation organized by Japan Chamber of Commerce and Industries, 23-25th January 2018 • Team from the Minaebea Mitsumi, 8th March 2018 • 15 Member Delegation organized by Hiroshima Bank and JETRO Hiroshima, 7th February 2018
Malaysia • 15 Member Delegation from Federation of Malaysian Manufacturers, 21st -24th January 2018
Singapore • Delegation from Singapore to coincide with Singapore Prime Minister's visit to Sri Lanka, 24th January 2018

Local events organized by the Investment Promotion Department

1. Sri Lanka - Japan Economic Forum - 25th January 2019 at Shangri -La Hotel to coincide the visit of the 100 member business delegation from Japan Chamber of Commerce & Industry.
2. Investor Facilitation and New Working Event - 20th March 2018 at Cinnamon Lake Side for existing investors/ companies.
3. EU - Sri Lanka Investor Dialogue – Quarterly meetings.
4. Japan / Sri Lanka Government Private Joint Forum.

2. Investment Appraisal Department

The Investment Appraisal Department, being a key department of the BOI and knowing its significance to the institution, has committed and contributed immensely to achieve BOI objectives. The Department is responsible for evaluating project proposals and formulating policies and regulations of the BOI to promote both foreign and local investments and facilitating the investors continuously throughout the project existence in Sri Lanka.

The department has contributed significantly to attract new investments both the FDI and domestic, while continuing the facilitation for the existing projects (in different stages) over 2700 in numbers. (Sec.17-2037 and Sec.16–700). The Department has been contributing to enhance the industrial export percentage to reach beyond 80% of the total industrial exports, by facilitating the existing companies operating under the BOI. The department facilitation process also has contributed a lot in bringing down the unemployment rate of the country by creating cumulative 507,000 direct employment opportunities.

As per the current policy of the government, the department has been structured identifying following sectors to be promoted to achieve the objectives of the BOI and the country as well.

Knowledge Services	-	IT/BPO/KPO/ Higher Education/ Vocational Training / R & D
Services	-	Hub/ Export of Services/Trading Houses (Other than Apparel) / Logistics & Warehousing/ Regional Operating Headquarters
Manufacturing	-	All manufacturing projects other than apparel
Apparel	-	Apparel & Textile including apparel related Trading Houses
Infrastructure	-	Apartments / Housing & Town Ship Developments/ Mixed Developments (Hotel + Service Apartment +Other activities) / Shopping Complexes / Hospitals/ Road Development/ Airports/ Ports/ Industrial Zones
Tourism & Leisure	-	Hotels/ Villas/ Water Parks/ Theme Parks/ Adventure Tourism/ Air Line Service/ Mixed Developments (Hotel+ Service Apartments)
Utilities	-	Telecommunication / Power & Energy / Waste Management/ Mass Communication / Water Management
Agriculture	-	Agro-processing / Dairy / Cultivation / Livestock / Inland Fishing / Deep Sea Fishing / Fish Processing

Services rendered by the Department

- Evaluating investment proposals in line with the policies and regulations of the BOI Investment Policy document published by Exchange Control Department of Central Bank of Sri Lanka, and policies of the government.
- Making policies based on the specific activity, industry and services sector to approve and facilitate the implementation of investment proposals.
- Making recommendations, for projects proposals to obtain approval of the Board, the Chairman and the Director General.
- Facilitating projects by granting customs duty and other exemptions as gazetted and referred in the Schedule (B) of the BOI Act No. 04 of 1978.
- Granting approval for the change of scope of the business.
- Granting approval for expansions in terms of location, product, activity etc.
- Resolving and intervention in operational issues such as customs inquiries, industry related issues etc.
- Preparation of FDI forecast.
- Recommendation of visa for expatriates (investors and employees).
- Participating in various investor forums to address and resolve the investment related issues.
- Participating in policy making committees with the Ministry of Finance, other line agencies and Cabinet Sub Committees appointed.
- Communicating and co-coordinating with all Line Ministries and Line Agencies, before and after granting approvals for projects, such as the Urban Development Authority, Sri Lanka Tourism Development Authority, Sri Lanka Tea Board, Geological Survey & Mines Bureau, Sri Lanka Customs, Ministry of Plantation, Ministry of Lands, Forest Department etc.
- Attending and responding to inquiries made by various State Agencies including Law Enforcing Authorities, Sri Lanka Customs and other state Agencies etc.
- Updating the MIS with the project details.
- Facilitating all duty free approval of all existing projects.

Progress of the year 2018

New Projects

	No. of projects	Proposed Investment		Employment
		Foreign (Rs. Mn)	Local (Rs. Mn)	
New project proposals received	100	4,093,105	134,201	48,144
Projects approved	79	160,286	151,018	14,147
Agreements signed	46	53,279	71,249	8,849

Expansions

	No. of projects	Proposed Investment		Employment
		Foreign (Rs. Mn)	Local (Rs. Mn)	
New expansion proposals received	60	19,929	60,662	11,468
Expansions approved (including proposals received in previous years)	51	14,130	56,494	13,114
Agreements signed	48	21,980	74,895	15,299

3. Research & Policy Advocacy Department

The Research and Policy Advocacy Department is mandated to propose and advocate necessary improvements in relevant FDI policies, thus becoming a key catalyst in investment related policy reform process.

Services rendered by the Department

- The advocacy of necessary policy, regulatory and legal changes to enhance the investment environment is essential in improving the efficiency and performance of BOI as the national investment promoting agency. In achieving the organizational objectives, the Research and Policy Department is entrusted with the duty to carry out necessary trade and investment related research and propose essential policy revisions to policy makers, adoption of which would attribute to the BOI's role in attracting Foreign Direct Investment.
- The Department is further involved in rightful information dissemination to the investors providing investment policy related solutions by imparting insights into applicable laws and solutions.
- The Department is delegated to monitor and regulate the performance of all investors over the centralized management information system through which the key regulatory factors of a company could be monitored throughout the year.

Progress of the year 2018

- Having extensively studied the new Inland Revenue Act No. 24 of 2017 and its schedules and transition provisions, the R & PA Department prepared the report on "Proposed Amendments and Considerations" for the Inland Revenue Act No. 24 of 2017.
- The Department prepared a "Proposed Investment Incentives Scheme for Sri Lanka" based on the analysis of the Inland Revenue Act No. 24 of 2017 and the current incentives offered by BOI to the investors.
- Several regional comparisons were concluded including a country comparison on the investment incentives offered by the investment Promotion Agencies; Ground premium and Land rent of Industrial Zones; and specific Investment Incentives offered for the IT / BPO sector, comparing parallel regional competitors.
- 'Investment Guide of Sri Lanka' and the 'Investment Guide for the Hambantota International Port' were compiled laying down all the benefits and incentives investors can enjoy along with other outcomes.
- Department took the initiative in formulating several policy decisions including Investment criteria for selecting cement projects for BOI approval; criteria for granting approval for Mine exploration and graphite processing projects; and other policy directives on continuation of FCBU Accounts and definition on fixed assets.
- One of the key projects initiated by the Department was compiling the 'BOI Policy Manual', where by all the policies and regulations governing the functioning of all departments of the BOI was compiled into a centralized document. This was done in collaboration with other departments.

- Various sector brochures were generated during the year 2018, covering Automobile, Solar Panels, Logistics, Food Processing, IT & IT enables services, Tourism, Apparel Sector, Minerals, Fabricated Metal and Medical Devices.

- The Department also undertook the task of preparing the Annual Report 2017.

- The Department complied the Action Plan of the BOI identifying key targets and tasks of each Department for the year 2018.

- Further, the R & PA Department was involved in the followings;
  - Prepared the matrix to decide Sri Lanka's position on Investment Facilitation Agreement of WTO.
  - Analysis of the Singapore – Sri Lanka Free Trade Agreement.
  - Participated in various International and Regional Trade dialogues including;
    - 11th round of negotiations on Sri Lanka – Iran Joint Commission for Economic Cooperation
    - 12th session of Sri Lanka – Pakistan Joint Commission for Economic Cooperation
    - 2nd session of Joint Working Group on Trade, Investment, Auto Sector and Customs
    - 2nd round of negotiations on proposed BIT between Sri Lanka and UAE
    - 1st meeting of the Joint Commission under the Agreement on EC between Sri Lanka and Republic of Korea
    - Sri Lanka – Thailand Trade Negotiations
    - 2nd round of BIMSTEC Trade Negotiations
    - Bangladesh – Sri Lanka Joint Economic Commission
    - Standing Committee meeting on APTA in Korea
    - World Investment Forum
    - Sri Lanka – Australia Trade and Investment Framework Agreement
  - Preparation of various country profiles and brief notes on bilateral relations of Sri Lanka with Thailand, Singapore, Vietnam, Iran, Indonesia and the Netherlands were published during the year.
  - The FDI Survey was carried out on a quarterly basis to update the key performance of BOI.
  - Preparation of the Statistical abstract for 2017 while analysing the performance of BOI projects on a quarterly basis.
  - The department prepared BOI promotional presentations on various themes including;
    - Investment Opportunities in Sri Lanka
    - Attracting FDI to Sri Lanka
    - Legal Framework to attract FDI to Sri Lanka
    - Why Sri Lanka failed to achieve FDI targets
    - Opportunities to profit from Island of Ingenuity
    - Investment Opportunities for Japanese investors Under FTAs
    - Role of BOI in attracting FDI

4. Investor Services Department

The Investor Services Department facilitates after care services to investors registered under section 17 of the BOI Law in the fields of import & export. To provide the above services, the department has five Investor Services Centers located at WTC Colombo, Katunayake, Biyagama, Koggala Export Processing Zones and Kandy Industrial Park in addition to 09 Cargo Verification Centres.

Services rendered by the Department

- Processing Import / Export CUSDECS
- Verification of Import / Export Cargo
- Issuing of Certificates of Origin for textile & apparel products exported to EU countries
- Approval for clearance of goods from bonded warehouses
- Approval for sub contracts, transfers, local sales & loans of raw material and machinery
- Approving of re-import & re-export of items
- Liaising with government organizations in respect of issues faced by BOI enterprises
- Processing and approving of GRNs for Indirect Exports
- Processing of web submission for IT/BPO projects
- Recommendation to the Controller General of Immigration & Emigration for issuance of expatriate visas (only for the zonal enterprises)

Progress of the year 2018

Total Import TEUs consigned to BOI enterprises for the year 2018	100,326 TEUs
Total Export TEUs from BOI enterprises for the year 2018	117,167 TEUs
Import Value for the year 2018	(US$) 5,136 Mn
Export Value for the year 2018	(US$) 7,742 Mn
Import Value of Hub Companies for the year 2018	(US$) 234 Mn
Export Value of Hub Companies for the year 2018	(US$) 94 Mn

5. Project Monitoring Department

A major function of the Project Monitoring Department is to examine the performance of projects that have commenced commercial operations in terms of fulfillment of conditions set out in the BOI Agreement. This remains a regular and constant activity of the Department covering the lifetime of BOI approved projects that are in commercial operation.

Services rendered by the Department

- Companies approved under both Section 16 and Section 17 of the BOI Law are examined through the collection of periodical information based on Audited Financial Statements, Bi-Annual Performance Statements and employment statistics in respect of such projects.
- Other key areas handled by the Department include, issuance of Tax Certification to Companies eligible for tax holiday, formal termination of Project Agreements that have reached the end of their life cycle, as well as those that have been non-compliant with conditions in the BOI Agreement, inspection of projects both under Section 16 and Section 17 of the BOI law to provide performance reports for decision making by relevant Departments and quarterly submission of relevant Agreement terminated projects to Commercial Banks for withdrawal of FCBU facility granted to such Companies.

Progress of the year 2018

- During the year under review, 109 Nos. of Annual Tax Certificates were issued to BOI registered Companies that had complied with conditions set out in respective Agreements.
- The total collection of Financial Statements from Companies during 2018 numbered 1,302. The inspection of Company activities carried out during the year amounts to 118, following a cohesive monitoring plan.
- Clearing the backlog of dormant projects was regularized during the year under review by processing the termination of 249 Agreements due to factors such as non-compliance with terms and conditions of the Agreement arising from financial issues, difficulties in marketing & sourcing of land etc., faced by the Companies. It is noteworthy that terminations also occurred as a result of asset take over by prospective investors and amalgamation or merger of Companies.

6. Project Implementation Department

Project Implementation Department of BOI facilitates smooth implementation of projects by assisting the Investors to overcome issues. Main Objective of Project Implementation Department is to ensure successful facilitation of projects, consistent with the implementation programs stipulated in the Agreement with the BOI.

Services rendered by the Department

- Grant extensions to Project Implementation Periods of the Projects to complete the implementation activities based on the progress made by the Project and the request of the investor.
- Identify the issues/bottlenecks/problems for delays in implementing the Projects and assist/ facilitate the investors to overcome such issues/ bottlenecks/problems during the implementation period.
- Send Guidelines to the investors informing the procedure to be followed during the Project Implementation Period.
- Organize and co-ordinate meetings with investors, internal Departments and relevant Line Agencies with the intention of resolving issues.
- Conduct Initial Investor Awareness Programs (IIAP) to investors who have just signed the Agreements with the BOI, to make aware of the functions of the relevant Departments of the BOI especially with regard to the Project Implementation Department.
- Carry out physical inspections on the Projects and advice the investors on the shortcomings of their Projects.
- Look after/provide guidance/give instructions/facilitate the Projects throughout the Project Implementation Period.
- Communicate continuously with the investors of the projects, which are within the implementation period, and update the status of the projects in the MIS for them to avail the facilities granted by the BOI.

Progress of the year 2018

- Out of 154 projects implemented, 81 Projects have commenced commercial operations.
- 141 extensions of project implementation period have been granted for Companies, subject to the approval of the Board.
- 118 site inspections were done to ascertain the progress of the projects.
- Investment Approval Facilitation Committee (IAFC) chaired by Mr. Paskaralingam, Advisor to the Ministry of National Policies & Economic Affairs has been established, to expedite, remove the bottle-necks of the projects and to facilitate the investors.
- Four Initial Investor Awareness Programs (IIAP) were arranged by the Department with other Heads of Departments to make the investors aware of the functions of the Department and to get familiarized with the other Departments of the BOI ensuring better facilitation for smooth operation of the projects. In 2018, 36 Companies were invited for the IIAP.

7. Legal Department

The Legal Department of the Board of Investment (BOI) is responsible for providing professional advice/ service to the Board as well as to the investors. The main role is providing investor related services on legal regime applicable for investment and facilitating Investment Agreements for projects of the enterprises approved under Section 17 of the BOI Law and under Strategic Development Projects Act No. 14 of 2008 as amended.

Services rendered by the Department

- The Department attends to the duties in respect of its role in corporate legal affairs in the Organisational litigation against the BOI and initiate legal action on behalf of the BOI in order to protect its legal interest.
- The investor facilitation legal services are of advisory nature, which include the dissemination of information on Sri Lanka's legal regime applicable for establishment of projects under the auspices of Section 17 of BOI Law and under SDP Projects Act.
- Perusal and approval of Articles of Association of companies to establish projects in Sri Lanka in terms of Section 17 of BOI law.

Progress of the year 2018

During the period BOI has contracted 46 Principal Agreements under Section 17 of the BOI Law for the establishment of new business ventures in Sri Lanka. The major projects we have executed are namely;

- Lanwa Sanstha Cement Corporation (Private) Limited – To set up a cement grinding and blending plant for the local market in Mirijjawila EPZ
- S P Lanka Properties (Pvt) Ltd. – To set up a luxury apartment complex at Colombo 02
- Procon Mag Development Hongkong (Private) Limited – To set up a mixed development Project at Colombo 02
- W U S Logistics (Private) Limited – To set up a logistic city including warehousing facilities, cold room facilities, in-house value addition and multi country consolidation services in Negombo.
- Braybrooke Residential Towers (Private) Limited – To set up an apartment complex at Braybrooke Place, Colombo 02.

In addition, 176 Supplementary Agreements were contracted with existing BOI projects in relation to further investment changes of scope of business, relocations, taking over and mergers.

This includes the following projects with considerable investment and employment generation:

- Mobitel (Private) Limited –To permit the Enterprise to implement 424 numbers of new sites
- Sri Lanka Telecom PLC – To undertake US$ 80 Mn. Network expansion program with additional sites.
- United Tobacco Processing (Pvt) Ltd. – To set up its 3rd expansion to process raw tobacco leaves to manufacture tobacco cuts for export at Mawathagama EPZ.

Further, the Legal Department has prepared and published the revision of rates Gazette Extraordinary No. 2104/18; Gazette Extraordinary No. 2084/18 dated 14th August, 2918 – Waterfront Properties (Private) Limited and the Legal Effect in English, Sinhala and Tamil Versions – Sino Lanka Hotels & Spa (Private) Limited (Grand Hyatt Colombo).

Apart from the above, Legal Department is involved in extending its investor related services by provision of leases of lands owned by the BOI to investors in setting up their industries.

8. Technical Services Department

The Technical Services Department is responsible for the overall control of Action Plan for infrastructure development pertaining to Export Processing Zones and Industrial Parks managed by BOI.

Key functions of the department are; establishment of new Investment Zones, providing technical inputs for construction, operation, maintenance and determination of infrastructure facilities in zones, advertising vacant lands on availability for selection of investors for new investment projects and assisting Competent Authority in transferring assets divested to the State.

Services rendered by the Department

The Technical Services Department is mainly responsible for;

- Overall control of Action Plan for infrastructure development pertaining to EPZs, IPs, etc, managed by BOI.
- Identification of sites for new investment zones/projects.
- Planning and development of new investment zones.
- Determination of infrastructure to be provided to the Zones.
- Undertaking initial development work of new investment zones, establishment of zone offices and handing over of operation of Zones to Zone Management Units.
- Providing assistance and technical inputs for special investment projects with regard to land matters and provision of infrastructure.
- Preparation of proposals, identification of sites, obtaining necessary approvals for the establishment of an integrated solid waste management project/industrial park and recycle of water and wastewater systems within the Zones.
- Providing technical support for infrastructure development work carried out by the existing Export Processing Zones/Industrial Parks as and when requested.
- Providing technical support for operation and maintenance of water supply, wastewater and solid waste management schemes of existing Export Processing Zones/Industrial Parks.
- Inspection & making recommendations on technical aspects for the industrial parks which have encountered environmental issues and conflicts in respect of public concerns.
- Advertising vacant lands in Zones on availability and select suitable investors by an evaluation through Land Allocation Committee followed by the approvals of Screening Committee and Board of Directors of BOI.

Progress of the year 2018

- In year 2018, a sum of Rs. 495.62 Mn was incurred by the BOI mainly in respect of improvements and upgrading of existing infrastructure in the Export Processing Zones/ Industrial Parks.
- Construction & improvements to existing road networks, buildings, fencing and wastewater schemes, design, estimation and preparation of document for face lifting of existing zones etc. were carried out during the year 2018.
- A sum of Rs. 108.92 Mn. was incurred to develop internal infrastructure for new zones at Wagawatta Industrial Zone at Horana, Proposed Millaniya Industrial Zone at Bandaragama, proposed Industrial Zone at Bingiriya in Kurunegala District and proposed Hambantota Special Economic Zone which consist of development of internal road network, water supply scheme, perimeter fencing etc.
- Total sum of Rs. 669.69 Mn. (Rs. 495.62 Mn. + Rs. 108,92 Mn. + Rs. 65.15 Mn.) has been utilized under the Action Plan 2018 which includes Rs. 65.15 Mn for procurement of works carried out at Finance Department, Administration Department and Environment Department of BOI.
- Technical Services department was able to allocate vacant lands for many new projects as well as for expansion of existing enterprises which had fallen vacant due to close down of enterprises. In the year 2018, 25 Nos. of lots having an extent of approximately 37.5 Acres have been allocated for new investment projects during the year.

9. Zone Management Department

The Zone Management Department focuses on providing central facilitation to investors operating within BOI Zones by providing all industrial related services efficiently and effectively from a single location which enables industries to operate smoothly.

The Zone Management Department controls all 12 zones which operates under BOI. The Zone Management Department is responsible for overall coordination and supervision of the functions of Export Processing Zones/Industrial Parks of the BOI.

Services rendered by the Department

- The Department provides management information related to Zones and assists the Zones to resolve their technical and functional issues.
- The department provides guidance on environmental matters, land issues and facilitates enterprises in the Zones for better prospects.
- In addition, the Department assesses the resource requirements and intervenes for allocation of resources to the Zones/Parks.
- Environment monitoring, advisory & laboratory services.
- Day care centers, Sport and recreation facilities, leisure parks.
- Internal transport facilities, bus terminals.
- Centralized solid waste handling mechanism.
- Provision of lands in EPZs for prospective projects.

Progress of the year 2018

Water shortage has become serious issue at the most of the Zones and actions were taken to study the possibility of using treated waste water using Reverse Osmosis (RO) plants and Request for Proposal (RFP) were called for Biyagama EPZ as a pilot project to see the possibility of re-using waste water for industries.

Construction of a dedicated water supply line to Biyagama EPZ has been commenced to enhance the capacity by another 3,000 m^3/day and the contract was awarded to the NWS&DB for a contract sum of Rs. 60.3 Million.

Environment pollution control mechanism has been further strengthened in this year. Monitoring laboratory of Katunayake EPZ was refurbished and equipped with an investment of Rs. 20 Million. It was possible to implement better sample collection system, awareness programmes etc, to enhance the service.

A material receiving center was established at the Biyagama EPZ and actions were taken in other zones to minimize industrial waste generation and implemented 3R concept for waste minimization and management.

Many awareness programmes in the field of Industrial Relations, Investor Services, Fire Prevention and Environment Management have been successfully completed by each Zone to maintain the relationship with the enterprises and enhance the knowledge of different staff categories of BOI enterprises.

Cumulative Export value of all Zones in 2018 reached up to Rs. 519 Bn, and it is a 7.23% increase compared to 2017. Employment generation from all Zones has reached up to 140,762 in 2018 and it was 140,557 in 2017. Number of zonal enterprises in commercial operation at the end of 2018 was 279 and new enterprises under implementation was 40.

10. Environment Management Department

The functions with regard to the Environment Protection and Management pertaining to the projects within the purview of the BOI, are being executed by the Environment Management Department in consultation and with concurrence of the Central Environmental Authority (CEA).

Functions of the Environment Management Department are; granting environmental approvals for projects, issuing Environmental Protection Licences, investigating environment related complaints and resolving them, liaising with other agencies, organizations and departments in activities related to Natural Resources Management and Environmental Pollution Control etc.

Services rendered by the Department

- Granting environmental clearances to projects that operate under Section 17 of the BOI Law, with the concurrence of the Central Environmental Authority (CEA).

  With respect to projects requiring Environmental Impact Assessment process (EIA) in terms of the National Environmental (Procedure for approval of projects) Regulations, participated in the scoping meetings held in that regard and thereby facilitated the approval procedure.

  Also functions as the Project Approving Agency (PAA) in the event the CEA appoints the BOI so.
- Issuing Environmental Protection Licences (EPLL) with the concurrence of the CEA.
- Issuing Environmental Recommendations (ERR) to the Telecommunication Regulatory Commission (TRC) in respect of sites proposed for erection of telecommunication towers.
- Investigating into complaints concerning environment pollution pertaining to BOI projects and resolve them by ensuring required pollution control measures are in place.
- Monitoring the industrial effluent discharged in the Export Processing Zones.

In addition to above;

- Served in the National Committees formed on the following International Conventions related to environment/chemicals for which Sri Lanka is signatory.
  - National Coordination Committee on Basel, Rotterdam, Stockholm and Minamata Conventions.
  - Montreal Protocol on substances that deplete the Ozone layer.
  - United Nations Framework Convention on Climate Change (UNFCCC).

It was ensured that all BOI projects operate in compliance with these International Conventions.

- Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. This is chaired by the Precursor Control Authority.

Progress of the year 2018

Function	No.
1. (a) No. of environmental clearances granted for Projects.	82
(b) No. of environmental clearances granted for Expansions/relocations.	30
2. No. of EPLL issued/renewed.	*993
3. No. of ERR issued in respect of sites proposed for erection of telecommunication towers.	**176
4. No. of complaints attended concerning environmental issues and resolved	128
5. Environmental Monitoring	
(a)No. of effluent samples collected from industries. (b)No. of effluent samples collected from common sewage treatment plant.	1,257
(c) No. of water samples	204

* - Income Rs. 10,236,250/= from EPL processing

** - Income Rs. 5,016,000/= from ER fee for erection of telecommunication towers

Income Rs. 15.25 Mn by issuing of Environmental Protection Licences (EPLL) and issuing of Environmental Recommendations (ERR) to telecommunication towers.

Achieved the target set for year 2017 under the ISO 9001:2008 standard based quality management system. Under this, the set target was to ensure that 98% of the BOI projects are in possession of the Environmental Protection Licence (EPL). This target was achieved.

Represented the following Technical Committees and actively contributed in its decision making processes.

- Committee for deciding siting of high & medium polluting industries outside export processing zones and industrial parks.
- Basel Technical Evaluation Committee.
- Technical Advisory Committee for Management of Industrial Chemicals (TACMIC).

All these three Technical Committees were chaired by the CEA.

11. Engineering Approvals & Special Projects Department

Engineering Approvals & Special Projects Department (EA & SP Department) consists of two units namely; Engineering Approvals Section and Land Section. Engineering Approvals Section functions as the regulatory arm of the BOI for location related approvals, and provides four key services namely; Location approval, Building Plan Approval, Quantity Certification and Certificate of Conformity for projects operating under the Section 17 of the BOI Law. Land Section is responsible for maintaining and updating Land Bank of non-zonal BOI owned lands, state lands and private lands to be offered for investment projects.

Services rendered by the Department

Engineering Approvals Section

Location Approvals - Location approval is a pre-requisite to sign the agreement between BOI and the investor. EA&SP Department performs preliminary site inspection jointly with the Environmental Management Department. Thereafter, the other relevant outside agencies are consulted and a brief assessment is carried out to identify the suitability of the location. At the end, when all the relevant approvals are received from relevant line agencies/authorities, the letter of site approval is issued.

Building Plan Approvals - Construction of proposed projects are supposed to commence construction work only after the building plan approval is obtained. Building plan approval is issued when the plans of the proposed buildings meet all the standards required by relevant regulations.

Quantity Certificates for Importing Construction Items - Projects approved under Section 17 of BOI Law can import items and materials in the approved list on duty free basis. The role of the EA&SP Department is to certify the relevant quantities of the particular construction items/materials for the project, whenever those are imported. Certificates are issued after checking the quantity of the current consignment with the previous quantities imported and assessing the total requirement of the project.

Certificate of Conformity - Once construction is completed, EA&SP Department inspects the site to ensure whether it has been completed in accordance with the approved plans. In addition, at this inspection the items/materials imported under duty free facility are physically verified, in order to ensure their proper usage.

Land Section

Land section is responsible for providing the following services to the investors to obtain lands for their investment projects under BOI.

- Acquiring state lands/private lands when necessary for the construction of BOI zones
- Maintaining a Land Bank of state and private lands for the use of new investors
- Assisting the Legal Department and other Departments of BOI in the matters pertaining to lands

Progress of the year 2018

- Site Approvals granted - 214
- Building Plan Approvals granted - 134
- Duty Free Clearances - 3,409
- Certificate of Conformity issued - 87
- Acquisition of Mahanugalanda Watta in Kuliyapitiya
  Subsequent to obtaining Board approval, CCEM approval and Cabinet approval a land in extent of 29.5 Acres has been transferred to BOI to be offered to an investment project.
- Acquisition of Land at Bingiriya
  Vesting of the land at Bingiriya to BOI is in progress.
- Non-Zonal Lands owned by BOI
  Compiling and establishing a Database on non-zonal lands has been completed.
- Land Bank
  Maintaining and updating of Land Bank of BOI owned lands, state lands and private lands for the use of investors.

12. Industrial Relations Department

The Industrial Relations Department of the BOI plays a vital role in maintaining a sound industrial relations climate conducive for higher efficiency and productivity within the BOI Enterprises.

Services rendered by the Department

- Promote and facilitate to maintain labour management co-operation, industrial peace & harmony and higher productivity in the enterprises coming under the purview of the BOI.
- Provide advisory services and guidance on Labour Laws / regulations and IR practices to managements and employees of BOI Enterprises where necessary.
- Assist investors to meet their manpower requirement through the BOI Employment Service Units functioning in EPZs, and organizing recruitment assistance programs.

Progress of the year 2018

- **Maintaining Labour Standards**

  Periodical Labour Audits are being carried out in BOI Enterprises by the Industrial Relations Officers attached to Zones and the Head Office of the BOI with a view to monitor the compliance of labour standards stipulated in the Labour Laws / Regulations and BOI Labour Standards & Employment Relations Manual.

  In the year 2018, Labour Audits have been carried out in 997 BOI Enterprises in Zones and outside Zones as well and remedial actions have been taken to rectify the shortcomings / lapses found at the above audits.

- **Promotion of Labour Management Co-operation**

  Employees' Councils are the main tool utilized in promoting labour management co-operation in BOI Enterprises. Whilst encouraging and coordinating with Trade Unions, Employees' Councils are guided with a view to promote wider participation of Employees in BOI Enterprises in labour management co-operation.

  During the year 2018, Industrial Relations Department facilitated in formation and operation of 190 Employees' Councils.

- **Establishment of Worker Facilitation Centres**

  There are five Facilitation Centres in operation at Katunayake, Biyagama, Koggala, Wathupitiwala Export Processing Zones and Kandy Industrial Park during the year 2018, for the use of Trade Union Officials to meet their members working in the respective zone enterprises freely and privately as and when necessary.

- **Organizing Awareness Program**

  280 Awareness Programs have been conducted during the year 2018 for Employees and Management Officials of the BOI Enterprises on various subjects such as Social Dialogue, General Awareness, Workplace Co-operation, Decent Work Practices and Health & Safety, etc. in collaboration with relevant government agencies.

- **Mediation / Conciliation for Settlement of Industrial Disputes**

  In maintaining industrial peace & harmony in the BOI enterprises, IR Officers mediate in settling any industrial dispute occurred in BOI Enterprises. 13 industrial disputes / strikes occurred in BOI enterprises during the year 2018 were resolved with the support of Labour Department officials where necessary.

- **Recruitment Assistance Scheme**

  During the year 2018, numbering 73,091 job seekers were registered with the Employment Services Units at EPZs out of which 69,645 have been referred to the enterprises for placement interviews.

  In addition, the Department facilitates in organizing Job Fairs / Career guidance programs in collaboration with other relevant agencies in order to attract more job seekers to the employment opportunities existing in BOI Enterprises. During the period under review 10 such job fairs / career guidance programs have been conducted island wide.

- **Establishment of a Day Care Centre (Crèche) and Pre-school**

  The establishment of Day Care Centres and Pre-school at KEPZ and BEPZ provide a tangible solution for employees who are willing to continue their jobs while keeping their kids in a secured place within the zones and these also provide a solution to reduce high labour turnover and create attractive impression of the zone for new recruits. At the end of the year, 60 kids have been facilitated in Day Care Centre, KEPZ and 45 among them were participating in the pre-school and 22 kids have been facilitated in Day Care Centre at BEPZ.

13. Information Technology Department

Information Technology Department has been setup to plan, design, develop, evaluate and implement IT solutions for BOI. It also coordinates procurement, commissioning and maintenance of ICT resource of the organization.

IT Department manages the organization's corporate network to provide IT infrastructure with hardware & software for communication and all IT requirement of its users to give around-the-clock service.

Services rendered by the Department

- Providing advice and technical support to identify, evaluate & implement IT solutions to the organization.
- Planning, Recommending, Coordinating the procurement, commissioning and maintenance of ICT resource of BOI.
- Enhancing and managing the corporate networks and data communication facilities.
- Designing, developing, implementing and maintaining software application systems required by the organization.
- Providing user-support in solving the issues relating to hardware, software, communication, network, e-mail and virus infections.
- Supporting other departments in using information technology in business re-engineering efforts.
- Developing and maintaining corporate data dictionary, database and related system documentation.

Progress of the year 2018

Enhancement of IT resources and infrastructure

- Enhanced the BOI network by replacing 11 Nos. of floor distribution switches in the BOI head office.
- BOI installed 03 Nos. of high-end new servers to host software developed to facilitate interconnection of investors with the line agencies.
- Expanded the BOI network adding 98 Nos. of new data cables to corporate network of the organization.
- Verification office of Katunayake EPZ was setup with a new computer network installing 65 Nos. of data cables.
- New administration building at Horana EPZ was computerized laying 47 Nos. of network cables.
- Network operation unit at Biyagama EPZ was re-established replacing all cables and network devices to provide a reliable service to users in the zone.
- Procured and installed 219 numbers of personnel computers and 32 numbers of printers for the BOI head office and zones.
- Procured and installed 212 Nos. of UPSs and related network devices (NIC, media converters etc.) to enhance the productivity of users and organizational network.

Developments and implementations of Software Applications

- A user friendly software solution was developed and implemented for issuance of Identity Cards for employees of BOI enterprises.
- Enhanced the Web Portal implemented for collecting FDI data of BOI enterprises.
- Designed a solution to process the Investment Applications with online facilities.
- A web based software solution was developed and implemented to capture BOI non-zonal land details connecting with Google maps.
- Implemented a web based solution for BOI Single Window Investment Facilitation Task Force (SWIFT) to interconnect line agencies on-line to support investors to get their approvals effectively and efficiently.
- IT department implemented a "Cloud Based E-mail and Collaboration solution" with 500 user accounts for BOI users enabling them to share the documents with cloud technology.
- IT department contributed and supported the Finance Department of BOI in greater extent to implement an "Integrated Accounting System" with hardware implementation and initial software system installation and testing.

Improvements of the existing system

- Visa Recommendation System: Various enhancements were done to the system to fulfill the user requirements and also a number of report modifications were provided to facilitate management with more comprehensive decision making information.
- FDI back office system and online System: The modifications and improvements were introduced to both systems to incorporate and link with the features of FDI online submission system accordingly.
- Improvements have been done for MIS, Status Changes System etc. to cater to the changing requirements of user departments.

14. Media & Publicity Department

The Media Department of the BOI is responsible for external communications to create awareness about investment opportunities in Sri Lanka, the country's business climate and the organization's success through a variety of media addressed to different types of audience.

Services rendered by the Department

- Disseminate the media releases frequently in both Sinhala and English languages
- Design and upgrade the promotional materials such as brochures, leaflets, documentaries etc.
- Publish advertisements on land availability, special events and functions
- Participate at national events such as investment promotion activities, image building activities and exhibitions etc.
- Maintain an image bank with still photographs and video footage.

Progress of the year 2018

The Media Department was engaged in a number of important activities in 2018. This included participating exhibitions, organizing press conferences, image building campaign, media releases, social media activities and designing of advertisement and BOI publications etc.

- Participating in exhibitions;
  Enterprise Sri Lanka Exhibition held in Monaragala. The pavilion of the BOI showcased to the general public the positive impact of investment on the National Economy in terms of Foreign Direct Investment, foreign exchange, exports, employment generation and technological transfers.
- Organizing press conferences;
  The Media Department organized 3 major press conferences to explain the Board's position on important issues to all stakeholders.
- Image building campaign;
  The Media Department was set up and development of the Image Bank with a total of 5,500 photo images. This photographic archives which is an example of capacity building, can be used to illustrate publications, documents and media releases as it covers a wide range of activities of the Board as well as divers economic sectors.
- Media releases;
  In the area of information dissemination, the Media Department of BOI issued 38 media releases in English, 18 in Sinhala, 5 in Tamil in addition to 5 photos with captions creating considerable awareness on the BOI's role and achievements on the investment front.
- Social media activities;
  The Media Department has sent a total number of 241 Tweets covering many activities.
- Designing of advertisement and BOI publications;
  Several newspaper advertisements were designed and published by the Media Department. These advertisements were to promote through investment, specific lands earmarked for economic development.
  Further, Media Department has designed several backdrops for events, hoardings, brochures, newsletters, participation booklets, pitch-books, invitation cards, leaflets, Annual Report covers and dockets in the year 2018. This in-house designing of documents has resulted in considerable savings of resources for the BOI.

15. Administration Department

The Administration Department plays a vital role in the BOI and it provides the logistical support for all other Departments to achieve the goals of the organization. The department consists of following functional sub units namely; Stores & Supplies Unit, Transport Unit, Maintenance Unit, Mail Unit and General Administration to ensure smooth and efficient operation of the department.

Services rendered by the Department

- Handling the Internal and External Mail which will expedite the connectivity within and outside the BOI.
- Maintaining un-interrupted process for providing Drinking Water, Tea, Janitorial Services, and Telephone etc.
- Attending to the repairs and maintenance, general up-keep of the BOI office floors at the Head Office.
- Obtaining insurance coverage for fixed assets.
- Preparation of documents for the payment for service providers of electricity, water, telecommunication and transport facilities etc.
- Procurement and disposal of vehicles, managing the vehicle fleet, providing transport facilities for project monitoring activities, assisting Zones for maintenance of vehicles.
- Procurement of goods and services required to the organization (stationery, office furniture & equipment, support services etc.)
- Maintaining the general stores of the head office.
- Operating the two circuit bungalows at Anuradhapura and Nuwara-Eliya.

Progress of the year 2018

- Disposed 12 un-economical vehicles through public auction and earned around Rs.9 Million. Arrangements are made to procure six new Double Cabs for the use of Zones.
- Disposal of redundant items at SBJM building to facilitate the Investor to furbish the building.
- Infrastructure facilities of many Departments at the WTC Building were improved.
- In addition to the routine purchasing activities, the main procurements completed during the year are as follows; atomic absorption spectrometer, new water bowser, installation of 03 servers, web application server & 54 network extensions.

16. Human Resources Management Department

Human Resources department is the key department which has the responsibility to manage the total human resources of the Board by developing and implementing policies and programs that contribute to achieve organizational and employee goals. Its main functions are human resources planning, performance assessment, training and development, maintenance of discipline, maintenance of attendance and leave and providing employee welfare services.

Services rendered by the Department

- Maintain an effective and viable human resource structure to achieve the overall corporate objectives of the organization.
- Develop a robust and transparent mechanism for identifying, developing and maintaining strong leadership/talent pool.
- Develop human capital by providing training opportunities to enhance knowledge, skills and attitudes of the employees in order to achieve organization objectives.
- Providing welfare benefits for employees.
- Streamline HR activities in order to enhance the efficiency and effectiveness of HR practices.

Progress of the year 2018

- New recruitments;

Executives	13
Management Trainees	47
Management Assistant (technological category)	03
Primary Level (skilled category)	01

- Promotions to higher grades ;

Executives	53
Management Assistant	46
Primary Level	04

- Staff Trainings ;

Foreign Trainings	32
Master Degree Programs	12
Local Training (Soft Skills)	241
In-House Training Programs	684
Total	**969**

- On the Job Training ;

  Sixty two (62) Trainees from recognized Universities & Vocational Training Institutes were provided On the Job Training in various fields as a Corporate Social Responsibility (CSR) measure of the BOI.

17. Security & Fire Department

BOI Security & Fire Department bears a fundamental role in safety and security of property and human lives of BOI Zones including enterprises located therein. The Security & Fire Department would facilitate the existing investors of BOI by deploying Security and Fire personnel and strengthening them as and when required. The assets of the BOI enterprises located inside the zones will be protected by the BOI security as well as the Fire crew.

Services rendered by the Department

- All round protection throughout the day and night by the Security Points with CCTV Camera coverage and coordination with the security officers of the enterprises.
- In the event of a special request of an enterprise, provide assistance, exceeding the normal routine
- Receiving information by maintaining an Intelligence Service
- Responding to fire calls & emergency situations created within the enterprises located in Zones
- Fire prevention, inspections and fire risk assessments (overall) in the enterprises
- Conducting of fire drills & awareness programs to the employees of the enterprises
- Training on fire equipment handling for the factory staff

Progress of the year 2018

Conducted training courses and Monthly Training Programs for the security personnel with a view to enhance the knowledge. Training Programs for Fire Staff at Colombo Fire Brigade and other recommended fire institutions were also arranged for giving them a wider knowledge.

Implementation of a special project to eradicate the drug menace spreading throughout the enterprises located in BOI zones with the assistance of the Sri Lanka Anti Narcotic Bureau, relevant police stations, community services and the security personnel deployed in all BOI zones.

Captured robberies, theft and attempted theft with the assistance of security crew. Also Documents pertaining to the export of eight (08) Nos. of Fire Fighting Vehicles from the Japanese Government through the embassy of Japan stand at the final stage.

It is evident that the Security & Fire Department, has been achieved the all-round targets in a much progressive manner which are mainly focus on investor facilitation with available and limited resources.

18. Recoveries Unit

The Recoveries Unit of the BOI was established in September 2018 under a special requirement of the Board of Directors.

Main objective of this Unit is to collect the long outstanding dues from the investors who are registered under the BOI Law. The Unit has identified 120 debtors who owe dues to BOI since 2013 with more Rs. 22 Mn. arrears to be collected.

In collaboration with the Finance and Monitoring Departments of the BOI, the Unit was able to collect Rs. 1.5 Mn. of overdue since its establishment in September 2018.

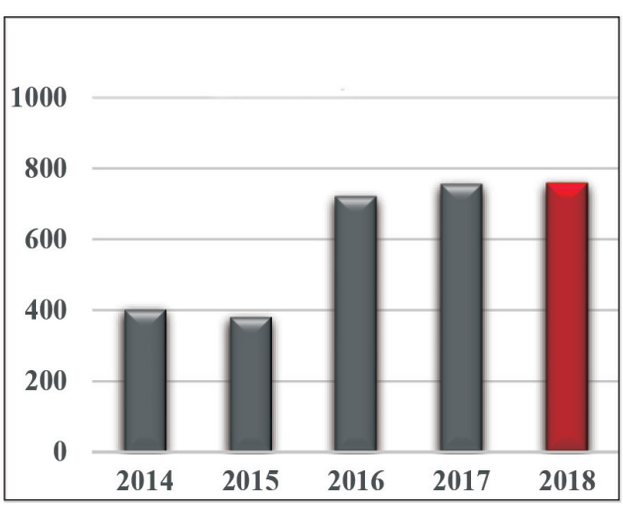
Financial Review - 2018

FINANCIAL HIGHLIGHTS

Financial Performance For the Year Ended 31 December	2018 (Rs. Mn)	2017 (Rs. Mn)	Change (%)
Revenue	3,890	3,712	5
Total Operating Expenses	(3,375)	(3,211)	(6)
Operating Profit	515	501	3
Finance Income	344	337	2
Finance Expense	(8)	(11)	27
Surplus Before Taxation	851	827	3
Tax Expenses	(92)	(71)	(30)
Surplus After Taxation	759	756	1
Other Comprehensive Income	(11)	(25)	56
Total Comprehensive Income	748	731	2
Financial Position at the year End (Rs.Mn)			
Assets	43,269	42,412	2
Equity	26,295	26,048	1

Profitability

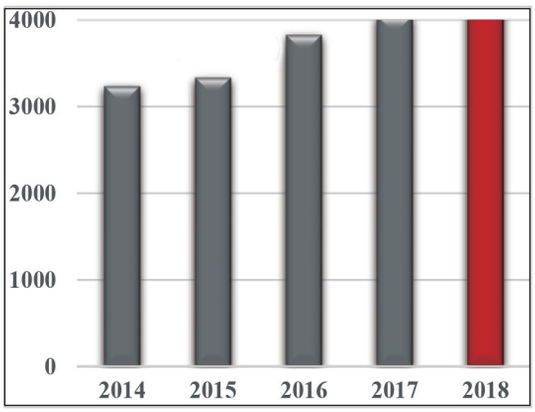
Net Surplus (*Rs.Mn*)



The Surplus before Tax for the year under review is Rs.851.42 Mn. and Surplus after Tax is Rs.759.09 Mn. compared to Rs.827.18 Mn. and Rs.756.72 Mn. recorded in 2017 respectively.

Revenue

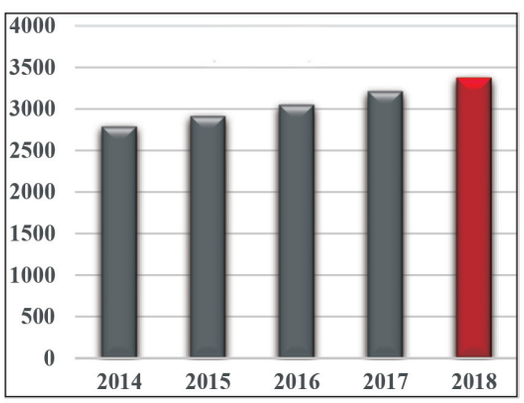
Revenue Growth (*Rs.Mn*)



Total Operating Revenue has increased from Rs.3,711.66 Mn. in 2017 to Rs.3,889.6 Mn. recording an increase of 4.8%. The components of gross revenue consist of items that are "Operating Based" and Non-Operating Based". Operating based revenue consists of Ground Rent, Annual Fees, Import / Export Services Charges, Water Income, License Fee, Agreement Processing Fee & Miscellaneous Income. Non-operating based income is mainly from Interest Income.

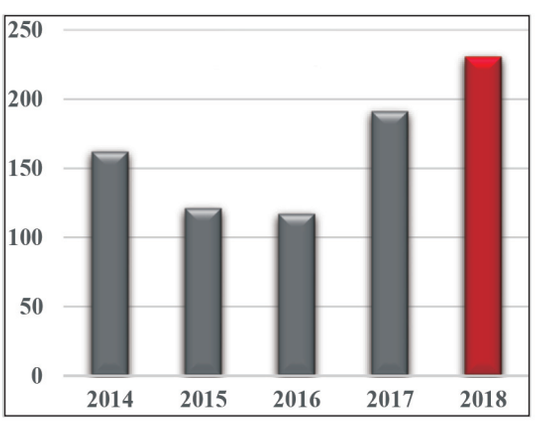
Expenditure

Operating Expenditure (*Rs.Mn*)



Total Operating Expenditure has increased by 5.12% from Rs.3,210.66 Mn. in 2017 to Rs.3,374.91 Mn. in 2018. Administrative Expenses have increased by 4.49%, mainly due to revision of Salaries as per Management Services Circular No. 02/2016 and Depreciation Expenses.

Government Levies & Taxes (*Rs.Mn*)



Disallowed VAT Input is recognized as an expense under Government Levies and has increased by 26.41% compared to the previous year. BOI has paid Rs.322.91 Mn. as Government Levies in 2018.

2018

Financial Statements

for the year ended 31st December 2018

BOARD OF INVESTMENT OF SRI LANKA

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER	**Note**	**2018 Rs.**	**2017 Rs.**
Revenue	**4**	**3,889,614,384**	**3,711,862,608**
Less : Expenses			
Operating Expenses	**6**	267,056,011	265,378,859
Administrative Expenses	**7**	2,846,961,667	2,724,737,396
Government Levies	**8**	230,591,904	190,599,853
Other Expenses	**9**	30,301,325	29,943,193
Total Operating Expenses		3,374,910,907	3,210,659,301
Results from Operating Activities		**514,703,477**	**501,203,307**
Finance Income		344,450,042	336,920,319
Finance Expenses		7,737,398	10,940,559
Net Finance Income	**10**	**336,712,644**	**325,979,760**
Surplus Before Taxation		**851,416,121**	**827,183,067**
Tax Expenses		92,323,030	70,759,017
Surplus for the Period		**759,093,091**	**756,424,050**

BOARD OF INVESTMENT OF SRI LANKA

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER	**Note**	**2018 Rs.**	**2017 Rs.**
Surplus for the Period		**759,093,091**	**756,424,050**
Other Comprehensive Income			
IFRS Adjustments staff loan interest		35,794,021	32,376,099
Less : Defined benefit plan Actuarial (Gain)/Loss	**21.1**	10,973,058	25,054,316
Staff Cost on Staff Loan		(35,794,021)	(32,376,099)
Total Comprehensive Income for the period		**748,120,033**	**731,369,734**

BOARD OF INVESTMENT OF SRI LANKA

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER	Note	2018 Rs.	2017 Rs.
ASSETS			
Non- Current Assets			
Property Plant and Equipment	11	5,291,650,634	5,286,329,406
Investment Property	12	31,029,263,620	31,045,348,525
Capital Work-in-Progress	13	1,636,699,289	1,459,645,476
Financial Assets	14	601,097,866	550,320,565
Total Non- Current Assets		**38,558,711,409**	**38,341,643,972**
Current Assets			
Inventories		11,716,985	15,288,767
Houses For Disposal		2,551,000	2,551,000
Financial Assets	15	193,711,293	180,817,889
Receivables from Enterprises	16	266,543,492	244,621,184
Payments in Advance and Other Receivables	17	484,442,579	459,138,042
Cash and Cash Equivalents	18	3,750,853,033	3,168,262,320
Total Current Assets		**4,709,818,381**	**4,070,679,203**
Total Assets		**43,268,529,790**	**42,412,323,175**
EQUITY AND LIABILITIES			
Equity			
Accumulated Fund		10,953,811,118	10,707,121,650
Reserves		15,340,693,234	15,340,693,234
		26,294,504,352	**26,047,814,884**
Deferred Revenue	20	15,733,100,025	15,372,603,440
Deferred Expenditure	19	(397,100,121)	(415,893,541)
		15,335,999,904	**14,956,709,899**
Total Equity		**41,630,504,256**	**41,004,524,784**
Non Current Liabilities			
Retirement Benefit Obligations	21	272,788,724	265,684,539
Long Term Borrowings falling after one year	22	34,105,586	47,923,182
Total Non Current Liabilities		**306,894,310**	**313,607,721**
Current Liabilities			
Long Term Borrowings falling within one year	22	13,817,596	13,776,989
Accrued Expenses and Other Payables	23	1,288,105,680	1,060,917,370
Tax Payable		29,207,948	19,496,310
Total Current Liabilities		**1,331,131,224**	**1,094,190,669**
Total Equity and Liabilities		**43,268,529,790**	**42,412,323,175**

"Notes to the Financial Statements " set out on pages 60 to 79 form an integral part of the Financial Statements.

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the Board of Directors of Board of Investment of Sri Lanka.

Hemasiri Fernando	Dr. Nihal Samarappuli	C.P. Malalgoda	S.A.D.D. Suraweera
CHAIRMAN	BOARD MEMBER	DIRECTOR GENERAL	DIRECTOR - FINANCE

28-Feb-19

BOARD OF INVESTMENT OF SRI LANKA

STATEMENT OF CHANGES IN EQUITY

AS AT 31ST DECEMBER 2018

	Accumulated Fund	Revaluation Reserves	Total Equity
	Rs.	Rs.	Rs.
Balance as at 01st January 2017	**10,410,484,416**	**15,340,693,234**	**25,751,177,650**
Surplus for the Period	731,369,734	-	731,369,734
Fund transfers to Treasury	(220,000,000)	-	(220,000,000)
Reversal of Capital Gain - Cashew Corporation land transfer	(213,760,000)	-	(213,760,000)
Facilitation of Infrastructure for Mega Projects	(972,500)	-	(972,500)
Balance as at 31st December 2017	**10,707,121,650**	**15,340,693,234**	**26,047,814,884**
Surplus for the Period	748,120,033	-	748,120,033
Fund transfers to Treasury	(500,000,000)	-	(500,000,000)
Facilitation of Infrastructure for Mega Projects	(1,430,565)	-	(1,430,565)
Balance as at 31st December 2018	**10,953,811,118**	**15,340,693,234**	**26,294,504,352**

"Notes to the Financial Statements " set out on pages 60 to 79 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER	2018 Rs (Mn.)	2017 Rs (Mn.)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations (Note 24)	**1,036.10**	**810.44**
Income Tax Paid	(82.61)	(71.41)
Payment of Retirement Benefit Obligation	(46.94)	(34.11)
Gratuity payable re-adjustment	0.48	-
Deferred Revenue Received	562.04	461.77
Grant Received	18.15	-
Exchange Loss of Deferred Revenue	-	(0.23)
Net cash inflows/(out flows) from operating activities	**1,487.21**	**1,166.45**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income Received	368.12	326.02
Staff Loan & Financial Assistance	(50.78)	(29.72)
Purchase of Fixed Assets	(75.49)	(96.02)
Proceeds from sale of Fixed Assets	11.03	0.11
Capital work in progress	(620.91)	(356.58)
Deferred Expenditure	(1.19)	(0.09)
Funds Remitted to Society for Promotion of Japanese Diplomacy	(14.63)	(0.12)
Net cash inflows/(outflows) from investing activities	**(383.84)**	**(156.40)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease Installments Paid	(20.77)	(38.35)
Fund Transfer to Treasury	(500.00)	(220.00)
Advance Survey Charges	-	(0.06)
Net cash flows/(outflows) from financing activities	**(520.77)**	**(258.41)**
Net Increase/ (Decrease) in cash & cash equivalents	582.59	751.64
Cash & cash equivalents at beginning of the year	3,168.26	2,416.62
Cash & cash equivalents at end of the year	**3,750.85**	**3,168.26**

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Board of Investment of Sri Lanka is established under Board of Investment of Sri Lanka Law, No 4 of 1978. The registered office and the principal place of organization is located at West Tower, WTC, Echelon Square, Colombo 01.

2. Basis of Preparation

2.1 Statement of Compliance

The statement of Financial Position, Comprehensive income, Changes in Equity, Cash Flow and notes together with summary of significant accounting policies of the Board have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS) issued by The Institute of Chartered Accountants of Sri Lanka which represent International Financial Reporting Standards issued by the International Accounting Standard Board.

2.2 Use of Estimates, Judgements and Assumptions

The preparation of the Boards' financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and underlying assumptions are reviewed on an ongoing basis. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2.3 Going Concern

When preparing the financial statements the Management has assessed the ability of the Board to continue as a going concern. The Management has a reasonable expectation that the Board has adequate resources to continue in operational existence for the foreseeable future. The Board does not foresee a need for liquidation or cessation of operations, taking into account all available information about the future. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

2.4 Functional and Presentation Currency

The functional currency of the Board is determined to be Sri Lankan Rupees and the Financial Statements are also presented in Sri Lankan Rupees.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3 Significant Accounting Policies

3.1 Financial Assets

The Board classifies its financial assets in to loans and receivables and held to maturity investments. The classification is determined by management at initial recognition and depends on the purpose for which the investments were done and acquired.

(a) Classification

(i) *Loans and Receivables*

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arising from ordinary transactions are also classified in this category and are reviewed for impairment.

(ii) *Held-to-Maturity Financial Assets*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Board's Management has the positive intention and ability to hold to maturity.

(b) Impairment

Financial Assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an assets or it's cash generating units exceed its recoverable amount. Impairment losses are recognized in the income statement.

(c) De-recognition

Impairment losses recognized in prior period are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is de-recognized if there has been a change in the estimates used to determine the recoverable amount.

3.2 Property, Plant and Equipment

(a) Cost

Value of property plant and equipment carried at valuation less accumulated depreciation as at 1st January 2011 have been considered being the deemed cost as at 1st January 2011 as per SLFRS 1.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(b) Depreciation

The provision for depreciation is calculated on the straight-line basis on the cost/ valuation of the Property, Plant and Equipment. All Property, Plant and Equipment other than land have been depreciated annually over the useful life.

Buildings & Structures	20 years
Plant and Machinery	10 years
Fixtures & Fittings	10 years
Office Furniture & Equipment	10 years
Computers	3 years
Motor Vehicles	5 years

Depreciation is not charged on fixed assets in the year of purchase, while charging in full in the year of disposal.

(c) De-recognition

Items of property and equipment are de-recognised upon disposal or when no future economic benefits are expected from its use. Gain or loss arising on de-recognition of an item of property, plant and equipment is determined as the difference between the sales proceed and the carrying amount of the asset and is recognized in the income statement.

(d) Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the Balance sheet date are shown as Capital Work in Progress ,whilst the capital assets which have been completed during the year and available to use have been transferred to Property, Plant and Equipment.

(e) Leasehold Assets

Assets acquired under finance leases are capitalized & included under the category of leasehold motor vehicles with recognition of a corresponding financial liability. Assets held under finance leases are depreciated over their period of use.

(f) **Structures**

Fair Values of Structures have been assessed under seven main sub categories. All items and components connected with each main sub category are considered as forming part one unit.

3.3 Investment Properties

Investment properties are stated at cost prevailed as of the date of classifying the said assets under investment properties.

3.4 Inventories

All inventories have been valued at lower of Cost or Net Realizable Value. Cost is determined based on First in First out basis. (FIFO)

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3.5 Other Assets

Other assets include Other Debtors, Receivables, Advances, Deposits and Prepayments.

(a) Advances, Deposits, Prepaid Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as advances, deposits and prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a time proportion basis.

(b) Other Debtors

Other debtors are recognized at cost less impairment loss. A total of Rs 507,650.00 is reflected under the other receivable as cash shortage at Head office. The Court Cases still pending.

3.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand 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. These are held for the purpose of meeting short-term cash commitments.

Cash Flow Statement

The cash flow statement has been prepared by using indirect method in accordance with the Sri Lanka Accounting Standard No. 7 (LKAS) on cash flow statements.

3.7 Employee Benefits

(a) Defined Contribution Plans

Employees are eligible for Employees' Provident Fund (EPF) Contributions and Employees' Trust Fund (ETF) Contributions in line with the respective statutes and regulations. The Board pays fixed contributions of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund and will have no legal or constructive obligation to pay further amounts.

(b) Defined benefit plans

Defined benefit plans are post-employment plans other than defined contribution plans. Board is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983. A provision for the obligations under the Act is determined based on an actuarial valuation.

3.8 Liabilities & Provision

Liabilities & Provisions are recognized in the balance sheet when there is a present legal /constructive obligation as a result of the past events the settlement & which is expected to result in an outflow of resources embodying economic benefits.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Obligations payable at the demand of the creditor or within one year of balance sheet date are treated as current liabilities in the balance sheet. Liabilities payable after one year from the balance sheet are treated as non current liabilities in the Statement of Financial Position.

Other Liabilities

Other liabilities include other creditors including Accrued Expenditure. These are stated at their historical value which is deemed to be their fair value.

3.9 Income Recognition

(a) Revenue

Revenue from services/fees is measured at fair value of the consideration received or receivable. License Fee and Agreement processing Fees are recognized on cash basis.

(b) Interest Income

Interest income for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognized within 'Finance income' in the income statement.

(c) Other Income

Other income is recognised on an accrual basis.

3.10 Expenses

Expenses Recognition

(a) *Revenue Expenditure*

All expenses are measured at fair value of the consideration given and recognized in the period to which those expenses relate. The surplus earned by the Board as shown in the income statement is after providing for all known liabilities and for depreciation of Property, Plant and Equipment.

(b) Capital Expenditure

Expenditure incurred for the purpose of extending or improving assets of a permanent nature by means to carry on the organization or for the purpose of increasing the service/product capacity of the organization has been treated as Capital Expenditure.

3.11 Taxation

Income tax is based on the elements of interest income as reported in the financial statements.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER		2018 Rs.	2017 Rs.
4	**Revenue**		
	Ground Rent	881,392,643	836,974,485
	Annual Fees	702,134,793	717,579,891
	Import/Export Service Charges	1,148,966,443	1,091,708,658
	Net Income from Supply of Water (Note 4.1)	419,735,183	402,860,636
	Land Premium	213,007,727	201,443,760
	Rent Income	118,985,459	88,337,335
	License Fee Sec.-16 Enterprises	29,564,566	30,164,743
	Sale of Entry Permits	191,634,952	183,860,944
	Agreement/Processing Fees	46,752,931	50,015,830
	Income from Housing & Other Projects	17,802,442	17,480,363
	Miscellaneous Income	119,637,245	91,435,963
		3,889,614,384	**3,711,862,608**
4.1	**Net Income from Supply of Water for Enterprises**		
	Income from Water Supply	1,384,650,022	1,334,919,915
	Related Cost on Water Supply	(964,914,838)	(932,059,279)
	Net Income from Supply of Water	**419,735,183**	**402,860,636**
5	**Surplus from Operations**		
	Surplus from Operations is stated after charging/(crediting) all expenses including the followings.		
	Operating Expenses (Note 6)	267,056,011	265,378,859
	Administrative Expenses (Note 7)	2,846,961,667	2,724,737,396
	Government Levies(Note 8)	230,591,904	190,599,853
	Other Expenses (Note 9)	30,301,325	29,943,193
6	**Operating Expenses**		
	Investment Promotion Expenses	29,005,705	37,357,229
	Maintenance of Zones	124,609,414	122,994,012
	Light & Power	48,292,995	48,286,027
	Security Services	61,879,967	53,433,317
	Welfare Expenses to Zone Employees	3,267,931	3,308,275
		267,056,011	**265,378,859**

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER		2018 Rs.	2017 Rs.
7	**Administrative Expenses**		
	Personnel Cost (Note 7.1)	1,682,316,947	1,621,713,148
	Staff Welfare Expenses	229,210,751	225,724,124
	Printing & Stationery	25,691,436	29,715,558
	Maintenance of P/M Computer & Offi.Equip.	43,227,341	40,964,380
	Building Maintenance	81,054,756	81,856,531
	Transport Related Expenses	101,303,145	99,603,533
	Office Rent & Verification Unit Rent	67,041,126	47,208,987
	Press Notifications	7,976,180	7,899,380
	Water Consumption	4,898,417	4,661,753
	Communication Expenses	36,584,507	37,851,961
	Municipality Rates	15,912,708	15,907,608
	Staff Training	12,443,929	15,855,742
	Legal & Professional Charges	11,281,562	19,012,185
	Compensation for Legal obligations	-	1,800,000
	Travelling & Subsistence	5,583,979	5,832,365
	Audit Fees	3,328,000	2,400,000
	Impairment on Debtors	21,419,229	-
	Depreciation	497,687,654	466,730,142
		2,846,961,667	**2,724,737,396**
7.1	**Personnel Cost**		
	Board Members Fee	900,000	542,000
	Chairman / Director General	10,086,667	6,674,478
	Salaries & Wages - Executive Staff	500,803,893	470,013,606
	Salaries & Wages - Clerical & Allied Staff	102,415,301	104,084,722
	Salaries & Wages - Security Staff	54,368,727	53,547,052
	Salaries & Wages - Minor Staff	124,239,899	128,095,038
	Overtime	147,753,776	132,092,728
	Leave Encashment	68,001,501	59,438,271
	Bonus	92,669,480	86,227,250
	Provision for Retirement Benefit Obligation	13,965,287	38,515,873
	Contribution to Employee's Provident Fund	111,331,049	99,579,145
	Contribution to Employee's Trust Fund	22,266,210	19,915,829
	Other Staff Cost	433,515,159	422,987,156
		1,682,316,947	**1,621,713,148**

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER		**2018**	**2017**
		Rs.	**Rs.**
8	**Government Levies**		
	Stamp Duty	372,675	983,155
	Nation Building Tax	46,988,831	44,666,586
	Value Added Tax - Disallowed VAT Input	183,230,398	144,950,112
		230,591,904	**190,599,853**
9	**Other Expenses**		
	Expenses on Issuing Identity Cards	4,227,630	1,761,993
	Sundry Expenses	20,139,859	19,164,534
	Container Key Locks	1,427,535	1,703,607
	Insurance	3,301,780	5,791,506
	Environment Control Expenses	394,196	695,855
	Corporate Social Responsibility Expenses	-	38,265
	Entertainment	810,326	787,433
		30,301,325	**29,943,193**
10	**Net Finance Income**		
	Finance Income		
	Interest Income on Call Deposits/Others	313,553,712	308,581,770
	Interest Income on Staff Loans	30,896,330	28,338,549
	Total Finance Income	344,450,042	336,920,319
	Finance Expenses		
	Interest on Lease	6,996,378	10,229,435
	Bank Charges	741,020	711,124
	Total Finance Expenses	7,737,398	10,940,559
	Net Finance Income	**336,712,644**	**325,979,760**

BOARD OF INVESTMENT OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2018

11 Property, Plant and Equipment

Freehold Assets at Cost	Land	Buildings	Structures	Plant & Machinery	Fixtures & Fittings	Furniture, & Office Equipment	Computers	Motor Vehicles	Total 31.12.2018	Total 31.12.2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January	662,541,639	1,783,557,085	5,642,772,019	62,462,272	855,663	159,818,626	202,255,248	225,969,807	8,740,232,359	8,399,713,233
Additions during the year	-		1,330,427	6,647,000	86,500	11,242,269	49,479,046	6,699,990	75,485,233	51,190,914
Transferred from Capital Work in Progress	-	33,815,813	370,346,117	2,253,172		5,792,200	314,994	-	412,522,296	292,441,468
Disposal During the year	-	-	-	543,000	32,900	5,629,480	17,621,355	7,865,000	31,691,735	3,113,255
Balance as at 31st December	662,541,639	1,817,372,898	6,014,448,563	70,819,444	909,263	171,223,615	234,427,933	224,804,797	9,196,548,153	8,740,232,360
Depreciation										
Balance as at 01st January	-	788,484,720	2,330,412,797	38,859,174	325,334	83,762,861	154,920,931	179,810,710	3,576,576,527	3,153,310,753
Charge for the year	-	89,415,965	300,722,428	6,246,226	85,566	15,976,755	21,297,056	18,452,179	452,196,175	426,127,022
On Disposals	-	-	-	543,000	5,901	4,585,151	17,609,132	7,865,000	30,608,184	2,861,248
Balance as at 31st December	-	877,900,685	2,631,135,225	44,562,400	404,999	95,154,465	158,608,855	190,397,889	3,998,164,518	3,576,576,527
Written Down Value of Freehold Assets										
As at 31st December	662,541,639	939,472,213	3,383,313,338	26,257,044	504,264	76,069,150	75,819,078	34,406,908	5,198,383,635	5,163,655,833
Leasehold Assets										
Balance as at 01st January	-	-	-	-	-	-	-	212,256,071	212,256,071	122,591,071
Additions During the year	-	-	-	-	-	-	-	-	-	89,665,000
Total Leasehold Assets								212,256,071	212,256,071	212,256,071
Depreciation										
Balance as at 01st January	-	-	-	-	-	-	-	89,582,498	89,582,498	65,064,284
Charge for the year	-	-	-	-	-	-	-	29,406,573	29,406,573	24,518,214
Balance as at 31st December	-	-	-	-	-	-	-	118,989,071	118,989,071	89,582,498
Written Down Value of Leasedhold Assets										
As at 31st December	-	-	-	-	-	-	-	93,267,000	93,267,000	122,673,573
Written Down Value of Assets										
As at 31st December	662,541,639	939,472,213	3,383,313,338	26,257,044	504,264	76,069,150	75,819,078	127,673,908	5,291,650,634	5,286,329,406

As at 31st December 2018, Motor Vehicles acquired under Financé Leases amounted to Rs.212,256,071 /-. They are mainly related to Property used in administrations. The liability relating to these assets are shown under in Note 22 "Finance Lease".

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER		**2018**	**2017**
		Rs.	**Rs.**
12	**Investment Property**		
	Balance as at 1st January	31,172,293,810	31,172,293,810
	Less -Accumulated Amortization as at 31st December	143,030,190	126,945,285
	Balance as at 31st December	**31,029,263,620**	**31,045,348,525**
13	**Capital Work-in-Progress**		
	General Projects		
	Balance as at 1st January	1,224,759,463	1,210,618,370
	Additions the during the year	584,404,154	352,180,166
	Capitalized during the year	(453,553,053)	(337,410,928)
	Refunds & Adjustments	(6,146,104)	(628,146)
	Balance as at 31st December	**1,349,464,460**	**1,224,759,462**
	Special Projects		
	Balance as at 1st January	234,886,014	229,853,282
	Refunds	(688,000)	-
	Additions during the year	36,995,932	5,032,732
	Balance as at 31st December	**271,193,946**	**234,886,014**
	New Software Solution Projects	**16,040,883**	**-**
	Total Capital Work-in-Progress	**1,636,699,289**	**1,459,645,476**

Advance payments on preliminary and development expenses on Special Projects which can not be estimated and classified initially or as at Balance Sheet date have been shown under Capital work in progress until those projects are completed. Cost of the ongoing software solutions are shown under CWIP.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER		**2018**	**2017**
		Rs.	**Rs.**
14	**Non Current Financial Assets**		
	Staff Loans & Advances **(Note 14.1)**	601,097,866	550,320,565
	Total Non Current Financial Assets (Note 14.3)	**601,097,866**	**550,320,565**

The part less than one year of other non current financial assets is included under other current financial assets for Rs.192,072,962/-

		2018	**2017**
		Rs.	**Rs.**
14.1	**Staff Loans & Advances**		
	Staff Loans & Advances - Maturity part more than one year **(Note 14.3)**	601,097,866	550,320,565
	Staff Loans & Advances - Maturity part less than one year **(Note 15)**	192,072,962	174,534,643
	Prepaid Staff Expenses for Staff loan	101,639,036	92,666,109
	Less : IFRS Adjustments -Staff Loan	(101,639,036)	(92,666,109)
	Total Staff Loans & Advances	**793,170,828**	**724,855,208**

14.2 Financial Assistance Programme

Balance as at 1st January	26,344,063	29,560,360
Repaid during the year	-	(3,216,297)
Balance as at 31st December before Provision of Impairment	26,344,063	26,344,063
Less - Provision for Impairment	(26,344,064)	(26,344,064)
Balance as at 31st December after Provision for Impairment	-	-

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

14.3 Non Current Financial Assets

Loans and receivables measured at amortized cost break down by maturity date as follows.

		Maturity	
	31.12.2018	Between 1	After
	Rs.	and 05 years	05 years
Staff Loans & Advances	601,097,866	409,749,339	191,348,527
Total Non Current Financial Assets	**601,097,866**	**409,749,339**	**191,348,527**

		Maturity	
	31.12.2017	Between 1	After
	Rs.	and 05 years	05 years
Staff Loans & Advances	550,320,565	372,888,519	177,432,046
Total Non Current Financial Assets	**550,320,565**	**372,888,519**	**177,432,046**

		2018	**2017**
		Rs.	**Rs.**
15	**Current Financial Assets**		
	Measured at amortized cost by maturity part less than one year		
	Staff Loans	181,639,300	163,636,306
	Staff Advances	10,433,663	10,898,338
	Total Staff Loans & Advances as at 31st December	192,072,962	174,534,643
	Less-Provision for Impairment on Staff loan	(4,867,225)	-
		187,205,737	**174,534,643**
	Investment Held for Maturity		
	Fixed Deposit - State Mortgage & Investment Bank	6,485,556	6,263,246
	Fixed Deposit	20,000	20,000
	Total Current Financial Assets	**193,711,293**	**180,817,889**

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER		**2018**	**2017**
		Rs.	**Rs.**
16	**Receivables from Enterprises**		
	Receivables from Enterprises	639,266,361	594,291,216
	Less-Provision for Impairment on Debtors - (Note 16.1)	(372,722,869)	(349,670,032)
		266,543,492	**244,621,184**
16.1	**Provision for Impairment on Debtors**		
	Balance as at 1st January	349,670,032	304,664,041
	Provision made during the year	23,052,837	45,005,991
	Balance as at 31st December	**372,722,869**	**349,670,032**
17	**Payments in Advance and Other Receivables**		
	Advance Payments	16,022,569	2,823,796
	Advance Payments Foreign Travel	569,999	742,559
	Sri Lanka Mission Abroad	859,701	395,839
	Mobilization Advances	85,425,427	52,709,549
	Prepaid Expenses	1,773,738	513,900
	Interest Income - Receivables	51,781,480	75,453,767
	Deposit Receivables	10,402,466	11,085,104
	Deposit Against Pending Litigation	106,119,518	105,766,250
	Other Receivables	276,697,178	281,357,610
	Less-Provision for Impairment on Debtors (17.1)	(65,209,498)	(71,710,332)
		484,442,579	**459,138,042**
17.1	**Provision for Impairment on Debtors - Other Receivables**		
	Balance as at 1st January	71,710,332	142,005,280
	Provision made during the year	(6,500,834)	(70,294,948)
	Balance as at 31st December	**65,209,498**	**71,710,332**

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER		**2018**	**2017**
		Rs.	**Rs.**
18	**Favourable Cash & Cash Equivalents**		
	Bank of Ceylon - Personal Branch	190,273,749	65,501,814
	Bank of Ceylon - Personal Branch	323,808	1,261,158
	Bank of Ceylon - Personal Branch	9,500	246,955
	Sampath bank	19,261	22,611
	Bank of Ceylon -Katunayake	28,427,742	29,766,885
	Bank of Ceylon -Biyagama	78,456,342	47,934,429
	Bank of Ceylon - Koggala	433,139	6,126,785
	Bank of Ceylon - Digana	4,605,595	4,561,930
	Bank of Ceylon -Avissawella	8,706,663	16,503,426
	Bank of Ceylon -Ingiriya	8,801,009	3,036,019
	Bank of Ceylon - Mirigama	305,010	26,065
	Bank of Ceylon - Nittambuwa	6,915,492	5,471,748
	Bank of Ceylon - Kurunagala	605,889	4,570,527
	Gold Sovereign	44,800	44,800
	Balance in Franking Machine	252,881	317,859
	Temporary Surplus Fund - Bank of Ceylon	3,514,734	3,310,905
	National Savings Bank - Staff Security Deposits	218,705	221,324
	Plan Assets for Gratuity - Treasury Bills	265,581,119	246,337,081
	Repos	3,153,357,596	2,733,000,000
	Total Cash and Cash Equivalents	**3,750,853,033**	**3,168,262,320**

19 Deferred Expenditure

BOI has acquired nine (9) floors of World Trade Center in 2008, the cost of interior decorations ,carpeting and partitions are recognized in the income statement on a straight line basis over the estimated useful life of 10 years. Amortization of Cost of Zone Development is recognized over 20 years.

	2018	**2017**
	Rs.	**Rs.**
Balance as at 1st January	415,893,541	419,319,798
Expenditure Deferred during the year	31,094,220	44,256,925
Less - Current year expenditure	(49,887,640)	(47,683,182)
Balance as at 31st December	**397,100,121**	**415,893,541**

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

			2018	2017
20	**Deferred Revenue**		**Rs.**	**Rs.**
	Land Premium	**20.1**	15,708,350,186	15,358,994,399
	Grant	**20.2**	24,749,839	13,609,041
			15,733,100,025	**15,372,603,440**

20.1 Deferred Revenue - Land Premium

Balance as at 1st January	15,358,994,399	15,100,455,558
Received during the year	562,037,744	461,771,403
Exchange loss	-	(230,437)
Cancelled Agreement	-	(1,610,046)
Recognized income through Income Statements	(212,681,957)	(201,392,079)
Balance as at 31st (Note 20.1.1)	**15,708,350,186**	**15,358,994,399**

20.1.1 Deferred Revenue

		Maturity		
	31.12.2018	Within 01	Between 1	After
	Rs.	year	and 05 years	5 years
Land Premium	15,708,350,186	212,681,958	1,063,409,787	14,432,258,441
	15,708,350,186	**212,681,958**	**1,063,409,787**	**14,432,258,441**

		Maturity		
	31.12.2017	Within 01	Between 1	After
	Rs.	year	and 05 years	5 years
Land Premium	15,358,994,399	201,392,079	1,006,960,394	14,150,641,925
	15,358,994,399	201,392,079	1,006,960,394	14,150,641,925

20.2 Deferred Revenue - Grant

		2018	2017
		Rs.	**Rs.**
Balance as at 1st January		13,609,041	20,413,561
Additions during the year			
MAS Holding Grant	4,000,000		
Japanese Embassy Grant	14,145,319	18,145,319	
Recognized income through Income Statements		(7,004,520)	(6,804,520)
Balance as at 31st December		**24,749,839**	**13,609,041**

Grant from the Japanese government is recognized as Non Current Assets at their fair value. Grant is recognized as income over the period to match with the depreciation expenses on those assets are recognised.Japanese Embassy has granted Rs.14,145,318.51 to purchase fire vehicles in 2018.This project is not completed as at balance sheet date.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

21	**Retirement Benefit Obligations**	**2018 Rs.**	**2017 Rs.**
	Provision for PV-DBO as at 01st January	265,684,539	236,228,948
	Interest Cost	26,484,598	25,985,184
	Current Service Cost	12,124,446	12,530,688
	Gratuity payable re-adjustment	476,406	-
	Actuarial (Gain)/Loss on obligations	14,962,713	25,054,316
	Less - Payments made/payable during the year	(46,943,978)	(34,114,597)
	Provision as at 31st December	272,788,724	265,684,539
	Movement in the Present Value of Plan Assets		
	Fair Value of Plan Assets	246,437,573	-
	Expected Return on Plan Assets for the period	24,643,757	-
	Contribution paid into the plan	19,244,038	246,337,081
	Gratuity paid / payable by the Plan Assets	(28,633,412)	-
	Actuarial Gain / (Loss) on Plan Assets	3,889,162	100,492
	Fair Value of Plan Assets	265,581,119	246,437,573
	Expenses Recognized in the Income Statement		
	Interest Cost	26,484,598	25,985,184
	Expected Retun on Plan Assets	(24,643,757)	-
	Current Service Cost	12,124,446	12,530,688
	Actuarial (Gain)/Loss	10,973,058	25,054,316
	Total Amount Recognised in Income Statement	24,938,345	63,570,189

An independent actuarial valuation of the retirement benefit obligation was carried out as at 31st December 2018 by professional actuary M/S Actuarial & Management Consultants (Pvt) Limited. The valuation method used by the Actuary to value the Retirement Benefit Obligation is " Projected Unit Credit Method".Board maintains a separate plan assets consisting investment in Treasury Bills.

The Key Assumptions used by Actuary including the following.

	2018	**2017**
(i) Discount Rate	12%	11%
(ii) Salary Increment Rate	Fixed	Fixed
(iii) Assumption regarding Future Mortality	A1967/70	A1967/70
(iv) Retirement Age	60 Years	60 Years

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

		2018 Rs.	2017 Rs.
22	**Finance Lease**		
	Balance as at 1st January	78,928,729	56,660,901
	Finance Lease obtained during theyear	-	60,618,420
	Installments paid during the year	(20,773,367)	(38,350,593)
	Balance as at 31st December	58,155,362	78,928,729
	Less - Interest in suspense	(10,232,180)	(17,228,557)
	Capital Payable	**47,923,182**	**61,700,171**
	Long - Term Borrowings falling within one year	13,817,596	13,776,989
	Long Term Borrowings falling after one year	34,105,586	47,923,182
	Total Payable Finance Lease	**47,923,182**	**61,700,171**
23	**Accrued Expenses and Other Payables**		
	Sundry Creditors	341,296,482	90,216,777
	Accrued Expenses	217,376,183	214,861,337
	Gratuity Payable	1,659,118	-
	Funds received for commonwealth FDI promotion	917,160	917,160
	Funds received for Tsunami	213,408	1,163,958
	Funds received for Flood Victims	761,058	761,058
	Dialog - Subsidy	12,849	232,849
	MAS Holding - Grant	-	1,000,000
	Receipts in Advance	239,679,313	319,418,722
	Refundable Deposits	140,189,309	113,243,633
	Land Reservation Fees	9,767,879	14,730,035
	Deposit Payable	331,472,726	299,611,644
	Central Environmental Authority	4,760,197	4,760,197
	Total Operating and Other Payables	**1,288,105,680**	**1,060,917,370**

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER

		2018 Rs (Mn.)	2017 Rs (Mn.)
24	**CASH GENERATED FROM OPERATIONS**		
	Surplus after Income Tax	748.12	731.37
	Depreciation	497.69	466.73
	Income Tax Expense	92.32	70.76
	Provision for Retirement Benefit Obligation	38.61	38.52
	Acturial (Gain) / Loss on PV-DBO	14.96	25.05
	Provision for Imparement of Debtors	21.42	(27.59)
	Deferred Revenue - Land Premium	(212.68)	(201.39)
	Deferred Revenue - Grant	(7.00)	(6.80)
	Revenue on Cancelled Agreements	-	(1.61)
	(Profit)/Loss on sale of fixed assets	(9.95)	0.14
	Investment Income	(344.45)	(336.92)
	Interest on Lease	7.00	10.23
	Amortization of Deferred Expenditure	49.89	47.68
	Operating surplus before working capital changes	**895.92**	**816.16**
	Working capital changes		
	Stocks	3.57	(0.28)
	Receivables From Enterprises	(44.98)	(29.74)
	Payment in Advance & Other Receivables	(27.85)	(29.76)
	Financial Assets	(17.76)	(13.82)
	Accrued expenses & other payables	227.19	67.87
	Operating surplus after working capital changes	**1,036.10**	**810.44**

25. Related Party Disclosures

Board of Directors from 1st January 2018 – 16th October 2018

(1) Mr. Dumindra Ratnayake , Chairman - BOI has indicated that he has no transactions with BOI enterprises for 2018.

(2) Mr. P B Mangala Yapa, Board Member - BOI has indicated that he has no transactions with BOI enterprises for 2018.

(3) Mr. Sagara Gunawardana , Board Member - BOI has indicated that he has no transactions with BOI enterprises for 2018.

(4) Mr. Hemantha Wickramasinghe, Board Member - BOI has indicated that he has no transaction with BOI enterprises for 2018.

(5) Mr. Ajit Gunawardene, Board Member – BOI has a control and/or significant influence over the following BOI enterprises with which business transactions have been entered into with the BOI in 2018.

i. John Keells International (Pvt) Ltd
ii. The Colombo Ice Company (Pvt) Ltd
iii. John Keells Computer Services (Pvt) Ltd
iv. John Keells BPO Solutions Lanka (Pvt) Ltd
v. Habarana Lodge Limited
vi. International Tourists & Hoteliers Ltd
vii. Kandy Walk Inn Ltd
viii. Rajawella Hotels Ltd
ix. Asian Hotels & Properties PLC
x. Trans Asia Hotels PLC
xi. Yala Village (Pvt) Ltd
xii. Beruwala Holiday Resorts (Pvt) Ltd
xiii. Trinco Holiday Resorts (Pvt) Ltd
xiv. Hikkaduwa Holiday Resorts (Pvt) Ltd
xv. John Keells Residential Properties (Pvt) Ltd
xvi. British Overseas (Pvt) Ltd
xvii. Waterfront Properties (Pvt) Ltd
xviii. Transware Logistics (Pvt) Ltd
xix. South Asia Gateway Terminals (Pvt) Ltd
xx. Lanka Marine Services (Pvt) Ltd
xxi. John Keells Logistics (Pvt) Ltd
xxii. Saffron Aviation (Pvt) Ltd
xxiii. Rajawella Holding Ltd
xxiv. John Keells Warehousing (Pvt) Ltd
xxv. Mackinnons Travels (Pvt) Ltd
xxvi. Wirawila Walk Inn Ltd

Board of Directors from 23rd October 2018 – 31st December 2018

(1) Mr. Hemasiri Fernando, Chairman – BOI has indicated that he has no transactions with BOI enterprises for 2018.

(2) Dr. Nihal Samarappuli, Board Member – BOI has a control and/or significant influence over the following BOI enterprises with which business transactions have been entered into with the BOI in 2018.

i. Tokyo Cement Company (Lanka) PLC

(3) Dr. Harsha Subasinghe, Board Member – BOI has a control and/or significant influence over the following BOI enterprises with which business transactions have been entered into with the BOI in 2018.

i. CodeGen International (Pvt) Ltd
ii. CodeGen Lanka (Pvt) Ltd
iii. Ombo Technologies (Pvt) Ltd
iv. Currymuch Restaurants (Pvt) Ltd
v. Vega Innovations (Pvt) Ltd
vi. Travel Gateway (Pvt) Ltd
vii. Aigrow (Pvt) Ltd
viii. ChargeNet (Pvt) Ltd

Detailed lists of transaction history of Board of Directors are attached. (Annex I)

26. Contingent Liabilities

26.1. The list of pending litigations is attached & the actual liability of such litigations can't be ascertained accurately. (Annex II)

26.2. Provision has been made for a sum of Rs. 102,135,350.00 which has been seized on 01.01.2015 by the Court in relation to case filed by Million Garments (Pvt) Ltd against BOI.

Annex I

Board Of Investment Of Srilanka
Related Party Disclosures :- Mr. Ajith Gunawardene (Transaction History 2018)

Agreement No	Customer Name	Mode	Status	Annual Fee (Rs.)	Ground Rent (Rs.)	Export (Rs.)
003298	John Keells international (Pvt) ltd	ANL	Active	-	-	6,372.00
000983	Asian Hotels & Properties PLC	ANL	Active	445,596.25	-	-
002141	Yala Village (Pvt) Ltd	ANL	Active	445,596.25	-	-
004208	Beruwala Holiday Resorts (Pvt) Ltd	ANL	Active	707,433.26	-	-
004107	Trinco Holiday Resorts (Pvt) Ltd	ANL	Active	102,487.13	-	-
004278	John Keells Residential Properties (Pvt) Ltd	ANL	Active	1,249,378.80	-	-
004506	British Overseas (Pvt) Ltd	ANL	Active	980,311.75	-	-
001058	Transware Logistics (Pvt) Ltd	ANL	Active	445,596.25	-	-
001928	South Asia Gateway Terminals (Pvt) Ltd	ANL	Active	387,475.00	-	-
004532	Saffron Aviation (Pvt) Ltd	ANL	Active	387,475.00	-	-
000285	Rajawella Holding Ltd	ANL	Active	445,596.25	-	-
002434	John Keells Warehousing (Pvt) Ltd	ANL	Active	445,596.25	-	-
001698	John keells Computer services (Pvt) ltd	ANL	Active	445,596.25	-	193,389.00
004650	Waterfront Properties (Pvt) Ltd	ANL/GRN	Active	812,741.21	289,122.93	-
005039	The Colombo Ice Company	GRN	Active	-	7,492,242.95	-

Board Of Investment Of Srilanka
Related Party Disclosures :- Dr. Harsha Subasinghe (Transaction history 2018)

Agreement No	Customer Name	Mode	Status	Annual Fee (Rs.)	Ground Rent (Rs.)	Export (Rs.)
002252	Code Gen International (Pvt) ltd	ANL	Active	387,475.00	-	-

Board Of Investment Of Srilanka
Related Party Disclosures :- Dr. Nihal Samarappuli (Transaction history 2018)

Agreement No	Customer Name	Mode	Status	Annual Fee (Rs.)	Ground Rent (Rs.)	Export (Rs.)
002016	Tokyo Cemment Company (Lanka) PLC	ANL	Active	445,596.25	-	-

Annexure -II

PENDING LEGAL CASES AS AT 31.12.2018

SR/ NO	CASE NO.	PARTIES
1	S.C. Appeal 53/2012	Joint Liquidators of Bonaventure Textiles (Lanka) Ltd -vs- BOI
2	S.C. Appeal 54/2012	Joint Liquidators of Bonaventure Apparels Lanka (Pvt) Ltd -vs- BOI
3	H.C. (ARB) 1254/2002	Million Garments (Pvt) Ltd -vs- B O I
4	H.C. (Civil) 49/2011/CO	Propack Shreiner (Pvt) Ltd -vs- Haikawa Industries (Pvt) Ltd
5	D.C. Colombo DMR 01262/13	BOI -vs- Upasena Property Development (Pvt) Ltd
6	Arbitration	Vehicles Lanka (Pvt) Ltd -vs- BOI
7	D.C. Colombo DMR 02244/2015	Stirling Group Lanka (Pvt) Ltd
8	C.A (Writ) 444/2015	U.T.M.T Resort (Pvt) Ltd -VS- B O I
9	C.A (Writ) 488/2015	B O I -VS- Conservator of Forests & 25 Others
10	C.A (Writ) 465/2015	Edna Cocoa Products (Pvt) Ltd -VS- B O I & 02 Others
11	S.C (F/R) 455/2015	S.Y. Nawaratne -VS- B O I & 09 Others
12	C.A (Writ) 455/2015	Upali Ananda Gunasinghe -VS- B O I & 06 Others
13	C.A (Writ) 469/2015	H.V.A. Farms (Pvt) Ltd -VS- B O I & 08 Others
14	C.A (Writ) 49/2016	Merbok MDF Lanka (Pvt) Ltd -VS- B O I & 04 Others
15	S.C. (F/R) 141/2015	Ravindra Gunawardana Kariwasam -VS- B O I & 09 Others
16	C.A. (R/I) 08/2016	B O I -Vs- Million Garments (Pvt) Ltd
17	H.C. (Civil) 56/2016/CO	M.I.K. Perera -Vs- Lumiere Textiles Ltd & 06 Others
18	C.A. (Writ) 386/2016	Asiri Surgical Hospitals PLC -Vs- B O I & 02 Others
19	L.T. Colombo 01/10/2017	K.D. Jayawardena -Vs- B O I
20	W.P (HCCA) 24/2016	S.N. Kanagambai -Vs- Chairman (BOI)
21	W.P (HCCA) 23/2016	R.M.A.I. Rajakaruna -Vs- Chairman (BOI)
22	S.C. (SPL) L.A. 182/2017	R.A. Dharmadasa -Vs- B O I
23	S.C. (F/R) 265-274 & 346-348/11 (13 Cases)	H.M.M. Sampath Kumara & 12 Others -vs- OIC, Police Station, Katunayake & 07 Others
24	C.A. (Writ) 366/2010	South West Apparel (Pvt) Ltd -vs- Director (I/R) - BOI & 600 Others
25	C.A. (Writ) 307/2008	MTV Channel (Pvt) Ltd -vs- Director General of Customs & 03 Others
26	H.C. (Civil) 36/2012/CO	Mac Supply Chain Solutions (Pvt) Ltd (Petitioner) and now Lincon Chandrasoma Piyasena (Re-Liquidator of Capital Consolidated Lanka (Pvt) Ltd.) -vs- Star Clothing International (Pvt) Ltd & 2 Others
27	D.C. Gampaha 2165/L	M.M.M. Smyle -vs- BOI
28	ICC Arbitration 18656/CYK	Sevanagala Sugar Industries Ltd -vs- BOI
29	H.C. (Civil) 579/2016 MR	D.P. Jayasinghe Pilling Company (Pvt) Ltd -Vs- BOI & 02 Others
30	C.A. (Writ) 112/2015	Centre for Environmental Justice (Guarantee) Limited -Vs- BOI & 07 Others
31	S.C (F/R) REF 57/2017	Centre for Environmental Justice (Guarantee) Limited & 04 Others -Vs- Director General (BOI) & 16 Others
32	D.C. Colombo DSP 68/2017	D.M. Industries Ltd -Vs- B O I & 02 Others
33	H.C. 3505/06	Case filed by Criminal Investigation Department against Ranjith Amarasinghe. [Chairman/Managing Director, M/s Million Garments (Pvt) Ltd]
34	H.C. 3127/06	Case filed by Criminal Investigation Department against Ranjith Amarasinghe. [Chairman/Managing Director, M/s Million Garments (Pvt) Ltd]

35	S.C. (F/R) 355/2017	K.P. Vidharshan Dishantha Fernando -Vs- BOI
36	S.C. (SPL) LA 227/2017	Eco Tech Create 21 Company (Pvt) Ltd & another -Vs- BOI & 07 Others
37	C.A. (Writ) 384/2017	Susung Lanka Industries Company (Pvt) Ltd & another -Vs- B O I & 06 Others
38	H.C. (ARB) 645/2017	B O I -Vs- Avocadia Ceylon (Pvt) Ltd
39	C.A. (PHC) 27/2017	Dinagi Lanka (Pvt) Ltd -Vs- BOI
40	S.C. (H.C) L.A. 24/18	B O I -Vs- Haikawa Industries (Pvt) Ltd & 06 Others
41	S.C. (SPL) LA 118/2018	Logiwiz Ltd -Vs- B O I & 03 Others (No claim from the BOI)
42	H.C. (Civil) 59/2018	S.L.A. Ariyasena -Vs- B O I
43	D.C Colombo 50897/M WP/ HCCA/43/2015(F)	Joint Liquidators of Bontex Lanka (Pvt) Ltd -Vs- B O I
44	S.C. (F/R) 178/18	K.P. Vidharshan Dishantha Fernando -Vs- BOI & 15 Others
45	C.A. (Writ) 132/2018	H.K.D. Amarasinghe & 03 Others -Vs- BOI & 06 Others
46	L.T. Colombo 08/269/2019 (L.T. Colombo 02/822/2018)	S. Hector Fernando -Vs- B O I
47	S.C. (SPL) LA 242/2018	Lanka Healthcare Serives (Pvt) Ltd -Vs- BOI & 08 Others
48	S.C. (SPL) LA 269/2018	J & D Polly Packaging (Pvt) Ltd & 02 Others -Vs- BOI & 04 Others
49	C.A. (Writ) 310/2018	Ven. Agulugalle Siri Jinananda Thero -Vs- BOI & 51 Others
50	H.C. (ALT) 93/2018	BOI -Vs- K. Lakshmi Malkanthi

Report of the Auditor General

2018

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

Director General's Office

මගේ අංකය
எனது இல.
My No. TIP/B/BOI/01/ 18/53

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date 31 May 2019

Chairman
Board of Investment of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Board of Investment of Sri Lanka for the year ended 31 December 2018 in terms of Section 12 of the National Audit Act, No. 19 of 2018

The above report is sent herewith.

W.P.C. Wickramarathne
Auditor General

Copies - 01. Secretary, Ministry of Development Strategies and International Trade
02. Secretary, Ministry of Finance

INTERNAL AUDIT DEPARTMENT
B.I.3
03 JUN 2019
B.O.I.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව
இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.
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ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය
எனது இல.
My No. TIP/B/BOI/1/18/53

මගේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date 31 May 2019

Chairman
Board of Investment of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Board of Investment of Sri Lanka for the year ended 31 December 2018 in terms of Section 12 of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Board of Investment of Sri Lanka for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

1.2 Basis for Qualified Opinion

(a) Compliance with Sri Lanka Accounting Standards (LKAS)

(i) **LKAS 01- Presentation of Financial Statements:-** The accounting policy, nature and circumstances associated with the deferred revenue and expenditure incurred for facilitation of infrastructure for Mega Projects which were directly deducted from the accumulated fund had not been disclosed in the financial statements.

(ii) **LKAS 08 – Accounting Policies, Changes in Accounting Estimates and Errors:-** Ground rent income amounting to Rs. 8,964,714 invoiced in the year 2016 and 2017 and cancelled during the year 2018 had been charged to the current year without adjusting retrospectively.

(iii) **LKAS 16 – Property Plant and Equipment: -** The Board had not charged depreciation on fixed assets in the year of purchase while charging in full in the year of disposal. Accordingly, the depreciation for the year under review had been understated by Rs. 10,998,848 in the Financial Statements.

(iv) **LKAS 40 – Investment Property :-**

- A land at Mirijjawila Industrial Park valued at Rs. 18,343,000 which is used for administrative purpose had been identified as an investment property.

- The Board had not disclosed the depreciation method used and useful lives or depreciation rates used in connection with the buildings categorised under investment properties.

(b) Accounting Deficiencies

(i) A receivable amount of Rs 209,600,000 had been shown under other receivables from Cashew Corporation of Sri Lanka without obtaining confirmation of receipt from the responsible party. Hence the balance of other receivables had been overstated by the same amount.

(ii) Differed expenditure amortization for the year under review had been overstated by Rs. 1,390,616 as the amortization had been made for the whole year without consideration of the relevant period.

(c) Unavailability of Evidence for Audit

The following amounts were unable to audit as the Board had failed to present the detailed information regarding those amounts.

Description	Amount Rs.	Evidence not presented
(i) Amortization of Deferred Expenditure		Confirmations for balance before 01 January 2016
- Relocation of BOI office	6,169,237	
- Deferred Zone Development Expenditure	37,500,264	
(ii) Capital Work in Progress	19,029,730	Supporting documents for journal entries

(d) Un- Reconciled Differences

The difference of Rs. 18,404,140 was observed in the capitalized amount transferred from Capital Work in Progress as per the Financial Statements for the year ended 31 December 2018 and the schedule for capitalized items during the year 2018.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Board.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's

ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

National Audit Act, No. 19 of 2018 include specific provisions for following requirements.

- Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.

- The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

- The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

Based on the procedures performed and evidence obtained which were limited to matters that are material, nothing has come to my attention;

- to state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal course of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018;

- to state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018 except for;

	Reference to Law/Direction	**Description**
(a)	Section 11 of Finance Act, No. 38 of 1971	The Board had invested a sum of Rs. 14,406,337,500 during the year 2018 without getting the approval of the appropriate Minister after obtaining the concurrence of the Minister of Finance.
(b)	Financial Regulation 104(3)and 104(4)	The preliminary report relating to 11 vehicle accidents or full report relating to 10 vehicle accidents occurred during the year 2018 had not been submitted by the Board even up to 31 December 2018.
(c)	Section 02 of the Public Enterprise Circular No PED 1/2015 (i) of 27 October 2016	Board had paid a sum of Rs.5,145,435 as drivers' allowance for 25 officers of the Board during the year under review.
(d)	Public Enterprise Circular No. PED 03/2018 of 07 December 2018,	The Board had paid an amount of Rs. 50,000 or one month salary whichever is higher for the

permanent employees and Rs.50, 000 for each of the casual and contract basis employees as annual bonus contrary to the above circular and a sum of Rs. 66, 216,152 had been paid as bonus for the year 2018.

- to state that the Board has not performed according to its powers, functions and duties as per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018 except for;

(a) The Board had paid 7 allowances totalling to Rs. 529,975,394 to its staff after obtaining only the approval of the Board of Directors without being obtained proper approvals in terms of provisions in Section 13 (2) (b) of the Board of Investment Act No. 04 of 1978.

(b) Although the requested approval had not been granted from the Department of Public Enterprises, the staff loan scheme consisted with three categories of loans with zero interest rate and six categories of loans with an interest rate of 4.2 per cent is being implemented under the approval of the Board of Directors since the year 2007 and the balance of staff loans as at 31 December 2018 was Rs. 793,170,825.

(c) An employee of the Board who has obtained a loan from a public or private bank or a lending institution for any housing purpose is granted a reimbursement of the deference between the actual annual interest on the loan and 4.2 per cent subject to a maximum of 20.5 per cent under the approval of the Board of Directors, A sum of Rs. 42,165,668 had been reimbursed for the above loan scheme within the year under review without the approval of the Department of Public Enterprises.

(d) A building had been constructed by the Ministry of Justice on a land in extent of 41 perches located at Malwatta Export Processing Park during the year 2007 under the approval of then Chairman / Director General and the Board of Directors had granted approval in the year 2018 to the Ministry of Justice for the acquisition of the land without getting the approval of relevant authorities.

- to state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018 except for;

(a) Procurement activities envisaged at least for a period of three years had not been listed in the Master Procurement Plan According to the section 4.2.1 (b) of the Procurement Guidelines 2006 and the Master Procurement Plan had not been regularly updated at intervals not exceeding six months according to Procurement Guideline 4.2.1 (e).

(b) Forty three procurement activities with an estimated cost of Rs. 559.29 million planned to complete during the year 2018 relating to nine Export Processing Zones and Industrial Parks had not been completed during the year.

3. Other Audit Observations

(a) Management and Operating Activities

(i) The internal roads of the Mirijjawila Export Processing Zone constructed by Road Development Authority with a contract sum of Rs. 630,340,562 which handed over to the Board in the year 2016 had been damaged and was in a condition of unusable for transportation. An amount of Rs 516,964,285 had been paid by the Board to Road Development Authority and the Board had not entered in to a written agreement with the Road Development Authority.

(ii) Fifty seven premises of Seethawaka, Koggala and Katunayaka Export Processing Zones and Kandy Industrial Park with an extent of 48,868 square feet had been leased out to the external parties for an annual rent of Rs.18,660,234 without entering into written agreements.

(iii) The progress of projects implemented under Section 17 of the BOI Law for the year 2018 and four proceeding years are given below.

Year	Number of Projects for which Agreements Signed (New agreements and Expansions)	Number of Projects Commenced Commercial Operations (New agreements and Expansions)	Number of Projects Closed down or Cancelled		Suspended, Agreement
			Suspended	Closed	Agreement Cancelled
2018	94	66	10	23	156
2017	103	82	4	6	152
2016	186	83	3	6	79
2015	157	100	2	12	23
2014	160	101	0	11	56

The following observations are made in this connection.

- Number of projects for which agreement signed had been gradually decreased within the period of 2016-2018.
- A significant decrease in number of projects which commenced the operations during the period from 2014 to 2018 is observed.

- Number of projects which agreements cancelled, was greater than the number of projects which operations had been commenced in the year under review.

(b) Idle and Underutilized Assets

A land at Wathupitiwela Export Processing Zone with an extent of 39.2 perches valued at Rs.6,500,000 with a building of 1738 square feet which is being occupied by an unauthorised outside party over a period of 4 years had been kept idle over a period of ten years. However, the Board had not taken any action to utilize the property in a manner of earning an income to the Board or to evict the unauthorised occupant.

(c) Accounts Receivables and Payables

(i) **Accounts Receivables**

- The dues from BOI approved enterprises as at 31 December 2018 was amounted to Rs. 639,266,361 and out of this an amount of Rs. 319,963,217 or 50 per cent remained outstanding for more than two years.

- Annual fees receivable as at 31 December 2018 was amounted to Rs. 278,701,582 and out of this Rs. 172,007,591 or 62 per cent had remained for more than four years.

- Provision for impairment on dues from enterprises had represented 58 per cent from the total dues from enterprises as at the year under review. Out of total provision for impairment of Rs.372,722,869, a sum of Rs. 300,506,035 or 80 per cent had represented dues from cancelled, closed down and operation suspended projects as at 31 December 2018.

- Out of total provision for impairment of annual fee dues, a sum of Rs. 225,471,376 or 91 per cent had represented dues from 700 cancelled projects, 67 closed down projects and 38 operation suspended projects.

- A sum of Rs. 1,604,200 receivables from a private company which was the auctioneer of Wathupitiwala Housing Units had remained unrecovered for over eight years and no any evidence was made available to prove the existence of an agreement between the company and the Board.

- An outstanding balance of Rs.37,680,103 receivable from government institutions had not been recovered over 4 years.

(ii) **Accounts Payables**

- Sundry creditors aggregating Rs. 5,798,464 had not been settled for over 3 years.

- Out of retention money totalling to Rs.49, 524,019, an amount of Rs.5,005,395 related to 26 contracts had remained unsettled for more than three years.

- Out of receipt in advance aggregating to Rs.234,050,995, a sum of Rs.63,746,513 had remained unsettled for more than three years and an amount of Rs. 60,782,681 received from a private company for acquisition of a land had been included in this amount.

(d) Human Resources Management

(i) 66 Management Assistants - Non-Technical and 106 Primary Level -Unskilled Employees are in excess to the approved cadre as the Board had recruited number of employees on contract and casual basis without considering the actual human resources requirements of the Board.

(ii) Five employees had been assumed for cover up duties of the vacant posts for a period from 06 months to 56 months as at 31 December 2018, contrary to the provisions of the Finance Circular No. 124 of 24 October 1997.

(iii) Three employees of the Board had been released to the Ministry of Development Strategies and International Trade without obtaining proper approval and incurred a sum of Rs. 3,913,277 for the year 2018 contrary to the Section 8.3.9 and 9.4 of the Public Enterprises Circular No. PED 12 dated 02 June 2003.

(e) Action Plan

Hundred and eighteen activities with an allocation of Rs.1757.49 million planned to complete during the year according to the Action Plan of the Board for the year 2018 had not been completed as scheduled.

(f) Identified Losses

Katunayake Export Processing Zone had incurred a sum of Rs. 12,426,186 for disposal of solid waste of the Zone during the year and only a sum of Rs. 4,259,323 had been charged from enterprises. As a result, the Zone had incurred a loss of Rs. 8,166,863 during the year 2018 in connection with disposal of solid waste of the Zone.

(g) Transaction in Contentious Nature

The Board had reimbursed a land development cost of Rs. 26,100,000 incurred by an investor based on the provisions of Board Paper No. 259/09 of 17 August 2010. However, there was no formal agreement between the Board and the investor in connection with carrying out the development of land by the investor and the

reimbursement was made on the request of the investor after completing the development of land.

(h) Environment and Social Responsibility

Katunayake , Seethawaka and Wathupitiwela Export Processing Zones were being operated without obtaining the Environment Protection License (EPL) and four enterprises in Katunayake Export Processing Zone were being operated without obtaining Environment Protection License due to non- compliance with the Standards of the Central Environmental Authority.

W.P.C. Wickramarathne

Auditor General

The Reply of the BOI for the Report of the Auditor General 2018

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Board of Investment of Sri Lanka (BOI) for the year ended 31 December 2018 in terms of section 12 of the National Audit Act, No. 19 of 2018

1.2 Basis for Qualified Opinion

(a) Compliance with Sri Lanka Accounting Standards (LKAS)

(i) **LKAS 01 – Presentation of Financial Statements**

BOI has disclosed significant accounting policies & other accounting policies wherever it is required. Accounting policies have been disclosed assessing the transactions which could influence the economic decisions of users & which are material. Expenditure on Mega Projects has been directly deducted from the Accumulated Fund as the size and nature of this transaction is not material as a determining factor to be disclosed separately. However, nature and circumstances associated with deferred revenue will be disclosed under the Accounting Policies in 2019.

(ii) **LKAS 08 – Accounting Policies, Changes in Accounting Estimates and Errors**

Value of Invoices cancelled in year 2018 as a percentage of Total Revenue

$$\frac{\text{Cancelled Invoice Value} \times 100\%}{\text{Total Revenue}} = \frac{8{,}964{,}714 \times 100\%}{5{,}618{,}711{,}448} = \mathbf{0.15\%}$$

Value of Invoices cancelled in year 2017 as a percentage of Total Revenue

$$\frac{\text{Cancelled Invoice Value} \times 100\%}{\text{Total Revenue}} = \frac{4{,}772{,}908 \times 100\%}{5{,}383{,}702{,}842} = \mathbf{0.08\%}$$

Value of Invoices cancelled in year 2016 as a percentage of Total Revenue

$$\frac{\text{Cancelled Invoice Value} \times 100\%}{\text{Total Revenue}} = \frac{4{,}191{,}806 \times 100\%}{5{,}084{,}458{,}115} = \mathbf{0.08\%}$$

It is pertinent to note that effect of the cancelled invoices was not material to influence the economic decisions of the financial statement users. Materiality depends on the size and nature of the transaction or any adjustments. Hence the value of above cancelled invoices does not undermine the reliability of Financial Statements.

(iii) **LKAS 16 – Property, Plant and Equipment**

The depreciable amount of an asset has been allocated on a systematic basis over its useful life, to simplify the Fixed Assets Module & to be compatible with the IMAS.

Further, Board has adopted present depreciation policy based on LKAS 16.

(iv) **LKAS 40 – Investment Property**

- This will be corrected during the financial year 2019.
- Depreciation for investment properties are calculated on straight line basis same as property, plant and equipment. This has been declared in Note 3.2 (b) of the Financial Statements for year 2018. This will be disclosed separately in the future.

(b) Accounting Deficiencies

(i) Land known as former Cashew Corporation premises was vested under the Act of Underperforming Enterprises or Underutilized Assets. The book value of the land is Rs. 209,600,000/- and the Cabinet of Ministers has approved to transfer this land to UDA.

Further, the Compensation Tribunal has determined the compensation to be paid to BOI as Rs. 423,360,000/- based on the valuation of Government Chief Valuer.

Considering above information, the book value has been shown under other receivables to give legal effect to the above transaction.

(ii) Deferred expenditure amortization policy has been declared under Note No. 19 of the Financial Statements. Amortization is recognized in the income statement on straight line basis over the estimated lives of the Assets.

(c) Unavailability of Evidence for Audit

(i) Please note that this issue has been discussed at the Audit Committee Meeting held on 14th July 2015. It was agreed to maintain a register for deferred expenditure from year 2015.

(ii) Please note that all the information relating to Work-in-Progress are available in the relevant contract files which are maintained by the Technical Services Department / Engineering Services Department. Relevant supporting documents for journal entries are attached **(Pl. Refer Annexure I)**.

(d) Unreconciled Differences

It is observed that the comparison has been done with the documents submitted by the respective Engineering Services Departments. However, the capitalization is done according to the records at Finance Department. Please refer the attached reconciliation **(Pl. Refer Annexure II)**.

2 Report on Other Legal and Regulatory Requirements

- **Non-compliances with written laws or other general or special directions issued by the governing body**

(a) Section 11 of Finance Act, No. 38 of 1971

The approval of the Hon. Minister of Development Strategies and International Trade has been obtained in accordance with Public Enterprises Circular No.02/2018 **(Pl. Refer Annexure III)**.

(b) Financial Regulation 104(3), 104(4)

The vehicle accidents during the year 2018 were very minor nature and those were occurred due to the faults of other drivers and hit rear side of the BOI vehicles. In all possible occasions BOI had made complains to nearest Police Stations. BOI adopts the preliminary procedures on vehicle accidents considering the extent of damage of the accidents.

(c) Section 02 of the Public Enterprise Circular No. PED 1/2015(i) of 27 Oct. 2016

The Board of Directors of the BOI at its 133rd meeting held on 14.01.2003 has granted approval to make a monthly payment to Senior Officers who are eligible for assigned vehicles by the Board and does not deploy a driver from the Board. This payment was recommended as it is financially and administratively cost beneficial to the Board to pay an allowance to the officers who are assigned vehicles in lieu of employing a driver. Senior Officers on the salary code HM 1-3 and above are entitled for this payment and it has been enjoyed over 15 years.

(d) Public Enterprise Circular No. PED 03/2018 of 07 December 2018

The basic criteria for bonus had been as follows;

(i) The Organization should earn profit

(ii) The approval of the Board of Directors should be obtained for the payment of bonus

(iii) The annual accounts of the organization should be submitted to the Auditor General on or before the due date

(iv) Provisions are not provided by the Treasury for the payment of bonus

As the BOI has fulfilled the above criteria and having considered the net surplus for the09 months ended on 30.09.2018, the Board of Directors at its 390th meeting held on 30.11.2018 has granted approval to pay Rs. 50,000/- or one month's salary whichever is higher for the permanent employees and Rs. 50,000/- for casual & contract employees of the BOI as the bonus for the year 2018.

- **Transactions or activities performed out of the Board's powers, functions and duties**

(a) As the apex agency of the government promoting and facilitating foreign direct investment and private sector capital formation in priority sectors of the economy, the BOI has made a significant contribution to develop the economy of the country from its inception in year 1978 and the workforce of the BOI has made a huge contribution by giving their maximum capacity to the organization in achieving its corporate objectives.

In order to achieve its objectives, the BOI should have highly qualified and motivated staff. To motivate & retain the existing staff in the organization as well as to attract highly qualified staff to the organization, BOI salary scales were higher when compared to those in the public service and other state owned organizations at the time of its establishment. In addition, various allowances/ payments were approved for BOI employees by various authorities from its inception (e.g. H.E. the President, Secretary to the Treasury, Board of Directors, Government Circulars, etc.) and the said allowances/ payments are being continued.

Further, the arrangements are being made at present to obtain Hon. Minister's approval for the above allowances/payments as per the Section 13(2) of the BOI Act No. 4 of 1978.

Transport Subsidy

Approval of the Board of Directors was granted for the Transport Allowance at its meeting held on 06.11.1990. Former President & then Minister of

Finance Mrs. Chandrika Bandaranaike Kumaratunga has granted approval for the Transport Allowance on 08.11.1996. Further, the above Transport Allowance was comprised in to the Human Resource Policy Manual of the BOI which was approved by the Board of Directors on 20.03.2007. Approval for the Human Resources Policy Manual of the BOI was requested from the Department of Public Enterprises on 10.03.2014.

Key Performance Payment (KPP)

Attendance Incentive Scheme operated in the BOI was approved by the Board of Directors on 06.11.1990 and approved by the then President & the Minister of Finance Mrs. Chandrika Bandaranaike Kumaratunga on 08.11.1996. It had been replaced by the Key Performance Payment (KPP) Scheme which evaluates employee's punctuality, accomplishments and personal traits as per the COPE directives. Said KPP Scheme has been approved by the Board of Directors on 29.10.2013. Approval for the Key Performance Scheme was requested from the Department of Public Enterprises by letter no. EC/12/EST/192 dated 03.06.2014 and they have referred this matter for the observation of Department of Management Services by letter no. PE/NBE/BOI/PR dated 19.06.2014.

Leave Encashment

Encashment of unutilized leave was compiled in the BOI leave regulations and approved by the Board of Directors on 11.12.1979. Further, the above leave encashment was comprised in to the Human Resource Policy Manual of the BOI which was approved by the Board of Directors on 20.03.2007. Approval for the Human Resources Policy Manual of the BOI was requested from the Department of Public Enterprises on 10.03.2014.

A hardship allowance for employees of Mirijjawila Export Processing Zone

Management of the BOI had decided to pay a Hardship Allowance to the employees attached to Mirijjawila EPZ considering the difficulties they have to encounter being employees at the particular Zone. Approval of the Board of Directors was granted for the Hardship Allowance at its meeting held on 13.05.2016.

Special Allowance for additional work

13 employees were paid special allowances for the additional work which they have performed in addition to the duties in their substantive posts shouldering various additional duties & responsibilities. It was cost beneficial to the organization paying an additional allowance rather than deploying additional staff for the said purposes.

Special allowance for the officials holding posts of executive service category

Board of Directors at its 325th meeting held on 07th July 2015 has approved the payment of the Special Allowance to the Executive Staff comprising Junior, Middle and Senior Managers as per the Public Administration Circular No. 18/2015 of 26th June 2015.

A special incentive allowance on achievement of target of Foreign Direct Investment in the year 2017

In 2017, BOI has achieved its highest FDI of USD 1.71 billion. This achievement is well over the target and it is a combined effort of BOI employees who made their contribution from bottom to top level. Therefore, paying of an Incentive Allowance especially during the April festival season is a motivating factor aiming to keep continue the employees' morale to get their fullest commitment to the assigned duties. Board of Directors at its meeting held on 06.04.2018 has granted approval for the Special Incentive Allowance to be paid in April 2018.

(b) & (c)

All the Loan Schemes of the BOI were implemented from its inception with the approval of the Board of Directors and the said benefits are being enjoyed by the employees to-date.

Subsequently, the said all the loan schemes were comprised in to the Human Resource Policy Manual of the BOI which was approved by the Board of Directors on 20.03.2007. Approval for the Human Resources Policy Manual of the BOI was requested from the Department of Public Enterprises on 10.03.2014.

(d) Disagreed.

Even though the land is being utilized by the Ministry of Justice is approximately 84.93 perches in extent, the Ministry used approximately 41 perches for construction of the said building.

As per available information, the office of the Legal Aid Commission, Attanagalle was established in the said building in year 2007. Accordingly, the said building had been constructed on or before year 2007.

The Board of Directors of the BOI at its meeting held on 23.03.2018 has granted approval to the Ministry of Justice for acquisition of the land and now the Ministry of Justice is carrying out the acquisition process.

- **Significant audit issues relating to procurement and utilization of resources economically, efficiently and effectively within the time frames and in compliance with the applicable laws**

(a) Agreed.

The Board of Directors of BOI at its meeting held on 14.12.2018 has approved the Master Procurement Plan 2019 which will be updated as per the Procurement Guideline.

(b) Procurement activities not completed - Please refer **Annexure IV**

3 Other Audit Observations

(a) Management and Operating Activities

(i) As per the Cabinet Decision No. 12/1376/519/018 and the Board of Directors of BOI at its meeting held on 18.10.2012 decided to entrust the road construction under Phase I to the Road Development Authority (RDA). However contract agreement has not been entered with RDA and BOI. The rectification of the road has been completed by RDA on 17.06.2015 and further maintenance of the road has been done by BOI.

RDA has completed the internal road construction (Stage I) and requested their final payment on 08.02.2016. The Engineer has recommended that RDA has satisfactorily completed the road construction within the zone (Item No. 4.1 of Board Paper No. 346/09).

As per the directions received from Audit Committee of Ministry of Development Strategies and International Trade (MODSIT) on 25.03.2019 to hold the balance payment until a decision is taken after a proper study is done and request letter has been sent to National Building Research Organization (NBRO) which is a government organization.

(ii) 57 premises at SEPZ, KgEPZ, KEPZ and KIP leased without entering into agreement

EPZ/IP	Name of Lessee	Present status
SEPZ	American & Efired Lanka (Pvt) Ltd	Agreement is yet to be signed.
	Family Planning Association	MOU has been entered and Board Approval has been obtained; agreement has to be finalized.
	Avissawella Tea Factory Stall	Letter of understanding is renewed every six months; steps will be taken to enter into an agreement.
KIP	Bank of Ceylon	Agreement is being processed.
KgEPZ	Koggala Garments (Pvt) Ltd.	Agreement has already been signed under the agreement no. 68
	Expo Lanka (Pvt) Ltd	An agreement will be signed in near future.

EPZ/IP	Name of Lessee	Present status
KEPZ	Plaza Building Commercial Stalls at the Bus Terminal Averiwatte Commercial Stalls at Averiwatte junction	The BOI - KEPZ has leased-out the building spaces in the BOI Plaza Buildings to the outside parties who provide services for Enterprises at KEPZ and the Commercial Stalls located at Averiwatte Bus Terminal and the Baseline Road to the Business parties. When new office spaces are allocated or prevailing lease periods are extended extension of the prevailing lease period, letter of award is issued to the relevant lessees and after receiving the acceptance for the letter of award, a copy of the same is sent to the Legal Dept. with the request letter for signing the lease agreement with relevant parties. However the lease agreements of some leased out premises/extensions for prevailing period have not been signed with the relevant lessees and arrangements have already been made with the Legal Dept. to sign the outstanding leased agreements with relevant parties. Accordingly, BOI-KEPZ has received following draft agreements of leased out premises and has already informed the relevant Lessees to collect the draft agreements from the Legal Dept; and expedite the signing of agreements; ▪ BOI Plaza Complex Unit No. 17 Ground Floor - 398 SQ (Draft Lease Agreement - 14.01.2019) ▪ Shop No. 03 facing the Baseline road (Draft Lease Agreement - 22.02.2019) ▪ Unit No. 18 G/F(A)3 Plaza Complex (Draft Lease Agreement - 25.03.2019) ▪ Unit No. 15G/F(A)&(B) Plaza Complex (Draft Lease Agreement - 26.03.2019)

Please note 25 lease agreements are in the process of being finalized.

(iii) Progress of projects implemented

- Number of projects for which agreements signed had gradually decreased within the period 2016-2018

  In April 2016, the Ministry of Development Strategies and International Trade informed the BOI that all incentives to be suspended with effect from 27th April 2016 and requested all projects with pending agreements to complete signing within 02 months from April 2016. Following this decision, the BOI took immediate actions to expedite the signing of pending agreements which resulted in increasing the number of agreement signed in 2016.

  In the absence of an attractive incentive package, there was a significant decline in receiving new investment proposals after 2016. Even though, a new investment package was introduced by the new Inland Revenue Act No. 24 of 2017 which was effective only from 1st April 2018, it is too early to assess the impact of the same on attraction of investment to the county.

- A significant decrease in number of projects which commenced the operations during the period from 2014 to 2018

  Projects get delayed to start its commercial operation due to various reasons beyond the control of the BOI, as the investor needs to get various approvals such as land clearance, Environmental clearance, UDA, Local Government etc. prior to commencement of operations. In addition, suspension of tax holidays and introduction of cut-off dates to bring investments by the Inland Revenue Law in 2014 made an ambiguity among investors to proceed with the projects and resulted in delaying commencement of operation of projects in the following years.

- Number of projects of which agreements cancelled was greater than the number of projects of which operations had been commenced in the year under review.

  As per the instructions of the Ministry of Finance and the Board decision taken to accelerate the process to identify projects which were not implemented and held up for a long period of time without realization of investments. Agreements with such projects were cancelled accordingly, as those projects blocked developed lands which can be used for new projects.

  This action was initially taken in 2013 and continued. As a result, the no. of cancelled projects in 2013 - 2018 shows an increased value. Please refer the following explanatory table.

Year	Number of projects			Total
	Agreement cancelled			
	Projects Suspended/ closed in the given year and Agreement Cancelled in the given year	Directly Agreement Cancelled in the given year	Suspended/ closed in a previous years and Agreement cancelled in given year	
2018	28	11	117	156
2017	16	16	120	152
2016	9	12	58	79
2015	7	3	13	23
2014	11	11	34	56

Above table clearly depicts that out of 156 projects agreement cancelled in 2018, only 39 projects have been identified in 2018 as either closed/suspended or directly agreement cancelled in 2018. The balance 117 projects were suspended/closed in previous years and agreement cancelled in 2018 as a result of the expedite process. Therefore, the actual number of agreement cancelled in 2018 is only 39 and it is 27 less to the number of projects commenced commercial operation in the year 2018 (i.e. 66 projects). Further, it should be noted that this situation prevails for the other years given in the audit query as well. It should be noted that cancellation of projects takes place after taking relevant actions for recoveries of dues and etc.

(b) Idle and Underutilized Assets

Agreed.

Land situated at Wathupitiwela Export Processing Zone (WEPZ) in extent of 39.2 perches and the building with an area of 1738 sq.ft. had been given to the relevant party in the year 2007 considering that person (party) being disabled during the war against terrorism.

Further the above decision had been taken by the BOI considering the requests made by the relevant party to the then President, Ministry of Industrial Development and Ministry of Enterprise Development & Investment Promotion for seeking assistance to get the BOI land and the building at WEPZ on a long term basis and on the requests received from these institutions to the BOI.

However the lease agreements signed by the BOI with relevant party were terminated by the BOI on the ground of not complying with the conditions of the agreements.

In above occasions the BOI has acted on humanitarian ground taking his disability into consideration and the contribution given by the party during the war. Also number of outside organizations and officials appeared on behalf of this party because of his disability.

The relevant party had lodged a complaint in the Human Rights Commission against the BOI. Further he had lodged several false complaints with the Sri Lanka Police and other institutions against the BOI Officers of WEPZ.

Further, if any action has been taken to evict the party suddenly from this place it would have damaged the reputation of the BOI including the Government. Therefore, the BOI acted very patiently during the past period and it is accepted that there was a delay to take legal action against this party owing to the above situation.

However with a view of concluding this prolonged case a Board Paper was submitted on 21.09.2018 seeking the approval to take legal action to remove the party from the present location.

The above request was approved by the Board at its meeting held on 02.10.2018 as follows,

(i) To take legal action necessary to evict the relevant party from the BOI owned land at WEPZ after obtaining legal advice from Executive Director (Legal) on the process that needs to be followed.

(ii) To refrain from responding to any claim or notice of relevant party until legal procedure is begun against him.

The Executive Director (Legal) consulted Senior Deputy Solicitor General (SDSG) who is the Legal Advisor to BOI with regard to the said Board Decision and it was advised by SDSG to write a letter to the relevant party informing to handover the vacant possession of the premises at WEPZ since the initial Quit Notice was sent in year 2016.

Accordingly, a general letter dated 18.12.2018 was sent by the BOI informing him to vacate the possession of the said premises at WEPZ within 14 days from the date of such letter.

Since the relevant party has failed and / or neglected to adhere to the said letter dated 18.12.2018, Quit Notice dated 21.02.2019, in terms of State Lands (Recovery of Possession) Act has been served on the said party by Registered Post.

However, he has failed to adhere to the said Quit Notice. Therefore, BOI will continue with the eviction process in terms of the provisions of the State Lands

(Recovery of Possession) Act as per the decision of the Board dated 02.10.2018.

Further, this matter was delayed due to numerous appeals and representations made by the relevant party to higher authorities and the letters received by the BOI from such authorities as the BOI was obliged to answer those letters.

(c) Accounts Receivables and Payables

(i) Accounts Receivable

- Noted.

Provision for impairment on dues has been increased due to adoption of Sri Lanka Financial Reporting Standards in 2012. Accounting policy adopted by the BOI for the provision for impairment is to provide 100% in respect of dues of cancelled / closed / suspended projects and dues over two years.

Approval of the Board of Directors has been obtained to write off the dues up to year 2012 and have submitted the details to the Line Ministry to obtain approval of the Treasury. Further, Executive Director (Recoveries) has been appointed to follow up on dues accumulated since year 2013.

According to the present policy of the BOI, all Enterprises who operate outside BOI Zones, which are not in arrears of annual fees and not closed, suspended or cancelled are invoiced for annual fees and the invoices are sent to investors by 01st January each year irrespective of whether they will obtain services or cancel / close / suspend the project during that particular year.

Current average recovery rate of the BOI is around 99%. Hence, recovery level of the dues is at a higher level.

Details relating to the past 4 years are as follows:

	2018 (Rs. Mn.)	2017 (Rs. Mn.)	2016 (Rs. Mn.)	2015 (Rs. Mn.)
Total invoiced	4,855	4,644	4,450	3,999
Dues outstanding for particular year (1st year)	284	35	32	37
Recovery level	94%	99%	99%	99%

The amounts shown as dues as at 31st December 2018 on account of rent, water, waste water, solid waste etc., represent the value of invoices

issued in respect of December 2018 and those invoices are usually settled during January & February 2019.

- As directed by the Audit Committee, the opinion from the Attorney General's Department dated 6th August 2018 had been obtained by the Legal Department. In the said opinion it is stated that the prospective period for filing action has now expired and the BOI might not be successful in pursuing civil action for money recovery against Dunstan Kelaart. However, if an admission in respect of the dues is obtained from Mr. Dunstan Kelaart, through police statement or in response to letter of demand, it may be possible to overcome prescription and pursue legal action.

- **Janatha Estate Development Board (JEDB)**

  The above land of which the ownership had been with the JEDB has been purchased by BOI on 01.03.2001 for an amount of Rs. 50 Mn to set up a housing development project.

  In year 2003, the Land Reform Commission (LRC) had sold the same land to a private party and BOI was not aware of this transaction until it was done.

  When BOI objected to the second transaction, the LRC claimed that the legal ownership of the said land was with them.

  After several discussions and meetings, JEDB by their letter dated 20.02.2006 agreed to refund the amount to the BOI and it was accepted as a solution to the problem by BOI.

  The total cost of purchasing the land at Hantana was Rs. 52,412,573/- which included a sum of Rs. 2,412,573/- paid in respect of stamp duty, survey charges and valuation fees.

  BOI allowed JEDB a period of 18 months to pay the due amount by letter dated 06.09.2012 considering their request dated 27.06.2012 on the same.

  JEDB gave a firm assurance by their letter dated 07.09.2012 that the principal sum would be settled after 18 months as agreed by both parties.

  The BOI has sent a reminder on 18.09.2013 regarding the outstanding amount but no response has been received from JEDB.

  Later, when BOI purchased a block of land from Serapis Division of Edella Estate, Polgahawela which belonged to JEDB, for the expansion of Polgahawela Export Processing Zone at a sum of Rs.30Mn in 2014, only 50% was paid to JEDB by BOI and the balance 50% of Rs. 15 Mn., was set-off against the amount owed by JEDB.

  BOI is yet to receive the remaining balance of Rs. 37,412,573/-.

  Secretary, Ministry of State Resources & Enterprise Development informed the BOI by his letter dated 13.10.2014 that this due amount

would be set-off when JEDB property at No. 175, Vauxhall Street, Colombo – 02 is released to BOI.

The mixed development project which was to be located in the land at Vauxhall Street has not been implemented yet due to an issue with regard to the land releasing process. As a result, the settlement of dues from JEDB is still pending.

Ministry of Foreign Affairs

Ministry of Foreign Affairs had occupied the 03rd, 04th and 5th floors of the BOI Building at Sir Baron Jayathilake Mawatha on a Lease Agreement. Although the Ministry had paid the rental, they had not paid the VAT component relevant to the rental. Even though the BOI has sent several reminders requesting to settle this amount, they have not responded to-date.

Sri Lanka State Plantation Corporation (SLSPC)

Rs. 125,580/- has been deposited by the BOI at the Office of Assistant Commissioner of Labour, Panadura on the condition that SLSPC would reimburse the said amount to the BOI. A reminder has been sent by the Legal Department on 15th March 2019.

(ii) Accounts Payable

- Noted.
- Retention money - Please refer **Annexure V** for details
- Noted.

Agreement of Western Automobile (Pvt) Limited has still not been finalized. Hence, the amount received has to be shown under receipts in advance.

(d) Human Resources Management

(i) Excess employees in the Management Assistant Category & Primary Level Category are mainly Casual and Contract basis employees who were recruited on short term basis to attend to essential day to day operations mainly in Export Processing Zones & Industrial Parks. Most of the Management Assistants were deployed to Permit Offices, Investor Services Units and other duty stations where there were essential manpower requirements.

Several batches of Security Guards were recruited on contract basis to serve in the Export Processing Zones and Industrial Parks under the BOI as the security measures of said Zones & Parks are key responsibilities of the BOI to protect investors' properties and the manpower as well as to prevent illegal actions.

Drivers and Labourers were recruited on contract & casual basis to attend essential routine operations mainly in Export Processing Zones & Industrial Parks.

(ii) 01 post has been filled already and 01 post has been advertised. Arrangements will be made to fill the remaining posts covered on acting basis in due course.

(iii)Deputy Director who was temporarily released to the Line Ministry on the request dated 31.05.2016 made by the Secretary, Ministry of Development Strategies & International Trade, has been recalled to the Board's service on 25.07.2018. Actg. Administrative Officer was temporarily released to the Line Ministry on the request dated 20.11.2015 made by the Secretary, Ministry of Development Strategies & International Trade. Office-Aide (Casual) was temporarily released to the Line Ministry on the request dated 01.10.2015 of the Additional Secretary, Ministry of Development Strategies & International Trade. The Line Ministry has not released the Actg. Administrative Officer & the Office Aide to the BOI till 31.12.2018.

(e) Action Plan

Activities not completed - Please Refer **Annexure VI** for details.

(f) Identified Losses

Since its inception Katunayake EPZ had a difficulty in disposal of solid waste generated by the enterprises. Several methods such as installation of Burning Chambers, were tried; but failed.

During the period between 1995 to 2008 Sanitary Land Filling was adopted but was uneconomical as the BOI had to bear around Rs.1.2 million per month and huge extent of land nearly 20 acres was needed.

Based on the directives of the Management in year 2008, following the bidding procedure, Holcim Lanka Ltd was awarded the new service contract to collect residual solid waste directly from the enterprises to reuse and recycle through the thermal destruction at their Cement Kiln at Puttlam. With that new solid waste

disposal method, portion of the total cost which was earlier borne by the BOI has been recovered from the enterprises as given in the following table;

Period	Rates payable by the BOI to the Contractor	Rates to be recovered by the BOI from the enterprises
First Year (26/06/2008-31/05/2009)	Rs. 2,000.00 per M. Tonne	Rs. 500.000 per M. Tonne
Second Year (01/06/2009-31/05/2010)	Rs. 2,200.00 per M. Tonne	Rs. 550.000 per M. Tonne
Third Year (01/06/2010-31/12/2010)	Rs. 2,500.00 per M. Tonne	Rs. 605.000 per M. Tonne
From (01/01/2019 - 31/12/2020)	Rs. 2,750.00 per M. Tonne	Rs. 855.000 per M. Tonne

Accordingly, the new system has given a permanent solution for the disposal of solid waste including hazardous waste in KEPZ and nearly 20 acres land has been saved and of that about 12 acres have been allocated to some other new investment projects. Simultaneously it saves about Rs. 0.55 Mn per month as cost to the BOI is Rs. 0.65 Mn instead of previous cost of Rs. 1.2 Mn for sanitary land filling.

Accordingly, the implementation of new method of disposal of solid waste had taken the KEPZ to a better position economically as well as environmentally while saving the land resource.

Considering all above facts, it is obvious that the present system for disposal of solid waste has contributed the zone very positively.

As per the agreement, BOI should provide facility to the enterprises to dispose their solid waste and it was done at a higher cost about Rs. 1.2 Mn per month. With the present method this cost has been dropped down to an average cost of Rs. 0.65 Mn per month. Even though BOI still spend Rs.0.65 Mn per month, about Rs.0.55 Mn per month had been saved. Despite the fact that BOI spent Rs.0.65 Mn, BOI could obtain more benefit in the long run.

(g) Transaction in Contentious Nature

Reimbursement of cost of land development in Hayleys Free Zone Ltd has been settled in accordance with the Board Decision after scrutinizing the BOQ & other relevant details submitted by Hayleys Free Zone Ltd after completion of the work.

Therefore no contract was there between Hayleys Free Zone Ltd & BOI, and hence contractual agreement had not been signed.

(h) Environment and Social Responsibility

(i) KEPZ - Applied for the Environment Protection License (EPL) of KEPZ and the Central Environmental Authority has inspected on 28th December 2018 regarding the BOI's application. EPL of KEPZ is in processing stage (pending reply from the CEA).

SEPZ - In respect of Seethawaka EPZ, actions are underway for necessary upgrading of the Common Wastewater Treatment Plants with a substantial capital cost. However internal short term modifications have been attended and now improvement in the quality of treated effluent is noted. Actions will be taken to submit reports with the EPL application to CEA to consider for the issuance/renewal of the EPL.

With regard to solid waste management, necessary improvements are in place by construction of Material Recovery Center (MRC) in SEPZ for orderly storage, segregation, recovery of waste and handing over balance residue to Insee-Ecocycle (Pvt) Ltd for disposal. For hazardous waste management, industries directly hand over their waste to Insee-Ecocycle (Pvt) Ltd for disposal.

WEPZ - Agreed.

Several improvements have been made to the Common Waste Water Treatment Plant of the zone and a desiltation process was carried out to improve the quality of waste water.

The Central Environment Authority has confirmed that standards of the treated waste water conformed to the given parameters by their report dated 17.10.2018. Further, approval of the Ministry Procurement Committee has been obtained to award the contract for augmentation of WWTP. On this grounds, BOI has planned to obtain the EPL for the zone within a short period.

(ii) Enterprises operate without EPL

- **AMP Ceylon (Pvt) Ltd** – Issuing of EPL was on hold due to non-compliance of treated waste water.
  Present status – new treatment plant has been constructed & EPL is in processing stage.

- **Shore to Shore (Pvt) Ltd**– Issuing of EPL was on hold due to non-compliance of treated waste water.
  Present status – Waste water treatment plant was upgraded in November 2018. But the industry operated as a sick industry & operations of the industry were not at considerable level. Hence, effluent treatment plant was not in operation. Issuance of EPL was withheld. As the industry has now been in commercial operation, EPL will be renewed in near future.

- **Tunip Lanka (Pvt) Ltd** – Issuing of EPL was on hold due to non-compliance of treated waste water.
  Present status – Undergo improvements of the waste water treatment plant. Issuing of EPL can be considered after completion of improvements.

- **Lalan Eco (Pvt) Ltd** – Issuing of EPL was on hold due to non-compliance of treated waste water.
  Present status – Undergo improvements of the waste water treatment plant. Issuing of EPL can be considered after completion of improvements.

Annexure I

BOARD OF INVESTMENT OF SRI LANKA

Level 08, West Tower, World Trade Centre, Colombo 01/FO/FI/03

o 409038018-7000 P.O. Box 1768 Tel. No.: 2543125 Fax No.: 2544358

Receipt/Tax Invoice

No. S 103153A10R

Date 02/11/18

t No : 002177

omer name WATER RESOURCES BOARD

SVAT NO:

ccount of: REFUND OF PAYMENT FOR MANKULAM INDUSTRIAL ZONE

amount	678,000.00	Credit Card Amount	.00
Amount	101,700.00	Cash Amount	.00
		Cheque Amount	779,700.00
Amount	779,700.00	Currency code	SLR
Amount		Cheque number	414080

unt in words SEVEN HUNDRED SEVENTY NINE THOUSAND SEVEN HUNDRED ONLY

ED SUBJECT TO REALISATION OF CHEQUE

P DUTY WILL BE PAID DIRECT TO DEPT OF INLAND REVENUE

Cashier

PAYMENT REPORT

06/12/18

INTERIM PAYMENT NO : 09

Date:07.12.2018
Capital Budjet line No:06.03.005

Contract : CONSTRUCTION OF MATURATION PONDS,DETENTION PONDS AND SLUDGE DRYINGBEDS FOR WASTE WATER TREATMENT PLANT AT MIRIGAMA EXPORT PROCESSING ZONE.

Contract No : BOI/TS/MEPZ/2017/06/03.005

Contractor : M/S TISSA BUILDERS AND CONTRACTORS

Contract Sum : Rs. 40,608,602.00 plus applicable taxes

Date of Award : 28/12/2017

Due Date of completion : 26/06/2018

Extention given up to : 26/10/2018

Work done up to 15/10/2018 (As per BOQ)		-	Rs.	27,399,650.82
Rate revised works		-	Rs.	5,378,270.59
Excess works 01		-	Rs.	1,508,529.15
Excess works 02		-	Rs.	1,591,405.50
Day works		-	Rs.	429,323.50
Price Fluctustion		-	Rs.	882,176.32
Total work done		-	Rs.	37,189,355.88
Deduction				
Interim Payment 01	26/02/18	-	Rs.	1,032,172.58
Interim Payment 02	10/04/18	-	Rs.	2,970,285.92
Interim Payment 03	06/06/18	-	Rs.	1,525,853.71
Interim Payment 04	12/07/18	-	Rs.	2,579,985.22
Interim Payment 05	23/08/18	-	Rs.	2,169,759.99
Interim Payment 06	30/08/18	-	Rs.	8,396,709.15
Interim Payment 07	08/10/18	-	Rs.	2,652,053.67
Interim Payment 08	16/11/18	-	Rs.	3,793,390.79
Advance payment recovery	(8,121,720.40/40,608,602.00) x 37,189,355.88)		Rs.	7,437,871.18
Retention (5% limit)		-	Rs.	2,030,430.10
		-	Rs.	34,588,512.31
Total	18/12/18	-	Rs.	2,600,843.57
Add				
VAT (15%)		-	Rs.	390,126.54
Total Amount Including VAT		-	Rs.	**2,990,970.11**

It is recommended to pay **Rupees Two Million Nine Hundred and Ninety Thousand Nine Hundred and Seventy and Cents Eleven (2,990,970.11)** only to M/s.TISSA BUILDERS AND CONTRACTORS, KANDALAMA, MIRIGAMA as the interim payment 09 for the above contract.

Prepared by	Checked by	Recommended by	Approved by
P.Jeyatharsan	W.A.D.Wijayasekara	B.A.A.L. Shantha Kumara	A.K.A.Mahinda
Tech. Asst.	Deputy Director (Eng)	Senior Deputy Director(Zone)	Executive Director(T/S)

BOARD OF INVESTMENT OF SRI LANKA'
MIRIGAMA
006.013.001

SUNDRY CREDITORS -AS AT 31.12.2018

FRN/GRN NO	NAME OF THE ENTERPRISE	TOTAL	1st YEAR	2nd
65086	Sri Lanka State Trading Co.	12,391.25	12,391.25	
3368	Base HP (Pvt) Ltd	107,040.00	107,040.00	
3693	Abans PLC	104,942.00	104,942.00	
3703	Sri Lanka State Trading Co.	10,521.74	10,521.74	
	Ramanayake Construction	85,521.83	85,521.83	
	Miniwell Systems (P) Ltd	82,000.00	82,000.00	
	Dilini Builders (P) Ltd	9,294,647.57	9,294,647.57	
	Tissa Builders & Contractors	2,600,843.57	2,600,843.57	
	TOTAL	12,297,907.96	12,297,907.96	

PREPARED BY

DATE 15.1.19

Ms KALANI

006/N/11

4/1/19

PAYMENT REPORT

INTERIM PAYMENT NO 03

Date : 24.12.2018

Capital Budget line No: 06.01.033

of

Contract	:	CONSTRUCTION OF THE INTERNAL ROADS IN BLOCK B AT MIRIGAMA EXPORT
Contract No.	:	BOI /TS/ MEPZ / 2017 / 06 / 01.033
Contractor	:	M/S DILINI BUILDERS(PVT) LIMITED NO.72 , GONAWILA , DANKOTUWA
Contract Sum	:	Rs.61,047,205.00 Plus Applicable taxes
Date of Award	:	21.06.2018
Due Date of completion	:	18.12.2018

EXECUTIVE DIRECTOR (TECHNICAL SERVICES)
27 DEC 2018
BOARD OF INVESTMENT OF SRI LANKA

BOARD OF INVESTMENT OF SRI LANKA
11 JAN 2019
W.E.P.Z.

Value of Work done up to 30.11.2018 (As per BOQ)	-	Rs.	28,937,159.60
Excess works	-	Rs.	408,774.50
Extra works	-	Rs.	126,835.59
Total work Done	-	Rs.	29,472,769.69
Deduction			
Advance payment recovery((12,209,441.00/61,047,205.00) x 29,472,769.69)	-	Rs.	5,894,553.94
Interim Payment 01	-	Rs.	5,157,488.98
Interim Payment 02	-	Rs.	6,361,050.22
Retention (10% work done)	-	Rs.	2,947,276.97
			(20,360,370.11)
Sub Total 01	-	Rs.	9,112,399.58
Add			
NBT (2%)	-	Rs.	182,247.99
Sub Total 02	-	Rs.	9,294,647.57
VAT(15%)	-	Rs.	1,394,197.14
Total Amout including VAT	-	Rs.	
Total Amout including VAT	-	Rs.	**10,688,844.71**

It is recommended to pay **Rupees Ten Million Six Hundred and Eighty Eight Thousand Eight Hundred and Forty Four and Cents Seventy One (Rs.10,688,844.71)** only to **M/S DILINI BUILDERS(PVT) LIMITED , NO.72 , GONAWILA , DANKOTUWA** as the interim payment 03 for the above contract.

Prepared by
N.N.C. Lakmali
Tech. Asst. (MEPZ)

Checked by
W.A.D.Wijayasekara
Deputy Director (Eng)MEPZ

Recommended by
B.A.A.L. Shantha Kumara
Senior Deputy Director(Zone) MEPZ

Aproved by
A.K.A.Mahinda
Executive Director(T/S)

PAID
14 JAN 2019

(5) DD (2s)
Payment is in order.
An sum of Rs. 10,688,844.71
recommended to release to
our interim claim no

BOARD OF INVESTMENT OF SRI LANKA
EXPORT PROCESSING ZONE - KATUNAYAKE

SUNDRY CREDITORS
as at 31.12.2018

Date	Name	Amount (Rs.)
31/12/2018	Mech Pump Systems Pvt Ltd	2,028,886.08
31/12/2018	AluV Glass Engineering Pvt Ltd	1,616,540.82
31/12/2018	Sri Ram Construction	1,540,728.00
31/12/2018	Ranasinghe consructions	4,513,659.48
31/12/2018	Bimsara Engineering Pvt Ltd	1,191,423.81
31/12/2018	S S Builders	584,609.17
31/12/2018	Chance Engineering Pvt Ltd	4,281,616.91
31/12/2018	JPN Jayasundara	163,295.20
31/12/2018	HAAT Holdings Pvt Ltd	375,436.50
31/12/2018	Powernet Pvt Ltd	168,710.37
31/12/2018	Leo Enterprises	41,750.00
31/12/2018	DJD Hapuarachchi & Sons	1,060,302.50
31/12/2018	Sri Lanka State Trading (Gen) Corporation Ltd	569,862.00
31/12/2018	National Water Supply & Drainage Board	177,480.00
31/12/2018	Inland Revenue Dept	20,050.00
31/12/2018	Central Environmetal Authority	232,500.00
31/12/2018	CSA Sylviline	25,400.00
31/12/2018	Analytical Instruments Pvt Ltd	49,976.00
31/12/2018	Island Scientific Pvt Ltd	3,700.00
31/12/2018	Airport & Aviation Services SL Ltd	8,260.00
31/12/2018	Base Hp Ltd	10,605.00
31/12/2018	Abance PLC	104,942.00
31/12/2018	John Keels Office Automation Pvt Ltd	120,000.00
31/12/2018	Singer Sri Lanka	238,000.00
31/12/2018	Sri Lanka State Trading (Gen) Corporation Ltd	8,200.00
31/12/2018	Hemsons International Pvt Ltd	4,379,150.00
	Total	**23,515,083.84**

Prepared By

SDD (Finance)

BOARD OF INVESTMENT OF SRI LANKA

HORANA EXPORT PROCESSING ZONE

SUNDRY CREDITORS AT 31-12-2018

Acc Code-013 001 000

DATE	NAME OF THE ENTERPRISE	INVO NO	TOTAL
17/12/2018	Singer Sri Lanka	1966800	119,000.00
16/11/2018	Sri Lanka State Trading (Gen) Corporation Ltd	CH0006079	56,925.00
16/11/2018	Sri Lanka State Trading (Gen) Corporation Ltd	CH0006079	86,250.00
30/12/2018	Green Wave Construction (Pvt) Ltd	321	1,826,195.00
31/12/2018	SAW Enginering (Pvt) Ltd	SAW/014750	1,263,509.06
31/12/2018	SAW Enginering (Pvt) Ltd	SAW/014749	629,087.72
	GRAND TOTAL		3,980,966.78

incl VAT

Rs - 485, 059/8

excluding VAT → 3,233,791/.

Prepared BY
Account officer -HEPZ

AD FINANCE (HEPZ)

Contract for Civil Workers Supply & Installation of Electro - Mechanical Equipment for Augmentation / upgrading the Central Effluent Treatment Plant - KEP2.

(E)- P/N 06 - Sierra Construction (P) Ltd.

BOI/INF/KEP2/2012/14/03.09

Cont. Sum : 389,506,750.70 + VA.

Bud! line : 01 03.09

	The manager Seylan Bank on A/c of Sierra Construction (Pvt) Ltd A/c no -0886033547978400		
	Ref. New Book(05)Pg 06 for Previous Payments.		
23.06.2016	Work done up to April Claim NO (07)	152,804,364	95
	Add : Excess work	9,786,556	40
	Variations	8,124,486	94
		170,715,408	29
	Less : Discount 5%	(8,535,770	41)
	Sub total 02	162,179,637	88
	Less : Retetion 10% of subtotal 02.	(16,217,963	78)
	Mob. Adv. Recovery (22.22% of subtotal 02)	(36,036,315	52)
	On Account Payment	(5,000,000	-)
	Claim NO (01) TO (06)	(146,708,878	66)
		(41,783,520	08)
	Add : Meterial at site	57,999,346	-
		16,215,825	92
	Add : 15% VAT	2,432,373	88
		18,648,199	80
26.10.16.	Work done up to August 2016 claim (08)	255,212,224	10
	Add : Excess work	12,734,195	50
	Variations.	9,347,937	94
		277,294,357	54
	Less : 5% Discount	(13,864,717	88)
	Sub total 02.	263,429,639	66
	Less : Retention 5% of contract sum.	(19,475,337	54)
	Mob. Adv. Recovery (22.22% of sub total 02)	(58,534,065	92)
	On Acc. payment & Claim NO. (01) to (07)	(165,766,774	98)
	DI Pipes & Duty for Import of Grit washer	(2,157,929	60)
		4,425,850	-
	Add : Metrial at site.	+7,495,531	62
		21,921,381	62
	Add : 11% VAT		

23/6/16.

20.12.16	Work done upto Sep. 2016 claim (09)	294,258,067	41
	Add: Excess work	13,825,941	50
	Variations	9,449,937	93
		317,536,946	84
	Less. Discount 5%.	(15,876,847	34)
		301,660,099	50
	Less. Retention 5% of Cont. sum	(19,475,337	54)
		282,184,761	96
	Less: Mob. Adv. Recovery (100%)	(70,819,409	22) ✓
	On Acc. Payment	(5,000,000	-) ✓
	Claim No. 01 to 08	(182,688,156	60)
	DI pipes, Duty comp. of Imported items	(2157,929	60)
		21,519,266	54
	Add: 15% VAT	3,227,889	98
		24,747,156	52
25.06.2018	On Account Payment	26,000,000	-
	Add: VAT 15%	3900,000	-
		29,900,000	-

J. No 007/F/18

18 DEC 2017

BOARD OF INVESTMENT OF SRI LANKA

WATHUPITIWALA EXPORT PROCESSING ZONE

ADVANCE PAYMENT

SURFACE IMPROVEMENTS TO THE BUS TERMINAL AT WATHUPITIWALA EXPORT PROCESSING ZONE

Budget Line :- 07.01.010

1) Contract No	:	BOI/TS/WEPZ/2017/07.01.010
2) Contractor	:	Romata Properties and Construction (Pvt) Ltd No.119, Paranagama, Giriulla.
3) Contract Sum	:	Rs. 10,490,300.00
4) Date of Award	:	13/12/2017
5) Due Date of Completion	:	12/03/2018
6) Date	:	18/12/2017

WEPZ
B.L.No.....
BCR folio.....
Date.....
Signature.....

a. Advance payment	Rs	2,098,060.00
b. **Sub Total - 01**	Rs	**2,098,060.00**
c. **Add** NBT (2.04%)	Rs	42,800.42
d. **Sub Total - 02**	Rs	**2,140,860.42**
Add VAT (15%)	Rs.	321,129.06
Amount to be paid	Rs	**2,461,989.48**

It is recommended to pay Rupees Two Million Four Hundred Sixty One Thousand Nine Hundred Eighty Nine and Cents Forty Eight (Rs. 2,461,989.48) only , as an Advance payment for the above contract to Romata Properties and Construction (Pvt) Ltd, No.119, Paranagama, Giriulla.

Prepared by ..... 18/12/2017 Checked by .....

Certified by ..... S.D.P. Zone 3 Recommended by 18/12/17

Approved by .....

① Mr. R, DD(T/I) pl. arrange & report

② Actg. DD (T/I) ppr are in order. Mob. Advance of Rs. 2,098,060/= could be released to the contractor please.

Supply & Installation of 03 Nos. Borehole Pumps & Connected Accessories & Supply of 10 No Motors for Ground Water Supply Scheme.

00047

Mech Pumps Systems (Pvt) Ltd, No. 521 1/1 Negombo Rd, Kelaniya.

BOI/INF/2018/01.02.022

5/1/19	Cont. Sum - Rs. 2,133,920.00		
	Date of Award - 28.08.2018		
	Date due for Completion - 27/12/18		
	credited - 2018 - 2,028,886/08		
5/1/19	Final Payment		
	Total Amount Work done	2,096,000	-
	5% Retention	(106,896	- ✓
		1,989,104	-
	2% NBT	39 782	08
		2,028,886	08 ✓
	15% VAT	304 332	91
		2,333 218	99
2/1/18	Retention provided Cap 2018 - N/17	106,896	/00
	2% NBT	2137	/92
		✓ 109,033	/92

ATTN. MS. KALANI

P.O. dt/12/17

FORM NO.B.O.I./FIN

BOARD OF INVESTMENT OF SRI LANKA

WORLD TRADE CENTER - WEST TOWER
COLOMBO - 01

Voucher No.	N 5529
Cheque No.	349727

Cheque in favour of Ranata Properties & construction (pvt) Ltd

Address .....

Date : 27/12

N. B. PLEASE QUOTE THE CHEQUE NUMBER IN YOUR OFFICIAL RECEIPT

Date	Invoice	Particulars	Amount Rs.	Amount Cts.	Deduction Rs.	Deduction Cts.	Net Amount Rs.	Net Amount Cts.
		BOI/TS/wep2/2017/7-1-10 Being an advance to contract for surface improvement to bus terminal - wep2					2461989	48
		G. R. N. No. :						
		ORDER No. :						
		Ref to File :						

RECEIVED 27 DEC 2017

Rs. Two million four hundred & Sixty One thousand nine hundred & eighty nine cents forty eight only

TOTAL 2461989 48

DISTRIBUTION

Zone Code	A/c. Code	Account	Details Rs.	Details Cts.	Amount Rs.	Amount Cts.	Folio	Posted
07	10.7.2	mobilization adv	2140860	42				
07	10.26.1	VAT	321129	06				
					2461989	48		

Cheque Signatories

Board of Investment of Sri Lanka

Horana Export Processing Zone

Mobilization Advances

ACC Code - BOI 008 010 007 002

Date	Capital. B line	Payment Voucher Ref	CONTRACTOR	CONTRACT NO.	DESCRIPTION	Advance payment Recovery Amount	Amount	Balance
27/10/17	33.01.004	000955851P	Padminie Construction (Pvt) Ltd	BOI/TS/WIZ/2016/33.01.004			5,690,856.00	5,690,856.00
2/28/2018		008/B/006				317,994.95		5,372,861.05
3/31/2018		008/C/008				525,498.13		4,847,362.92
27/04/18		008/D/009				3,612,710.04		1,234,652.88
6/30/2018		008/F/006				1,234,652.88		-
								-

06/05/2019

Attn: Mrs. Kalani

BOARD OF INVESTMENT OF SRI LANKA

CENTRAL REGIONAL OFFICE

INTERNAL MEMO

To : Senior Deputy Director (Book keeping)

From : Deputy Director (Finance –KIP)

Date : 07/05/2019

Subject : **Clarification to the J/V No 04/E/008 (2018)**

Further to the supporting document that already been provided, given below the clarification to the figures that arrived for the journal posting.

01.M/s. Central Engineering Services (Pvt)Ltd. Mob.Adv. Rs. 1,812,187.66
Cont No.BOI/TS/KIP/2016/04/01.004

Total mobilization advance	- Rs. 2,329,889.00
Mob. Adv. Recovered from 1st int. payment (Journal-(2016 04/N/008)	- (Rs. 517,701.34)
Balance (2018 -04/E/008)	-Rs.1,812,187.66

C P Tennakoon

000 M 020

DETAILS OF PAYMENTS FOR JOURNAL No M 020

CONTRACTOR : Skills International Pvt Ltd

DATE	VOUCHER NO.	DESCRIPTION	AMOUNT
11.09.2013		60336 1st payment	1,708,600.00
05.12.2014		62181 2nd payment	3,417,200.00
17.12.2014		66289 3rd payment	4,179,000.00
20.05.2015		68057 4th payment	2,618,400.00
17.12.2015		70656 5th payment	1,671,600.00
21.11.2018		83285 Final payment	1,677,350.00
31.12.2018	N 67	Document charges	68,250.00
			15,340,400.00

Aff. Kalani - Finance. Ref: VR. 4390

CONSTRUCTION OF UPVC PIPE EFFLUENT DISPOSAL LINE – PHASE 1 SEETHAWAKA EXPORT PROCESSING ZONE (SEPZ)

Payment Final

Action Plan : 2018
Budget Line : 23.03.012

Contract No : BOI/SEPZ/ES/2017/23.03.013

Contractor : SAW Engineering (Pvt) Ltd , No.52 , Makola North , Makola , Kiribathgoda.

Contact Sum : Rs. 4,275,870.00 + VAT

Date of Award : 2017.11.02

Due Date of Completion : 2018.03.01

Limit of retention (5% Contract Sum) : Rs 213,793.50

EXECUTIVE DIRECTOR (TECHNICAL SERVICES)
22 AUG 2018
BOARD OF INVESTMENT OF SRI LANKA.

Value of work done as per BOQ up to Final Claim :Rs 4,108,132.00

Ddt

Advance payment	: Rs 855,174.00	
Payment No 01	: Rs 1,259,109.94	
Amount of Retention	: Rs 213,793.50	: Rs (2,328,077.44)
Sub Total 1		: Rs 1,780,054.56
Add		
15% VAT		: Rs 267,008.18
Total		: Rs 2,047,062.74
Total Amount to be paid		: **Rs.** 2,047,062.74

ED (TIS) Payment is recommended for your approval
pl. SDD (TIS) 24/08/18

RECEIVED 20 SEP 2018

Mr D H, SDD(TIS) pl 7/8/18

Accordingly, it is recommended to pay Rupees Two Million Forty Seven Thousand Sixty Two and Cents Seventy Four only (Rs 2,047,062.74) to SAW Engineering (Pvt) Ltd , No.52 Makola North Makola Kiribathgoda for the work done as per BOQ up to final Claim satisfactorily.

Prepared by (TA) 2018.08.16

Checked by AD (T/C) 2018-08-16

Recommended by SDD/SDP 14/08/18

Ms. Rajnie (TO)

Approved by 31/08/2018

SDD (T/S)

102 (a) (ii) Annexure II

	CAPITALIZED SCHEDULE OF CWIP			
	MEPZ	**PWEPZ**	**MJEPZ**	**SEPZ**
BUILDING	7,219,658	-	-	-
STRUCTURES	19,332,335	4,890,935	930,142	32,417,809
PLANT & MACHINERY	-	-	-	-
OFFICE FURNITURE	-	-	-	4,919,968
COMPUTERS	-	-	-	-
DEFFERED ZONE	5,357,414	91,125	2,133,598	1,720,806
ADV. PAYMENT OF PRELIMINERY EXP.	-	-	15,340,400	-
TOTAL CAPITALIZED	**31,909,407**	**4,982,060**	**18,404,140**	**39,058,583**
REFUNDS & ADJUSTMENTS	-	-	-	-
TOTAL CREDIT TO CWIP	**31,909,407**	**4,982,060**	**18,404,140**	**39,058,583**

Annexure III

සංවර්ධන උපාය මාර්ග හා ජාත්‍යන්තර වෙළඳ අමාත්‍යාංශය
அபிவிருத்தி உபாய முறைகள் மற்றும் சர்வதேச வர்த்தக அமைச்சு
MINISTRY OF DEVELOPMENT STRATEGIES & INTERNATIONAL TRADE

30 වන මහල, බටහිර කුළුණ, ලෝක වෙළඳ මධ්‍යස්ථානය, කොළඹ 01, ශ්‍රී ලංකාව.
30 வது மாடி, மேற்கு கோபுரம், உலக வர்த்தக மையம், கொழும்பு 01, இலங்கை.
Level 30, West Tower, World Trade Centre, Colombo 01, Sri Lanka.

මගේ අංකය / எனது இல. / My No. MDSIT/DEV/AD6/DO1/Audit Queries

ඔබේ අංකය / உமது இல. / Your No.

දිනය / திகதி / Date 14.05.2019

15 MAY 2019

Director General's Office
14 MAY 2019
33
Board of Investment of Sri Lanka

Director General,
Board of Investment of Sri Lanka

Investment of Surplus Funds by the Board of Investment of Sri Lanka

This has reference to your letter dated 03rd April 2019 on the above subject.

Accordingly, Hon. Minister of Development Strategies & International Trade has granted approval to invest of surplus funds of the BOI in Government Securities through the entities mentioned in clause 2 of the Public Enterprises Circular No: 02/2018 of 14th November 2018.

However, an appropriate financial institution should be selected after a discussion between Chairman and Director General of the BOI with the Hon. Minister.

S.T. Kodikara
Secretary

Annexure IV

Procurement Activities not Completed during year 2018 as Planned

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
BEPZ	Expansion of the existing capacity of the Lift Station at Block "B" connected pipe laying work	20.00	Design and consultancy work was handled by NWS&DB and a delay has been occurred. Bidding document has been completed by now.
BEPZ	Design and Construction of a sanitary land fill site	5.00	Scheduled to complete in December 2018. Identified location has been subsequently proposed to put up a RO plant; hence the project had to be postponed.
BEPZ	Disposal of sludge accumulated at maturation ponds in Block 'A	3.00	Scheduled to award the contract in November 2018. As the construction of above landfill site had to be postponed this item of work was also postponed.
BEPZ	Acquisition of land called Kandeismaththe of Walgama, Malwana	10.70	Acquisition process is still in progress by paying 25% of the valuation of the land.
BEPZ	Supply, Installation and Commissioning of a CCTV camera system to cover the gate nos 02,03 & 04 of Block "A"	0.60	Scheduled to complete in November 2018. CCTV Stage I had been completed in mid-2018 and its performance had to be monitored closely to finalize the stage II of CCTV camera system. Hence the work had to be delayed. However procurement of CCTV stage II is now in progress.
BEPZ	Construction of a perimeter fence along the land boundary of Kandeismatta in the event of releasing the land to the owners	5.00	Scheduled to complete in December 2018. As the acquisition of the land of Kandeismaththe is now in process, requirement of a perimeter fence does not arise. Action has been taken to do away with the project.
KgEPZ	Rehabilitation of Permanent Water Supply Scheme (Repairing of water tower 1 & 2, leak tests, fixing of valves etc.)	2.00	Water leaks & valves had been replaced. Due to the risk in taking the measurements of the tower & the bad condition of the ladders it had been taken time to prepare estimates. The estimate had been forwarded to H/O for approval & work postponed to do in 2019.
KgEPZ	Mechanical electrical work at WWTP	45	Work had been assigned to NWSDB. Tender Document & revised estimate had been submitted in October 2018. New TEC had been appointed by ED(T/S). After scrutinizing the documents, Chief Engineer (M&E-NWSDB) had been transferred & the TEC had been reassigned by including present Chief Engineer (M&E-NWSDB). Again the documents had been scrutinized to send to PC. Work will be done in 2019.
KgEPZ	Construction of sludge pump house	3.57	Final bill sent to H/O.

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
KgEPZ	Construction of additional effluent pump house for the sea out fall line	9	Revision of tender documents entrusted to AGM(NWSDB-Sewerage) & is in progress at NWSDB.
KgEPZ	Construction of new sea out fall line (300mm dia. HDPE line)	112.2	Designing works entrusted to NWSDB. Designing of pipe laying under the sea is in progress at Lanka Hydraulic Ins.
KgEPZ	Construction of dump collection centre	8.00	Designing of the building had been done & estimate sent to H/O for approval. ED (T/S) instructed to inspect the dump collection building at BEPZ & do the designing accordingly. Hence inspection had been done & the work will be done on 2019.
KgEPZ	Painting of Administrative Complex Building, painting works & other rectification works of custom & security building and painting works & roof repairing works of self-employment building	4	Work will be commenced with face lifting programme.
KgEPZ	Supply & installation of a generator to custom & security building	1	Preparation of estimate & the tender documents in progress.
KIP	Improvements to Zone entrance	2.00	Due to a policy decision taken by the management improvements were made only at entrance of main zones only; therefore project was not implemented.
KIP	Provision of external infrastructure to IT Park	10.0	This was planned to provide infrastructure to a proposed IT Park at KIP. At the last moment the company had given up the implementation of the proposed project. Therefore, it was not needed to provide such facilities to said land and also not implemented the work since requirements may vary from project to project.
MEPZ	Construction of access road to Lot No. 38 & filling earth to lower side of Lot No. 38	2.0	The bidding process was commenced in the month of October 2018. This contract was awarded to the bidder on the approval of Zonal Procurement Committee on 21.02.2019.
MEPZ	Design, consultancy, investigation & construction supervision of laying sewer collection network Block A & B	2	Design details and bidding documents have been requested from NSW&DB and there is a delay from their side on the lack of staff.
MEPZ	Laying sewage collection network along internal road of Block A	10	Due to the reason of not providing design & bidding documents by NWS&DB, BOI was unable to complete this project.
MEPZ	Laying sewage collection	5	

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
	network along internal road of Block B		
MEPZ	Fixing of lightning arrestor system to administration building	1	Bid was invited under the National Competitive Bidding Procedure. All received bids were not completed; hence decided to recall the bids.
MEPZ	Supply and fix PVC coated barbed wire to the existing fence of Block A	2	The relevant procurement process completed in the month of February 2019. Now the construction work is in progress.
MEPZ	Improvement to the zone entrance area	4	On the decision taken by the Management this project will be completed only on completion of the projects at major zones; KEPZ & BEPZ etc.
HEPZ	Improvement of 1000m^3 day water treatment plant	5	As per the Procurement Committee minutes, preparation of an estimate and bidding document for improvements have been requested from NWS&DB. This report has been received on 04.03.2019.
HEPZ	Replacing of gear boxes for RIDS of CWWTP	2	Some rectifications have been done under the Recurrent Budget; hence, this was not done.
HEPZ	Augmentation of CWWTP design consultation	3.4	Bid opening was done on 16.11.2018. This could not be awarded in year 2018.
HEPZ	Construction of administration building	46.7	This work had not been completed due to bad weather condition and delayed decisions of consultant.
MwEPZ	Spare pumps for waste water treatment plant and a sludge pump	1.5	Agreed. Tender was called with applicable procedures during the year 2018. Due to the mismatch of specifications we had to recall the quotations for Spare pump as recommended by Procurement Committee. For sludge pump, the tender was awarded on 25th January 2019.
MwEPZ	Miscellaneous including face lift to zone entrance	3	Agreed. Board has decided to do face lifting only for major zones during year 2018.
PwEPZ	Miscellaneous including face lift to zone entrance	3.8	Agreed. BOI has decided to do face lifting only four major zones of Katunayake, Biyagama, Seethawaka and Koggala during year 2018
SEPZ	Investigation & design for defected & cracks appeared roof slab of equalization tank	3.34	Contract was awarded to NWS&DB for emptying and cleaning of equalization tank on 12.05.2017 in order to investigate & design the deflected equalization tank roof slab. DGM (Sewerage) of NWS&DB in his letter dated 22.04.2019 has informed that procurement process for purchasing of safety equipment is still in progress.
SEPZ	Supply & installation of ele. Sludge feeding pumps, submersible duck foot	9.1	Pumps were delivered to SEPZ on 12.12.2018

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
	pumps and supply of 100mm dia. Submersible standby pump		
SEPZ	Supply & installation of electrically driven centrifugal pumps for No. 2 lift station	9.8	Augmentation of WWTP is in progress. As this process would affect the pump specifications/capacities, decision has been taken to not to replace the existing pumps; Rs. 7 Mn from the budget has been transferred to road surfacing.
SEPZ	Construction of platform for mix. & feeding of powder activated carbon to WWTP	1.5	Augmentation of WWTP is in progress. As this process would affect changing of existing structures, decision has been taken not to attend to the relevant contract.
SEPZ	Supply & installation of chlorination plant at WWTP	1.5	Since the chlorination of WWTP will be addressed through augmentation, it was not attended.
SEPZ	Construction of proposed day care centre	8	Procurement is in progress
SEPZ	Supply & installation of 20MT capacity incinerator	10	RFP was called to select suitable party for development & operation of a solid waste management facility at SEPZ. However, BOI has decided not to proceed the project since it is not feasible (on 08.05.2019).
SEPZ	Construction of sanitary land filling site at Lot G2 Phase I and Phase II	8.68	Phase I – Contract completed Phase II – Construction is in progress. Due date of completion is 30.07.2019
SEPZ	Supply & installation of 100mm dia. Submersible pump at leachate collection well at Lot G2	2.5	Work schedule to be attended after completion of the structural constructions of leachate collection well and the pump house of phase 2. Budget has been transferred to Major Infrastructure Development.
WIZ	Earth work and surfacing of P4-P7 road section and improvements to the road section from P1-P4	36	Land development of Rigid Tyre has not been completed in year 2018.
WIZ	Construction of box culvert at P_6 point of access road	5	Land development of Rigid Tyre has not been completed in year 2018.
WIZ	Construction of 1000m^3 day sewage treatment plant	90	Layout of WIZ has been changed as 155 acres land has been allocated to Rigid Tyre Corporation.
WIZ	Construction of office building	10	Location for the office building was not finalized.
WIZ	Construction of security points	2	Land for the security building was not finalized.

Annexure V

Retention money Rs. 5,005,395/- of 26 contracts

No.	Description of work	Contractor	Amounts (Rs.)	Reason
1.	Sewerage & Raw-water Treatment Plants (Kandy City Centre)	Property Finance & Investments, Kandy (Pvt) Ltd	1,649,552.00	Contractor has not requested to release the retention money; hence this will be treated as an income to the BOI.
2.	Renovation works at Jaffna BOI Office	Thirunagar Women's Rural Development Society	11,194.00	
3.	Clearing Proposed road trace, fixing chain link and PVC coated barbed wire fence at Keragala mini Industrial Zone	Welikatiyawatta, Eksath Grama Sanwardana Samithiya	29,640.00	
4.	Clearing part of land fixing Chain Link and PVC coated barbed wire fence and earth filling voids at Keragala mini Industrial Zone.		11,424.00	
5.	Repairs to Main hall (Trincomalee)		91,137.00	
6.	Waste water (KIP)		90,000.00	
7.	Supply & fixing of Steel Brackets and Clamps for the installation of RO Plant	Pradeep Iron Works	4,945.00	Contractor has not requested to release the retention money; hence this will be treated as an income to the BOI.
8.	Construction of Storm Water Drain along RHS of P4 P4A road of HEPZ	Gamini Construction	480,848.00	Request of the Contractor has been forwarded for payment approval.
9.	Laying of Precast concrete ducts for widening of culverts of P4 point at HEPZ	D S Construction and Earth Movers	133,187.00	Contractor has not requested to release the retention money; hence this will be treated as an income to the BOI.
10.	Improvement of Access		6,225.00	
11.	Construction of Earthen		7,480.00	
12.	Construction of buildings at Hiriyala DEC	NERD Centure	1,332,882.00	Difference between GST and VAT components. Clarifications were requested several times

No.	Description of work	Contractor	Amounts (Rs.)	Reason
				from Inland Revenue Department but there was no response. Therefore this amount will be treated as an income to the BOI.
13.	Supply & Installation of 5 nos. bore hole pumps with connected accessories and supply of 12 nos. motors for the groundwater supply scheme at KEPZ.	Kent Engineering	341,487.00	Retention money could not be released due to not attending to rectification of defects during defects liability period; hence this will be treated as an income to the BOI.
14.	Samurdhi Bank		77,046.00	
15.	Surface improvements to the Awariwatta bus terminal at KEPZ	Weemara Construction	280,237.00	
16.	Replace of damage water meters (100 mm dia) with new meters at SEPZ	Ihala Kosgama Uthura Grama Sanwardana Samithiya	3,220.00	Contractor has not requested to release the retention money; hence this will be treated as an income to the BOI.
17.	Cover up the accumulated solid waste at present dumping area and clear the reservation at the existing canal at SEPZ	Eswattha Uthuru Grama Sanwardena Samithiya	30,993.20	
18.	Replacing of roofing sheets of the BOI Bungalow at SEPZ	Mr. W T Dharmasena	12,425.00	
19.	Repair of Aluminium Doors, Window and fixing of Panel Boards at KgEPZ	Thilana Gunawardena	2,950.00	
20.	Maintain air conditioning system in the Admn. Complex at BEPZ	J I Air Condition Engineering Services	8,885.00	Contractor has not requested to release the Performance Guarantee; hence this will be treated as an income to the BOI.
21.	Repairing work of Gear Box installed at Water Supply & Sewerage Scheme at BEPZ	Central Engineering	18,750.00	Contractor has not requested to release the retention money; hence this will be treated as an income to the BOI.
22.	Renovate the fire and security building at BEPZ	Kalana Construction	107,695.00	Retention money could not be released since not

No.	Description of work	Contractor	Amounts (Rs.)	Reason
				attending to rectification of defects during defects liability period. Therefore, this amount will be treated as an income to the BOI.
23.	Chamber for wall (MEPP)		13,043.00	Arrangements will be made to settle retention payments or if otherwise same will be taken as income to the BOI accounts.
24.	Lay concrete (MEPP)		7,828.00	
25.	Side Drains (MEPP)		24,999.00	
26.	Renovation work at Deputy Minister's office at Ministry of Investment Promotion	Adwatch (Pvt) Ltd	227,317.50	Contractor has not requested to release the retention money. Therefore, this will be treated as an income to the BOI.

Annexure VI

Activities of Action Plan not Completed during year 2018 as Scheduled

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
Technical Services & Zone Mgt.	**Setting up New Investment Zones**		
	Off site infrastructure - Millaniya		
	Roads, drains & culverts	940	While land acquisition was in progress some parties objected. Specially, Road Development Authority (RDA) has planned to commence the road along the proposed zone area. Due to objections of Horana Plantation Company Millaniya division of Neuchattle estate could not be acquired as planned. Hence construction works got delayed.
	Water supply	745	As part of the water line to supply initial requirement to be completed in parallel with the road development work, this part could not be completed as land acquisition was delayed due to above objections.
	Power supply	880	Power line route has to be changed by Ceylon Electricity Board (CEB) due to objections of the people. Design has been changed from pole line to tower lines at some locations.
	Land acquisition	275	Horana Plantation Company objected for acquisition of Neuchatle estate. Several inquiries were held at the Ministry of Development Strategies & International Trade (MODSIT) and final report has been sent to Ministry of Lands and Parliamentary Reforms in 2019. Hence land acquisition delayed.
	Off site infrastructure- Bingiriya		
	Roads, drains & culverts	283	Due to physical possession of land had not been given to BOI, the surveying and soil investigations pertaining to construction of roads only had been carried out.
	Water supply	84	Bids for pipe supplying and construction of sumps had not been invited due to non-settlement of funds to National Water Supply & Drainage Board (NWS&DB).
	Miscellaneous	118	Due to no physical possession was given to BOI, few activities such as soil investigations, surveying work only had been carried out.
	Improving Existing Zones		
KEPZ	Major Infrastructure Development	200	Please Refer **Annexure A** for details
	Other Infrastructure Development	31.7	
	Miscellaneous	22.3	

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
BEPZ	Major Infrastructure Development	78.5	Please Refer **Annexure B** for details
	Other Infrastructure Development	31.1	
	Miscellaneous	18.7	
KgEPZ	Major Infrastructure Development	131	Please Refer **Annexure C** for details
	Other Infrastructure Development	24.4	
KIP	Major Infrastructure Development	67.6	Please Refer **Annexure D** for details
	Miscellaneous	5	
MEPZ	Major Infrastructure Development	205.5	Please Refer **Annexure E** for details
	Other Infrastructure Development	20.64	
	Miscellaneous	6	
WEPZ	Major Infrastructure Development	70	Proposed augmentation to the existing Waste Water Treatment Plant was included to the Action Plan 2018 with an allocation of Rs. 70Mn. Bids were invited in 03 occasions during the last period for this project. However, due to major technical and financial reasons it was unable to select a suitable party to award this contract. This project involves much technical matters and therefore a special attention has to be paid in selecting a contractor for proposed augmentation. Further, relevant drawings and other designs are provided by NWS&DB. At this moment the TEC report has been submitted for the approval of Ministry Procurement Committee.
WEPZ	Other Infrastructure Development	36.52	15 items had been included to the Action Plan 2018 under capital budget and out of those, 03 items were postponed/cancelled due to very fair reasons. Except following items, other activities were completed during year 2018; ▫ Construction of garage and rest room for workers and improvement to the administration building and police post building belongs to the BOI. ▫ Balance standby pump to WWTP Main reason for the non-completion of above activities was the lack of Technical Staff to the zone in the year 2018. Also, the existed weather conditions was also a barrier to complete the above activities during last year.

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
MwEPZ	Major and Other Infrastructure Development	10.50	Agreed. 48% of the total Capital budget of the year 2018 was allocated for Child care center building & that contract was awarded on 14.11.2018 & it was continued to year 2019 (up to 11.03.2019). The prices of the project were higher than the engineering estimate and had to re-negotiate with the bidders and it caused delays in implementing the project. BOI paid only Rs. 0.9Mn. in year 2018 for above contract.
	Miscellaneous	3	Agreed. Board has decided to do face lifting only for major zones during year 2018
PwEPZ	Major and Other Infrastructure Development	26.36	Agreed. ▫ Final bills of two projects total amounting to **Rs.5.86Mn** had to continue to year 2019 due to not responding of eligible bidder as the lowest during procurement stage. In this case selecting of next suitable bidder was time taken procedure and awarding date was shifted to end of the year. ▫ There was a difference between allocated amounts and the awarding amounts of some projects. It is about **Rs.2.98 Mn.** ▫ On the other hand there was a difference between awarding amounts and the final bill amount of some projects. It was about **Rs.0.82 Mn.** Above three reasons were caused to reduce work done by 34%.
	Miscellaneous	3.77	Agreed. ▫ BOI has decided to do face lifting only at four major zones of Katunayake, Biyagama, Seethawaka and Koggala during year 2018. Therefore amount of this item has not been used and percentage has been reduced.
SEPZ	Major Infrastructure Development	71.10	Please Refer **Annexure F** for details
	Other Infrastructure Development	19.21	
	Miscellaneous	18.50	
WIZ	Major Infrastructure Development	391.5	Please Refer **Annexure G** for details
WIP	Miscellaneous	9.05	Please Refer **Annexure H** for details
HEPZ	Major Infrastructure Development	176.82	Please Refer **Annexure I** for details

Zone	Activities	Allocation (Rs. Mn)	Reasons for not Completion
Project Implementation	Accelerate implementation process of projects on a regularly basis until the project commences	-	Conducted meetings such as Investment Approval Facilitation Committee (IAFC), Single Window etc. to identify and solve issues which the investors encountered by discussing the issues with relevant officers of the Line Agencies under one roof. Followed up progress of projects regularly by calling over phone, sending e-mails, engaging in physical inspections to see the actual status of the project.
Procurement of Integrated Accounting Software	Accounting software	141.50	BOI signed an agreement with DMS Software Technologies (Pvt) Ltd on 06.08.2018 for the implementation of the Oracle Accounting Software System. The implementation commenced in October 2018 and BOI paid Rs.27.9Mn & Rs.13.8Mn for hardware and software licenses respectively. The project was scheduled to be completed in year 2019 according to the implementation plan.

Annexure A

KATUNAYAKE EXPORT PROCESSING ZONE (KEPZ) -CAPITAL BUDGAT-2018 – PROGRESS UP TO 2018.12.31

BUDGET LINE	Description of work	Allocation for 2018/Rs.	Cumulative expenditure up to 2018.12.31	Cumulative Progress		Reason for not completing in 2018
				Financial (%)	Physical (%)	
1.01	Roads, Drains & Culverts					
01.01.016A	Construction of water diversion arrangement on Entrance of lot 124B	10,500,000	1,994,480.80	100.00%	100%	–
01.01.016B	Construction of RCC storm water drain between ACE container (Pvt)ltd & lot No 124B Entrance at KEPZ		584,609.17	5.57%	15%	time constrains
01.01.016C	Improvements to the turning circle in front of the Lot no 124B at KEPZ		0.00	0.00%	0%	Contract terminated
01.01.016D	Construction of RCC storm water drain & steel grating for the entrance of Elsteel (Pvt)ltd at KEPZ		0.00	0.00%	0%	time constrains
01.01.017	Construction of 6.5m with road between lot 129 & 130 of Phase IV up to dump yard	14,000,000	0.00	0.00%	0%	Postponed to 2019
01.01.018	Asphalt paving of Aweriwatta busterminal area at KEPZ	11,000,000	9,366,897.60	100.00%	100%	–
1.02	water treatment					
01.02.021	Replacement of deteriorated segment of water distribution network at link road 01 and ring road 01	17,550,000	0.00	0.00%	0%	NWS&DB not submited the document

KATUNAYAKE EXPORT PROCESSING ZONE (KEPZ) -CAPITAL BUDGAT-2018 – PROGRESS UP TO 2018.12.31

BUDGET LINE	Description of work	Allocation for 2018/Rs.	Cumulative expenditure up to 2018.12.31	Cumulative Progress		Reason for not completing in 2018
				Financial (%)	Physical (%)	
01.02.022	Supply and installation of 4Nos borehole pumps and accessories for tube wells at KEPZ	3,000,000	2,135,782.08	100.00%	100%	–
01.02.022 b	Supply of bore hole pump for the ground water supply scheme at KEPZ		169,000.00	100.00%	100%	–
1.03	**Sewerage/ waste water treatment**					
01.03.009	Augmentation of CWWT Plant-Construction	70,000,000	64,115,540.07	100.00%	100%	–
01.03.012	Construction Supervision of Augmentation of CWWT Plant	400,000	244,897.96	100.00%	100%	–
01.03.013	Construction of new sewage lift well at Phase II, KEPZ	3,200,000	2,939,354.88	100.00%	100%	–
01.03.015	Modification to old (existing) grit channel at WWT plant	5,000,000	0.0	0.00%	0.00%	Part of work done by recurrent budget
1.04	**Electricity**					
01.04.005	Supplying and installation of 500KVA generator for sewage treatment plant of KEPZ	20,000,000	2,476,560.00	12.38%	0%	Time conmstrain
01.04.006(A)	Extension power line of the corner of phase IV area	5,000,000	987,294.14	100.00%	100%	–
01.04.006	Improvement to 500kVA generator installed at phase I KEPZ		0.00	0.00%	0%	Time constrain
01.04.007	providing street lamps and extension power line of the corner of phase iv of KEPZ	2,000,000	0.00	0.00%	0%	Time constrain

KATUNAYAKE EXPORT PROCESSING ZONE (KEPZ) -CAPITAL BUDGAT-2018 – PROGRESS UP TO 2018.12.31

BUDGET LINE	Description of work	Allocation for 2018/Rs.	Cumulative expenditure up to 2018.12.31	Cumulative Progress		Reason for not completing in 2018
				Financial (%)	Physical (%)	
1.05	**Building**					
01.05.014	Renovation of laboratory building	2,700,000	1,723,258.85	63.82%	100%	–
01.05.021	Construction of security room at phase iv of KEPZ	900,000	685,217.74	76.14%	100%	–
01.05.018	Renovation and improvement to plaza buildings at BOI (01.05.028)	7,000,000	2,332,597.47	33.32%	15%	Poor progress of contractor
01.05.030	Face lift to the gates at KEPZ (entrance areas & buildings)	7,000,000	-	0.00%	0%	Re called bids
01.05.023	Alteration and Extension to pavilion of Sports complex at KEPZ	3,200,000	734,925.00	22.97%	15%	Time constrain
01.05.024	Construction of new permit office building at cargo entrance	8,000,000	4,281,616.91	25.00%	5%	Time constrain
01.05.025	Improvement to investor services department at KEPZ	11,000,000	10,013,639.62	100.00%	100%	–
01.05.026	Construction of stores building & of facility building for field staff of engineering services department	8,000,000	0.00	0.00%	0%	Time constrains
01.05.027	Improvement to pump houses and lift stations at KEPZ	1,800,000	0.00	0.00%	10%	Re called bids
01.05.031	Improvement to IS Dept	450,000	375,436.50	83.43%	100%	–
1.08	**Fencing**					
01.08.008	The Improvement to balance peripheral fence at phase 1 and phase11 of KEPZ	20,000,000	18,561,665.09	100.00%	100%	–

KATUNAYAKE EXPORT PROCESSING ZONE (KEPZ) -CAPITAL BUDGAT-2018 – PROGRESS UP TO 2018.12.31

BUDGET LINE	Description of work	Allocation for 2018/Rs.	Cumulative expenditure up to 2018.12.31	Cumulative Progress		Reason for not completing in 2018
				Financial (%)	Physical (%)	
1.09	**Miscellaneous**					
01.09.026	Installation of CCTV camera system at gate 1.3,4.5,6&7 of KEPZ 01.09.024	1,900,000	0.00	0.00%	50%	Contract terminated
01.09.025	Protection of slope of effluent discharge canal adjacent to playground 01.09.028	6,000,000	5,441,650.00	90.69%	100%	–
01.09.030	Supplyingg of 40 Nos Fire Hydrants at KEPZ	7,000,000	4,323,117.25	61.76%	100%	–
01.09.031(A)	Installation of stand post type two way/three way fire hydrants to phase 01		1,768,250.00	25.26%	100%	–
01.09.033	Purchase of tractor with Bowser	1,400,000	1,295,000.00	92.50%	100%	–
01.09.034	Supply and installation of new air conditioners at BOI building - Stage 2 (01.09.033)	1,000,000	942,172.00	94.22%	100%	–
01.09.035	Improvement of landscaping around plaza complex 01.09.034	5,000,000	0.00	0.00%	0%	Re called bids
	Retention to be released					
01.01.013	Construction of access road to phase 4 area	2,100,000	2,065,210.30	98.34%	100%	–
01.02.017	Extension to water distribution network to phase IV area	900,000	889,397.50	98.82%	100%	–
01.02.018	Leak proofing of a ground water reservoir at Naikanda	400,000	351,805.00			–

KATUNAYAKE EXPORT PROCESSING ZONE (KEPZ) -CAPITAL BUDGAT-2018 – PROGRESS UP TO 2018.12.31

BUDGET LINE	Description of work	Allocation for 2018/Rs.	Cumulative expenditure up to 2018.12.31	Cumulative Progress		Reason for not completing in 2018
				Financial (%)	Physical (%)	
01.02.019	Modification to ground water reservoirs at Naikanda	15,000	14,750.00	98.33%	100%	Retention provided 2017 capital budget
01.02.020	Supply and installation of 06 nos borehole pumps and accessories for tube wells at KEPZ	210,000	205,770.00	97.99%	100%	–
01.05.019	Construction of 2nos electricity meter cubical at phase 11 and phase 111 of KEPZ	30,000	20,856.13	69.52%	100%	–
01.08.004	The Improvement to balance peripheral fence at phase Iv of KEPZ	200,000	189,287.50	94.64%	100%	–
01.08.005	The Improvement to balance peripheral fence at phase 11 and phase111 of KEPZ	400,000	308,812.50	77.20%	100%	–
01.09.028	Supply and installation of new air conditioners at BOI building - Stage 2 (01.09.033) S&F fix new A/C for verification & fire unit (a) 10,434.78	80,000	78,965.20	98.71%	100%	–
	Total(Excluding VAT)	258,335,000	141,617,817.26	54.82%	70%	

Annexure B

ACTIVITIES PLANNED TO COMPLETE DURING THE YEAR HAD NOT BEEN COMPLETED

BIYAGAMA EXPORT PROCESSING ZONE

Proposed activities	Allocation (Rs. Mn)	Progress as at 31 Dec 2018		Reasons for not achieving targets
		Financial (Rs. Mn)	Physical (%)	
Major infrastructure developments	78.5	37.332	60	Out of 05 projects only 02 were completed and 03 projects are in progress. These got delayed due to the following reasons. • Improvements to the existing culvert behind Noyon Lanka (Pvt) Ltd in Jeep Track – Block 'A' - Scheduled to complete in December 2018. But due to the provision of alternative security patrolling arrangements in the area in the jeep track during construction period this was delayed. However the work has now been completed. • Supply and laying of 225 mm dia. HDPE dedicated water supply line along Henehaththa Road upto BEPZ - Scheduled to complete in December 2018. Due to public protest the original traces of the pipe line was changed and re-estimate the work by NWS&DB. • Expansion of the existing capacity of the Lift Station at Block B connected pipe laying work - Design and consultancy work was handled by NWS&DB & bidding document has been completed by now.
Other infrastructure developments	31.1	16.524	50	Out of 07 projects only 04 were completed and 03 projects are in progress. These got delayed due to the following reasons. • Design and Construction of a sanitary land fill site - Scheduled to complete in December 2018 Identified location has been subsequently proposed to put up a RO plant and hence the project had to be postponed. • Disposal of sludge accumulated at maturation ponds in Block 'A - Scheduled to award the contract in November 2018. As the construction o above land fill site had to be postponed this item of work also was postponed. • Improvements to the service Buildings belongs to BOI located within zone premises - Scheduled to complete in October 2018 Contract award was delayed due to the provision of more clarifications/additiona details during the procurement process However the work has been completed i January 2019.

Proposed activities	Allocation (Rs. Mn)	Progress as at 31 Dec 2018		Reasons on achieving / not achieving targets
		Financial (Rs. Mn)	Physical (%)	
Miscellaneous	18.70	3.573	50	Out of 05 projects only 02 were completed and 03 projects are in progress. These got delayed due to the following reasons. • Acquisition of land called Kandeismaththe of Walgama, Malwana - Acquisition process is still in progress by paying 25% of the valuation of the land. • Supply, Installation and Commissioning of a CCTV camera system – stage II - Scheduled to complete in November 2018. CCTV Stage I had been completed in mid 2018 and its performance had to be monitored closely to finalize the stage II of CCTV camera system. Hence the work had to be delayed. However procurement of CCTV stage II is now in progress. • Construction of a perimeter fence - Scheduled to complete in December 2018. As the acquisition of the land of Kandeismaththe is now in process, requirement of a perimeter fence does not arise. Action has been taken to do away with the project.
Total	**128.30**	**57.429**		

22 April 2019

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Annexure C

Audit on Action Plan and the Progress of the Board - Koggala Export Processing Zone [2018]

Project	Allocated for 2018 (Rs. Mn)	Reasons for not completing the projects
Roads, Drains and Culverts		
Reinstatement of road to 2nd gate from Galle Road	4.1	Work Completed
Reinstatement of internal road P12-P13 (435 m)	11.5	Work Completed
Water Supply		
Supply & installation of 25 hp & 150mm dia. 04 Nos. centrifugal pumps	4.7	Work Completed
Rehabilitation of Permanent Water Supply Scheme (Repairing of water tower 1 & 2, leak tests, fixing of valves etc.)	2.00	Water leaks & valves had been replaced. Due to the risk in taking the measurements of the tower & the bad condition of the ladders it had been taken time to prepare estimates . The estimate had been forwarded to H/O for approval & work postponed to do in 2019.
Sewerage/wastewater treatment plant		
Design Consultancy of Mechanical & Electrical Work at WWTP	2.5	Work had been assigned to NWSDB. Tender Document & revised estimate had been submitted in October 2018. New TEC had been appointed by ED(T/S). After scrutinizing the documents, Chief Engineer (M&E-NWSDB) had been transffered and the TEC had been reassigned by including present Chief Engineer (M&E-NWSDB . Again the documents had been scrutinized to send PC. Work will be done in 2019.
Mechanical electrical work at WWTP - Construction	41.0	
Construction of sludge pump house	3	Final bill sent to H/O .
Construction of additional effluent pump house for the sea out fall line	8.2	Revision of tender documents entrusted to AGM(NWSDB-Sewerage) & is in progress at NWSDB.
tendering & construction supervision of new sea out fall	7.20	Designing works entrusted to NWSDB. Designing of pipe laying under the sea is in progress at Lanka Hydrulic Ins.

Project	Allocated for 2018 (Rs. Mn)	Reasons for not completing the projects
Construction of new sea out fall line(300mm dia. HDPE line)	20	Construction works to be done after completion of the design.
Replacement of pumps at PS1 & PS3 pump houses of WWTP at KgEPZ	5.00	Construction works in progress.
Buildings		
Improvements to the pavilion	7.00	Work Completed. Final Bill to be paid.
Construction of dump collection centre	8.00	Designing of the building had been done & estimate sent to H/O for approval. ED(T/S) instructed to inspect the dump collection building at BEPZ & do the designing accordingly. Hence inspection had been done & the work will be done in 2019.
Roof repairing of Administrative Complex Building	16.50	Work had been awrded in Sept. 2018.
Modification of Q7 Building to establish a Day Care Centre	4.60	Work Completed.
Supply & installation of a generator to custom & security building	4.00	Preparation of estimate & the tender documents is in progress.
Painting of Administrative Complex Building,painting works & other rectification works of custom & security building and painting works & roof repairing works of self employment building	1.00	Work will be commenced with face lifting programme.
Fencing		
Construction of perimeter fence around the playground (615.0M)	5.10	Work had been awrded in Oct. 2018.

Annexure D

KANDY INDUSTRIAL PARK
PROGRESS OF THE CAPITAL BUDGET 2018

Budget Line	Description of work	Allocated Amount (Rs. Mn)	Progress of the Contract
4.01	**Roads Drains & Culverts**		
4.01.004	Improvements to Internal roads at Kandy Industrial Park.	3.60	100% completed. Final payment was paid.
4.01.005	Surface Improvements to internal roads, walkways and construction of an Access road to lot nos. 03,04 - Stage II.	6.60	90% completed
4.01.006	Improvements to Internal roads, drains, walkways,Vehicle Parking area and Construction of an access road to Lot Nos. 03,04-Stage III.	49.60	100% completed.Final payment to be paid
4.02	**Water Supply**		
04.02.002	Replacing automatically on off valve for distribution tank.	0.30	100% Work completed. Final payment was paid.
4.03	**Sewerage/ Wastewater Treatment**		
4.03.003	Supply, Installation and Operation of a Small scall Package type Sewage Treatment Plant.	4.20	100% Work completed. Final payment was paid.
4.09	**Miscellaneous**		
4.09.001	Improvements to Zone Entrance.	2.00	This was not implemented due to a policy decision taken to postpone the proposed activity
4.09.002	Provisions of external infrastructure for IT Park.	3.00	Since the IT Park Development project was given up by the investor, the proposed development was not implemented.
4.09.003	Installation new PABX to KIP	1.00	100% work completed. Final payment was paid.
50.12.012	**Purchasing of Motor Bicycle**	0.30	100% Work Completed. Final payment was paid.
50.12.016	**Purchasing of gully bowser**	6.80	Could not be implemented due to a policy decision taken by the Government to obtain treasury approval for all imports that made by state organizations. Therefore, an unexpected delay was occurred on obtaining ttreasury approval.

Annexure E

Capital Budget - 2018

MIRIGAMA EXPORT PROCESSING ZONE

Budget line Item No.	Allocation Rs. (Mn)	Description of work & Contract No	Award Contract Sum (Rs.) excluding Tax	Date of Award	Due Date of Completion	Payments made to the Contractor excluding Tax (Rs.) From 01.01.2018 to 31.12.2018	Payments made to the Contractor excluding Tax (Rs.) Cumulative	Physical Progress of the Contract up to 31.12.2018	Reasons to had not been completed in year 2018
Major Infrastructure Development									
06.01.033	62.00	Construction of the internal roads in Block B at MEPZ. (Length 1.0 km), BOI/TS/MEPZ/2017/06/01.033	61,047,205.00	21.06.2018	18.12.2018	24,202,539.80	24,202,539.80	Completed 85%	Due to heavy rain in the month of November & December construction work delay.
06.01.034	19.50	Asphalt paving to the balance internal roads of Block A at MEPZ, BOI/TS/MEPZ/2017/06/01.041	18,362,030.00	14.02.2018	15.05.2018	16,671,205.44	16,671,205.44	Completed	
06.01.038	18.00	Construction of storm water drains and culvert of Block B						Bid Evaluvation Stage	
06.02.012	9.00	Supply of stand by pumps for water intake. BOI/TS/MEPZ/2018/06/02.010	10,080,660.00	30.07.2018	27.12.2018	-	-	completed on 25.02.2019	Due to the festival season in Spain Manufacturing work delay.
06.03.004	2.00	Design consultancy investigation & Construction supervision of WWTP.				-	-		
06.03.005	40.00	Construction of matuaration ponds,detention pond & drying bed, BOI/TS/MEPZ/2017/06/03.005	40,608,602.00	28.12.2017	26.10.2018	35,959,960.37	35,959,960.37	Completed	
		Suppling of 5-10 mm size pebbles for drying beds of MEPZ	522,300.00	12.11.2018	16.11.2018	522,300.00	522,300.00	Completed	
06.03.008	10.00	Laying sewage collection network along internal road of Block A . (Length 2.5 km)	-	-	-	-	-		Design of sewer collecting net work requested from NWS & DB. NWS & DB has not submitted the details and desided to obtain from selected consultants and selection of consultance was delayed.
06.03.009	5.00	Laying sewage collection network along internal road of Block B. (Length 1.0 km)	-	-	-	-	-		

06.05.016	10.00	Improvement to Solid waste pre-processing yard, Improvements to OIC quarters building and Construction of workers rest room. BOI/TS/MEPZ/2018/06/05.016	9757765.79	10.12.2018	08.06.2019	1,651,553.16	1,651,553.16		
06.08.007	30.00	Construction of Chain link fence along Block B boundry. (Length 3.0 km), BOI/TS/MEPZ/2017/06/08.006	23,097,473.00	27.02.2018	25.10.2018	20,331,233.71	20,331,233.71	Completed	Due to heavy rain in month of November & December construction work delay.
	205.50								
Other Infrastructure Development									
06.01.035	2.00	Construction of access road to lot No 38 and filling earth to lower side of lot No 38	-	-	-	-	-	Bid Evaluvation Stage	
06.01.036	0.20	Costruction of Access road to proposed dump yard	3,661,930.00	25.09.2017	24.11.2017	760,529.90	3,183,170.67	Completed	
06.01.037	0.04	Improvement to the Access road to water bowser loading point							
06.05.012	1.20	Construction of loading bay and shelter at Solid waste pre processing yard. BOI/MEPZ/2017/06/05.011							
06.02.013	5.00	Supply and lay UPVC water supply line along internal road of Block B	5,489,176.95	26.11.2018	25.01.2019	1,097,835.39	1,097,835.39		
06.02.014	3.00	Improment to the water treatment plant. BOI/TS/MEPZ/2018/06/02.014	420,500.00	15.11.2018	13.02.2018	399,475.00	399,475.00	completed on 11.12.2018	
			1,771,874.62	13.07.2018	28.09.2018	1,771,874.62	1,771,874.62	Completed	
06.02.007	0.65	Supply & laying water supply lines up to Block B. BOI/MEPZ/2017/06/05.012	1,710,436.60	02.11.2017	31.12.2017	520,343.24	1,657,505.74	Completed	
06.03.007	2.00	Design consultancy investigation & Construction supervision of laying sewer collection network of Block A & B	-	-	-	-	-	Awaiting design from NWS & DB	
06.04.002	1.00	Fixing of lightning arrestor system to administration building	-	-	-	-	-	Bid Evaluvation Stage	
06.05.015	0.50	Construction of pump operators room at Madurupitya water intake.	Awarded combine with Budget Line 06.05.016				-		
06.05.014	2.30	Proposed extension to the existing BOI office building.	2,508,795.88	05.12.2017	02.02.2018	1,964,579.33	2,285,774.62	Completed	

06.05.013	0.75	Construction of guard room and barrier for Block B at MEPZ. BOI/TS/MEPZ/2017/06/05/0.12	1,492,022.40	02.11.2017	29.12.2017	415,326.24	1,367,575.58	Completed	
06.08.008	2.00	Supply and fix PVC coated barbed wire to the exsisting fence of Block A . (Length 3.0 km)	-	-	-	-	-	Bid Evaluvation Stage	
	20.64								
Moscellaneous									
06.09.005	1.00	Survey work	-	-	-	1,028,639.00	1,028,639.00	Completed	
06.09.006	1.00	Purchasing of servey equipement	-	-	-	-	-	-	
06.09.007	4.00	Improvement to the Zone entrance area	-	-	-	-	-	-	
	6.00	**Total**				107,297,395.20	112,130,643.10		

Annexure G

WAGAWATTA - INDUSTRIAL ZONE
ACTION PLAN - 2018

Budget Line Item No.	Description of work	Requested Amount (Rs. Mn.) 2018 (Exc. VAT)	Major/Minor	Status as at 31/12/2018
33.01	**Roads, Drains and Culverts**			
33.01.004	Asphalt concrete surfacing along the access road.	26.0	Major	100% Completed
33.01.005	Construction of earthen drains & culvert near Lot 7A.	1.0	Minor	100% Completed
33.01.006	Construction of culvert at st. 740m.	2.80	Minor	100% Completed
33.01.007	Construction of entrance culvert of access road	4.0	Major	95% Completed
33.01.008	Construction of drains along the P_0- P_7 access road.(1650m length)	130.0	Major	* P_0-P_5 drain has been completed * Work to be commennced after obtaining the road design levels from RDA
33.01.009	Improvements of storm water disposal system outside the zone	25.0	Major	* drain along the boundary Bid closed on 05.12.2018 * work has been commenced by Agrarian Services Department
33.01.010	Earth work and surfacing of P_4 - P_7 road section and Improvements to the road section from P1- P4	10.0	Major	* Land Development was completed by Rigid Tyre Factory as adjacent lands have been allocated to the Rigid tyre Company
33.01.011	Construction of box culvert at P_6 point of access road	5.0	Minor	Do
33.02	**Water Supply**			
33.02.012	Water Supply line from Horana EPZ to WIZ.	19.5	Major	70% Completed
33.02.004	Construction supervision for laying of water line from Horana EPZ to WIZ.	1.0	Minor	70% Completed
33.02.008	Construction of Water Supply Scheme..	15.0	Major	As most of the lands allocated to the Rigid Tyre Company, trace of the water line to be finalized

33.03.005	**Sewerage / Waste water tretment plant**			
33.02.006	Construction of 1000m^3/day sewage treatment plant.	90.0	Major	Layout of WIZ has been changed, as 155 acres land has been allocated to Rigid Tyre company
33.03	**Power Supply**			
33.02.004	Power Supply along P_5 - P_7 roads.	30.0	Major	After the Completion of road, power supply to be arranged
33.04.	Street lights along P_0 - P5 road section .	2.0	Minor	At the Action Plan meeting held on Head Office, this will not be implemented in this year
33.04.003	**Building**			
33.04.002	Constructin of office building	6.0	Major	Location has not been finalized
33.05	Construction of security points	2.0	Major	Location has not been finalized
33.05.002	**Fencing**			
33.05.001	Construction of Perimeter fence	34.0	Major	*Long time has been taken for providing the access road to the paddy field for the request of Agrarian Services Department. * Boundary of re settled areas has been re demarcated * Protest against the fence from villagers

Annexure H

WAGAWATTA INDUSTRIAL PARK ACTION PLAN – 2018				
Budget Line Item No.	**Description of work**	**Requested Amount (Rs. Mn.) 2018 (Inc. NBT) (Exe. VAT)**	**Major / Minor Miscelleneous**	**Status as at 31.12.2018**
14.09	**Miscelleneous**		Miscelleneous	Rectification work has not been done by estate workers .
14.09.008	Rectification work of estate workers Housing Sc	0.05		
14.09.010	Infrastructure Developments such as drains, kovil, roads etc .....for Resettled area	9.00	Miscelleneous	* Construction of kovil – completed * Improvement of roads – drains etc..is in progress
	Release of Retention	0.29	Major	

Annexure I

HORANA EXPORT PROCESSING - ZONE

ACTION PLAN 2018

Budget Line Item No.	Description of work	Requested Amount (Rs.Mn.) 2018 (Inc. (NBT) (Exc.VAT	Major/Minor/ Miscellaneous	Status as at 31.12.2018
8.01	**Roads, Drains and Culverts**			
08.01.026	Asphalt concrete surfacing of P_1- P_{1A} and P_5-P_7 of internal roads at HEPZ.	16.80	Major	100% completed
08.01.030	Construction of RCC drain from Lot 8A to Lot. No:33	8.10	Major	100% completed
08.01.031	Construction of acces road for Polipto Pvt. Ltd.	2.00	Minor	Contract has been awarded on 04.12.2018
08.02	**Water Supply**			
08.02.019	Improvements of 1000 m^3/ day water treatment Plant.	2.0	Minor	Cost estimate to be obtained from NWS&DB
08.02.024	Consultancy for improvements of 1000 m^3/ day water treatment plant.	1.0	Minor	Cost estimate to be obtained from NWS&DB
08.02.025	Construction of gabion wall to protect the river embankments of water intake.	6.2	Major	100% completed
08.02.026	Supply of additional 02 Nos.Subumersible pump for water intake and chemical dosing pumps for 2000m^3/day water treatment plant	3.00	Major	Bid evaluation report has been sent to PC for approval
08.02.027	Construction of permanent intake at Kaluganga.	80.00	Major	Bid evaluation is in progress.
08.02.028	Replacing of gear boxes for RIDS of CWWTP	2.0	Minor	Minor rectifications have been done under the Recurrent Budget
08.03	**Sewerage /Waste Water Treatment**			

08.03.014	Augmentation of CWWTP Design Consultancy.	2.0	Major	Bid evaluation is in progress.
08.03.015	Supply and installation of UV system for CWWTP.	0.62	Minor	100% completed
08.03.020	Supply & Installation of Stand by generator for CWWTP.	4.0	Minor	PC approval to be obtained to award the contract
8.04	**Power Supply**			
08.04.001	Power Supply for new Administration Building	1.0	Minor	Estimate for power supply has been requested from CEB
8.05	**Buildings**			
08.05.007	Construction of Administration building.	37.8	Major	60% completed
08.05.008	Consultansy payment of construction of Administration Building	3.3	Major	Not paid for SEC
08.05.009	Construction of Toilets for Permit Office and new Administration Building	2.0	Minor	PC has granted the approval to publish the paper advertisement
8.07	**Land Development**			
08.07.009	Preparation of land for Car Park infront of the Horana Export Processing Zone - balance payment	1.0	Minor	100% completed
8.08	**Fence**			
08.08.001	Improvements to the existing chain link fence of HEPZ and construction of fence for car park & paddy area	4.0	Minor	PC has granted the approval to publish the paper advertisement
8.09	**Miscellaneous**			
08.09.003	Survey Works	5.6	Miscellaneous	Survey works of whole perth estate has not been carried out as it was decided to resolve the issue through the Secretaries of Line Ministries
	Release of retention	0.43	Major	

Other Infra. Dev. - SEPZ 2018

Project	Allocation Rs. (Mn)	Physical Progress as at 2018.12.31	Remarks
Construction of weir across the Kelani river (Consultancy fee)	0.1		Budget Transfer to Major Infra. Dev.
Augmentation/Improvements of water supply scheme	1.0		Budget Transfer to Major Infra. Dev.
Supply & installation of magnetic flow meter for WTP	1.75	95% completed	Contract sum Rs. 0.97 Mn.
Supply & installation of VSD (04 nos.) for flocculation Agitator motors - WTP	0.24	100% completed	Contract sum Euro 7738.24 + Rs. 0.46 Mn.
Supply & installation of VSD (02 nos.) for raw water pumps -WTP	1.65		
Augmentation/Improvements of wastewater supply scheme	1.00	20% completed	Design consultancy was assigned to ECL
Emptying & cleaning of equalization tank - WWTP	2.00	20% completed	Contract was awarded to NWS&DB on 2017.05.12. DGM (Sewerage) informed that procurement is in progress
Cons. of platform for mix. & feeding of Powder Activated Carbon to WWTP	1.50		Augmentation of WWTP is in progress. As this process would be affected for the change of existing structures, decision has been taken to not to attend the relevant contract.
Rehabilitation of defective UV sterilization system at WWTP-SEPZ	1.50		
Supply & installation of 1600A, 4 pole ATS unit & 1250A, 3pole MCCB for WWTP	1.40	100% completed	Contract sum Rs. 1.4 Mn.
Supply & installation of electrical panel enclosure at river Kelani	0.60	15% completed	Procurement is in progress
Power supply to sanitary land filling site at lot G2	0.50		Work schedule to attend after completion the structural constructions of leachate collection well & the pump house of SLF phase 2. Budget Transfer to Major Infra. Dev.
Construction of main entrance building	0.52		

Annexure H

Major Infra. Dev. - SEPZ 2018

Project	Allocation Rs. (Mn)	Physical Progress as at 2018.12.31	Remarks
Asphalt concrete wearing cause along the access road & main internal road at SEPZ (approx. 2 km)	6.0	100% completed	Contract sum Rs. 23.37 Mn.
Replacing of Filter media of Rapid Sand Filters (6 nos.)	9.50	15% completed	Contract was awarded to NWS&DB on 2017.06.27. DGM (Sewerage) informed that tendering commenced twice but none compiling with tender requirements. Tendering progress 3rd time.
Supply & inst. of electrically driven sludge re-circulation pumps (03 nos.)	8.00	60% completed	Pumps were delivered to SEPZ on 2018.12.12.
Supp./Ins. of Pump sets & necessary accessories for WWTP-SEPZ	8.70	80% completed	Pumps were delivered to SEPZ on 2018.08.24.
Supply & installation of electrically driven centrifugal pumps (03 nos) for No 2 lift station	9.40		Augmentation of WWTP is in progress. As this process would be affected for the pumps specifications/capacities decision has been taken to not to replace the existing pumps. 7.0 Mn. Budget Transfer to road surfacing
Construction of UPVC pipe effluent disposal line - Phase1	3.50	100% completed	Contract sum Rs. 4.28 Mn.
Construction of main entrance building	16.00	40% completed	Up to the substructure had been completed
Development & Operation of a Solid waste management facility at SEPZ	10.00	20% completed	RFP was called to select suitable party to implement incinerator facility at SEPZ
Total	71.1		

(Consultancy Fee)			
Construction of store room & record room	1.75	100% completed	
Preparation of Master Plan at the Entrance Area of SEPZ (Consultancy Fee)	0.50	5% completed	Preliminary design has done by SEC
Construction of proposed day care center	2.00	5% completed	Procurement is in progress
Construction of a shed for sorting of solid waste - Phase I	1.20	100% completed	
Total	19.21		

Miscellaneous - SEPZ 2018

Contract	Allocation Rs. (Mn)	Physical Progress as at 2018.12.31	Remarks
Rehabilitation of failed slope adjacent to the ground reservoir at SEPZ	0.50		Re–visit the slope failure site by Uni-consultancy ser. In order to prepare rectification measures. None of the interim claims has been submitted by Uni- consultancy ser. for feasibility studies/geo testing
Rehabilitation of damaged perimeter fence (part of)	0.65	100%	Contract completed on 2018.09.03
Surveying Work	0.20		No surveying work attended during the year
Supply of two breathing apparatus sets with two extra cylinder - Fire Unit	0.76	100%	Item supplied to SEPZ on 2018.10.31
Supply of portable type fire pump - Fire Unit	4.01	100%	Item supplied to SEPZ on 2018.05.21
Supply of 15 m length, 2.5 inch fire hose - Fire Unit	0.37	100%	Item supplied to SEPZ on 2018.05.14
Construction of sanitary land filling site at lot G2-Phase1	2.96	100%	Contract completed on 2018.03.12
Construction of sanitary land filling site at lot G2-Phase2	4.75	25%	Bids evaluation completed. TEC report submitted to the PC II for approval. 3.00 Mn Budget Transfer to Major Infra. Dev.
Supply & ins. of 100 mm dia. submersible pump at leachate collection well at Lot G2	2.00		Work schedule to attend after completion the structural constructions of leachate collection well & the pump house of SLF phase 2. Budget

			Transfer to Major Infra. Dev.
Supply of new DO meter for WTP	0.40		Env. Unit at SEPZ was allocated fund of Rs 2.3 Mn.
Supply of UV lamps & necessary accessories for UV system at Laboratory	1.00		
Supply of water booth for Laboratory	0.10		
Supply of BOD Incubator for Laboratory	0.30		
Purchase of laboratory equipment	0.50		
Total	18.5		

Senior Officers of the BOI as at 31.12.2018

Mr. H Fernando - Chairman

Ms. C P Malalgoda - Director General

Executive Directors	Department	Location
Name		
Ms. R M Weerakone	Project Monitoring	World Trade Center
Mr. S P K Wijayatilake	Investment Promotion	World Trade Center
Mr. A R Karunaratne	Recoveries Units	World Trade Center
Mr. R M U Senerath	Project Implementation	World Trade Center
Mr. M Ramanayake	Investor Services	World Trade Center
Mr. H M Jayasundara	Engineering Approvals & Special Projects	World Trade Center
Mr. M K D Lawrance	Zone Management	Katunayaka EPZ
Mr. A K A Mahinda	Technical Services	World Trade Center

Directors	Department	Location
Name		
Mr. D S Samarasinghe	Media & Publicity	World Trade Center
Ms. N De Silva	Investment Promotion	World Trade Center
Mr. J P C Jayalath	Information Technology	World Trade Center
Mr. A K Jayasinghe	Zone Management	Biyagama EPZ
Mr. W U K M A Wijayakulathilaka	Investment Appraisal	World Trade Center
Ms. H S Urugodawatte	Industrial Relations	Katunayaka EPZ
Mr. G Dahanayake	Zone Management	Koggala EPZ
Mr. M J K Mohottala	Regional Development	Kandy Industrial Park
Ms. A S Beling	Environment Management	World Trade Center
Mr. T M D Thilakaratna	Zone Management	Wathupitiwela EPZ
Mr. W A G Jayathilaka	Investment Appraisal	World Trade Center
Mr. A S K T R Sibera	Investment Appraisal	World Trade Center
Ms. P S P Pilapitiya	Engineering Approvals & Special Projects	World Trade Center
Ms. S A D D Suraweera	Finance	World Trade Center
Mr. A K Rajakaruna	Investor Services	World Trade Center
Ms. P N Samaraweera	Research & Policy Advocacy	World Trade Center
Mr. H M Keerthiratne	Human Resources Management	World Trade Center
Ms. D A S Amarakoon	Internal Audit	World Trade Center
Mr. H S K Fernando	Zone Management	Katunayaka EPZ
Mr. K A D N Kumarapeli	Zone Management	Seethawaka EPZ
Mr. W N W Dabare	Regional Office	North Western Regional Office
Mr. S Paranawidanage	Technical Services	World Trade Center
Mr. Brig. D A Amunugama	Security & Fire	World Trade Center

Acting Directors	Department	Location
Name		
Mr. S J Gamage	Administration	World Trade Center
Ms. N N Andrahennadi	Industrial Relations	World Trade Center

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