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இலங்கை புடவை மற்றும் ஆடை நிறுவகம்  
Sri Lanka Institute of Textile & Apparel

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வருடாந்த அறிக்கை  
ANNUAL REPORT

2019



MINISTRY OF INDUSTRIES

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Email: train@slita.lk / train@textile-clothing.lk  
Web: www.slita.lk



## OUR VISION

“To be a Globally Recognized Centre  
for Developing Proficiency of Personnel  
and Providing Consultancy Services,  
testing,  
R & D and Innovation for the Industrial  
Sectors of Textile , Apparel and  
Leather products.”

## OUR MISSION

"To Provide Proficient, Well-trained Human Capital,  
Reliable Expertise, and Innovative Solutions  
to enhance the productivity  
Product and services quality  
and corporate value of the Textile, Leather  
products,  
Apparel and Allied Industries seeking  
Sustainable Development".

**Our  
Services**

**Training**

**Testing**

**Technical  
Services**

**Consultancy**

# CORPORATE INFORMATION

<b>Name of the Institution</b>	: Sri Lanka Institute of Textile & Apparel
<b>Address</b>	: Kandawela Estate, No.02 Gen. Sir John Kotalawela Mawatha Ratmalana
<b>Registration</b>	: Act No. 12 of 2009
<b>Legal Form</b>	: Statutory Board
<b>Line Ministry</b>	: Ministry of Industry & Supply Chain Management
<b>Board of Directors</b>	: <ul style="list-style-type: none"><li>• Mr.M.A.Thajudeen (Chairman)</li><li>• Mr.E.A.N.S. Perera- Observer</li><li>• Mr. K.H. Bandula Fernando</li><li>• Dr.C.N.Herath</li><li>• Dr.U.G.S.Wijeyapala</li><li>• Mr.W.P.A.G Weerasinghe</li><li>• Mr.A.L.M.Salim</li><li>• Mr.W.D.U.Silva</li><li>• Mr.Felix Fernando</li><li>• Mrs.R.M.Jayanthi</li><li>• Mr.Jafar Sattar</li></ul>
<b>Auditor</b>	: Department of Auditor General
<b>Telephone Nos.</b>	: 2632406/2636336/2636337
<b>Fax No.</b>	: 2636337
<b>E.Mail</b>	: director@textile-clothing.lk
<b>Website</b>	: www.slita.lk

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## **AN OVERVIEW OF THE INSTITUTE**

### **INTRODUCTION**

Sri Lanka Institute of Textile, SLITA, has been in the forefront of the business world of Textile and Apparel industry and its presence is acknowledged by the producers, in the industry, as the institution has been contributing to their success. Our institute, offers its competency to the industry in testing, training and consultancy services, which, in turn, would be adapted to industry advantages, in their own operations of the business. As a result, industrialists have been able to develop their edges of their own capabilities to gain the status as star class cash cows. This trend persists and continues unceasingly, with the contribution of our organization and we, as the driving force of the knowledge, have envisioned to grow with the latest industry demands and requirements.

In the global arena of textile and apparel industry, trends are dynamic and revolutionary with the developments of latest techniques on the production floor and the users are more intelligent than ever, to select the right product to their satisfaction. As a result, producers are now, finicky about their products that go to the market to match the pulse of the users. It is now a competition between the product and the mind-set of the users, as customers look for fine and flawless products, in the market.

In this process, SLITA, as a training institution, becomes instrumental in producing visionary leaders to the industry. The role of SLITA is crucial in this respect, as it offers training, testing and consultancy services as its core business services to cater to the emerging world of textiles and apparel. In order to look for untapped opportunities in the global marketplace, the institution, now, is geared to train both school leavers and industry personnel in various disciplines that are demanded in the industry sector.

During the past years, the Institute has gained a sizeable portion of income through training activities and the income gained through testing remained average. Student population is, truly, on a rapid rise, reaching to a couple of thousands and more facilities are planned, to increase the intake, in the years to come. Further, as the concept of productivity is gaining grounds, specialized training programmes are offered to those industrialists, that require improvements in productivity in order to compete in local and international markets. In parallel to this, training courses for cottage based industries take a centre stage of the services of the institute to impart knowledge to the communities in the less privileged districts, so that communities are able to upgrade their standards of living through a sustainable livelihood. As the institutes progresses on the path of development, there looms large a host of business opportunities in the offing for the institution to grow with.

## **The Board of Governors**

The Board of Governors are entrusted with the powers to make decision on policy and legislation of the Institute and Director General executes the decisions of the Board. The Board Meetings are held each month and the members review the progress & activities and set guidelines for operations of the Institute.

### **The Board as at 31.12.2019**

1	Mr.M.A.Thajudeen	Chairman	Ministry of Industry & Supply chain Management
2	Prof.C.N.Herath	Member	Open University
3	Prof. (Ms.).U.G.S.Wijayapala	Member	University of Moratuva
4	Mr.W.Dhananjaya U Silva	Member	Textile Manufacturing Association
5	Mr.K.H.Bandula Fernando	Member	Chamber of Garment Exporters Association
6	Mr.Felix Fernando	Member	Sri Lanka Apparel Exporters Association
7	Mr.Jafar Sattar	Member	Sri Lanka Apparel Exporters Association
8	Ms.R.M.Jayanthi	Member	Ministry of Finance & Planning
9	Mrs.W.P.A.U.Weerasinghe	Member	Ministry of Industry & Supply chain Management
10	Mr.E.A.N.S.Perera	Observer	
11	Mr. A.L.M. Saleem	Member	Ministry of Development Strategies & International Trade

### **Staff As At 31.12.2019**

The total staff strength – 95

<i>Category</i>	<i>Management &amp; Operation</i>	<i>Technical/ Operation</i>	<i>Finance</i>	<i>General/ Administration</i>
Employees	05	49	05	30
Trainee	-	-	-	-
Assignment	-	6	-	-

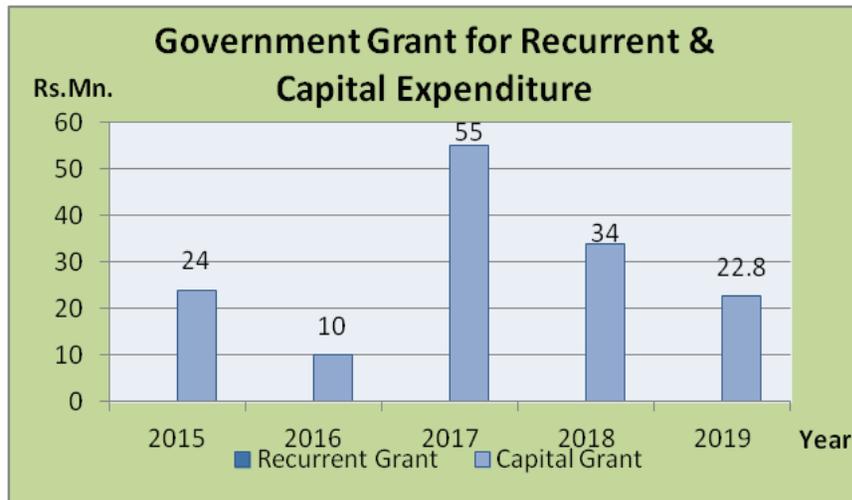
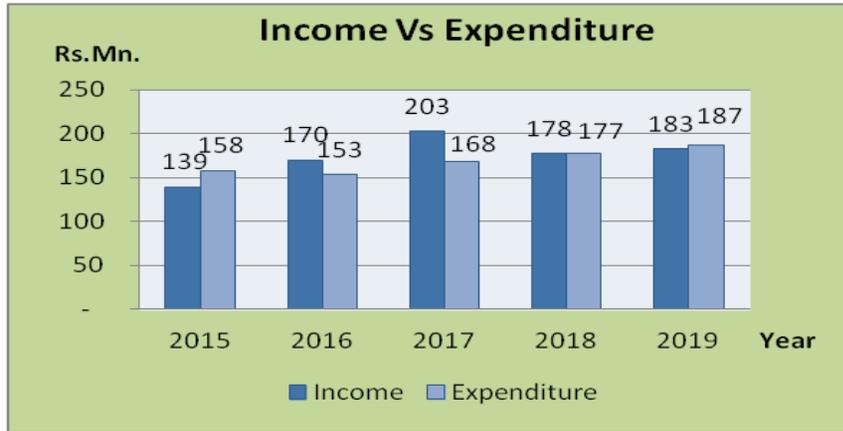
- Mr. A.Robert .V. Peries - Director General  
B.Sc (Eng.) Hons,MBA(UK),AMIE(SL),MIAE(HK)  
MCPM(SL), PG Dip IE,MA Dev.studies & Public Policy
- Mr. Mr. S. Ilangovan - Director (Training and Technical)  
B.Sc. (Eng.) (Text),MBA,AMIE(SL)
- Mr. P.V.S. Wijyaratne - Director (Operations)  
M.Sc.(MIT), M.Sc (Mgt.), B.Tech(Eng.)Hons  
AMIE(SL),LLB
- Mr. M.P. Kannangara - Deputy Director (Administration)  
MBA(P.I.M.)  
B.Sc.(Col.), PG. Dip in International Rel:(BCIS)  
Dip.in American Professional Qualification-HRM  
LLB (UG),Diploma in Legal Studies.
- Mrs. Y.A.P.G. Yapa - Accountant  
MPACC,B.Com (Special) , CBA
- Mr.M.S.M.Ilham - Internal Auditor  
HNDA,ACPM

### **Senior Staff ( Technical)**

- Mr. G. K. K. S. Kumara - Chief Technologist, B.Sc.(Eng.) (Text),MBA,AMIE(SL)
- Mr. B.L.S.P. Nishantha - Chief Technologist, B.Sc. (Hons.),M.Sc.(Text.)
- Mr. J.P. Samarakoon - Chief Technologist, NDT (Mech)
- Mrs. K.A.R.V. Abeywardena - Chief Technologist NDT (Text. Tech.)
- Mr. K.Jegatheesan - Chief Technologist, B.Sc.(Eng.)(Text),M.Sc.(Text),AMIE(SL)
- Mr.W.M.S.K.Wijebahu - Chief Technologist, B.Sc. (Eng.),M.Sc,AMIE(SL)

# PERFORMANCE HIGHLIGHTS

## 1. Financial Performance



## 2. Physical Performance



## MESSAGE FROM CHAIRMAN

In the global textile and apparel industry, trends are dynamic and revolutionary with the developments of latest techniques on the production floor, and the users are more intelligent than ever, to select the right product to their satisfaction. As a result, producers are now, concerned about their products that go to the market to match the pulse of the users. It is now a competition between the product and the mind-set of the users, as customers look for fine and flawless products in the market.

Sri Lanka Institute of Textile and Apparel has been in the forefront of the business world of Textile and Apparel industry with its dominant presence, and has been contributing profusely to the success of the industry. Our institute, offers its competencies to the industry in testing, training and consultancy services, which, in turn, would be adapted to industry advantages in their own operations of the business. As a result, industrialists have been able to develop their edges of their own capabilities to gain the status as star class cash cows.

SLITA, as a training institution, becomes instrumental in producing visionary leaders to the industry, and I consider it a privilege, as the Chairman of the institute, to spearhead the organization to new heights in textile and apparel sector. The role of SLITA is crucial in this respect as it offers training, testing and consultancy services to cater to the emerging world of textiles and apparel. In order to look for untapped opportunities in the global marketplace, the institution, now, is geared to train both school leavers and industry personnel in various disciplines that are demanded in the industry sector.

During the year under review, the institute has gained a sizeable portion of income through training activities and the income gained through testing remained average. Student population is, truly, on a rapid rise, reaching to a couple of thousands and more facilities are planned to increase the intake in the years to come. Further, as the concept of productivity is gaining grounds, specialized training programmes are offered to those industrialists, that require improvements in productivity in order to compete in local and international markets. In parallel to this, training courses for rural community are highlighted in various disciplines, so that their potential and capabilities are enhanced to gain optimum employability. In this respect, the services of the institute are geared to impart knowledge to the communities in less privileged districts so that communities are able to upgrade their standards of living through a sustainable livelihood.

I wish the institute a success in every endeavour.

M.A. Thajudeen

Chairman- SLITA

## MESSAGE FROM DIRECTOR GENERAL

Sri Lanka Institute of Textile Apparel, SLITA, was formulated as a body corporate, by a Parliament Act, after merging its two predecessor institutions for better synergies. Thereafter, over the last couple of years as an institution, SLITA has been treading on its path of development to deliver its core business activities to the industry. During the year under review, many are the challenges of the year, the institute has to face, in an ever expanding global market. But, we faced all the challenges with the capabilities of the dedicated members of the staff, who possess admirable experience in the textile and apparel field.

The institute is, predominantly, an educational entity, with a team of highly qualified members of staff capable of delivering the core business components to match the requirements of the industry. As the expectations of the industry are at higher levels, the institute is making every effort to match the demand of the industry. As a result, on one hand, we have laid the foundation to acquire degree awarding status to become the Textile and Apparel University in Sri Lanka. Further, opportunities are being explored to enter into collaborative efforts with the higher seats of learning, thereby, more students are exposed to the portals of higher educations. In the meantime, the institute has paved the way for the youths, as well as industry personnel, to upgrade their standards targeting their career advancements.

In the analysis of the income generated from testing, training and consultancy, the income generated from the laboratory is 25% of the total revenue in the year under review, and the training income is 48% of the total revenue, for the same year, while the income generated by consultancy services was relatively maintained at the same level as the previous year. Meanwhile, the total income generated by the organization for the year, under review has increased by 3%, as against the previous year. The training courses and the curricula of the programmes conducted during the year were revised to the industry requirements, and the infrastructure facilities in the testing lab are upgraded with the state-of-the-art facilities to match the standards required by the international bench marks.

I appreciate the co-operation extended by the Ministry of Industry & Supply Chain Management and members of the staff of SLITA. I owe my greatest thanks to the Chairman and the Board of Governors for their untiring efforts and encouragements given to us in achieving excellence, as a pioneering institution in the country.

Finally, I wish the institute a good luck

Thanking you.

Eng. Robert.V.Peiris

Director General – SLITA

## **STATEMENT OF DIRECTOR GENERAL'S RESPONSIBILITIES**

The responsibilities of the Director General, in relation to the financial statements of the Institute, differ from the responsibilities of the Auditors.

As per the provisions of the Finance Act, the Director General is required to prepare financial statements for each financial year giving a true and a fair view of the state of affairs of the organization as at the end of the financial year and of the results of its operations for the financial year.

The Director General considers that, in preparing these financial statements, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Director General is also confident that the organization has adequate resources to continue in operation and have applied the going concern basis in preparing these financial statements. Further the Director General has a responsibility to ensure that the organization maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the organization and to ensure that the financial statements presented comply with the requirements of the Finance Act.

The Director General is also responsible for taking reasonable steps to safeguard the assets of the organization and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

The Director General is confident that he has discharged his responsibilities as set out in this statement. The Director General also confirms that to the best of his knowledge, all statutory payments by the organization as at the Balance Sheet date have been paid or where relevant, provided for.

## **ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### **1. Basis of Preparation**

- (i) The financial statements comply with Sri Lanka Accounting Standards (SLAS) for the accrual basis of accounting. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.
- (ii) The calendar year is the Financial Year of the Institute.
- (iii) Financial Act No.38 of 1971 applies in respect of financial control and accounts of the Institute.

### **Accounting Policies**

#### **1. Property, Plant and Equipment**

All Infrastructure, plant and equipment other than land are stated at historical cost/valuation, less accumulated depreciation.

Cost includes all costs directly attributable to bringing an asset to working condition for its intended use. Significant renovations are capitalized if they extend the life of the asset beyond its originally estimated useful life or increase its recoverable value. Maintenance, repairs and minor renewals are charged to income as incurred.

The cost of Infrastructure, plant & equipment that are disposed of are eliminated from the balance sheet, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by reference to their carrying amount and are taken into account in determining operating profit.

## 2. Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of all property, plant and equipment in order to write-off such amounts over the following estimated useful lives by equal installments.

Following rates are applied for the depreciation .

Buildings	2.5%
Plant and Machinery	10%
Furniture ,Fittings, Fixtures &Equipment	10%
Canteen Equipment	10%
Motor Vehicles	10%
Computers & Software	20%
Books and Periodicals	10%
Lab Equipment	10%
Video Programme	25%
Industrial Sewing Machine	10%

Full depreciation rate is charged for the assets acquired in the first half of the year and 50% depreciation rate is charged for acquisition during the second half of the year.

## 3. Inventories

All inventories are held to be used by the Institute, in providing its services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using First In, First Out (FIFO) method.

## 4. Trade Receivables

Trade receivables are carried at original invoice amount.

## 5. Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, deposits and other short term highly liquid investments with original maturity of three months or less.

## 6. Provisions

Provisions are recognized when the Institute has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

## 7. Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions and gains and losses resulting from the settlement of such transactions are recognized in the income statement.

## **8 Superannuation**

Terminal benefits are provided for those employees who have completed one year of service in the Institution, under the Gratuity Act No. 12 of 1983 and LKAS 19. Basic salary includes cost of living allowances and the special living allowance also.

## **9. Defined Contribution Plan**

All employees of the Institute are members of the Employees' Provident Fund and Employees' Trust Fund, to which the Institute contributes 12% and 3% respectively of such employees' basic salary together with the cost of living allowance and other special living allowance.

## **10. Revenue Recognition**

Revenue is recognized on an accrual basis on invoiced value for sale of services net off Value Added Tax, Nation Building Tax and discounts.

## **13. Expenditure**

Expenses are recognized on accrual basis. All expenditure incurred in running the Institute and in maintaining property, plant & equipment in a state of efficiency have been charged to income in arriving at the profit for the period.

## **14. Cash Flow**

Statement of Cash Flow is prepared using the Indirect Method.

## **13. Government Grant**

Government grant related to assets and non monetary grants are accounted according to the new standard (LKAS20). Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expenditure item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the Institute receives non-monetary grants, the assets and that grants are recorded at nominal amounts and are released to the income statement over the expected useful life of the relevant assets by equal annual installments.

## GENERAL DISCLOSURE

1. Financial statements have been prepared as per the guidelines given in the SLPSAS-1 and SLPSAS -11 .

2. **Investments in Treasury Bills, Fixed Deposit and call deposits**

Investments in call Deposits are stated in the accounts at cost.

Investments in Treasury Bills and Investment in fixed Deposits are stated in the accounts at accumulated value.

3. **Provision for Bad Debtors**

Bad debtors provision is represented under deduction of Trade receivables .

In compliance with SLFRS, debtors are grouped in different categories' and according to their pattern of payment following bad debtors provisions are applied.

<b>Age group</b>	<b>Provision rate</b>
<90 Days	0%
90 to 180 Days	2%
180 to 360 Days	3%
360 to 720 Days	4%
720 to 1080 Days	5%
>1080 Days	100%

4. **Inventories**

All inventories are held to be used by the institute, in providing its services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using first in first out (FIFO) method.

5. **Gratuity provision**

Total amount of the gratuity provision was invested on fixed deposits from 2014 and stated under Superannuation heading.

6. **Government Grant**

Depreciation portion of the Capital purchases from grants are accounted as deferred income.

**7. Revaluation**

Completion of Revaluation Report was not submitted by the government valuation department in the year.

**8. Productivity Improvement programme**

The excess amounts received by the institute on PIP programs are included under Other consultancy income.

**9. Disposal of Assets**

Disposal process and all adjustments were completed in the year.

**10. Provision for staff development fund**

Provision for staff development fund was calculated for this year at 0.5% on recovery in accordance with the Act.

**11. Research and Development Project**

SLITA implements the Banana Yarn project under Research and development project and funded by the Ministry.

**12. Capital Grant**

Under this, fund granted by the ministry for following projects.

- Productivity Improvement Programme
- SME
- Health and safety project
- Footwear Training
- Development of new Banana Yarn
- Wet Processing programme
- Training Need Analysis
- Fabric Library
- Learning management System
- Classification of Body Measurement and sizing for children figure type.
- Library Automation and collection development System

**13. Palamunai Dye Centre**

SLITA operated business at palamunai dye centre and that operation was closed and handed over to DTI on 2019.05.23.

**14. Projects**

Several projects were completed in the year and expenses were born by the Institute. An amount of Rs.38, 078,766.19 is due from Ministry of Industry and Commerce at the end of the year.

**SRI LANKA INSTITUTE OF TEXTILE & APPAREL**  
**STATEMENT OF FINANCIAL POSITION AS AT 31.12. 2019**

	Note No.	2019	2018
		Rs	Rs
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	1	267,137,133	258,032,423
Receivables	2	49,186,878	62,642,741
Inventories	3	2,631,283	2,744,173
Pre payments	4	1,172,960	1,231,713
Payment in advance for capital works	5	22,102,761	3,850,912
Other current Assets	6	10,655,409	8,910,825
<b>Total current Assets</b>		<b>352,886,424</b>	<b>337,412,785</b>
<b>Non - Current Assets</b>			
Infrastructure, Plant and Equipment (Net)	7	102,527,165	104,208,652
Land & Buildings (Net)	8	47,245,512	50,696,779
		<b>149,772,677</b>	<b>154,905,431</b>
<b>Total assets</b>		<b>502,659,101</b>	<b>492,318,216</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	9	16,892,060	10,611,842
Short - term provisions	10	1,803,295	2,148,627
		18,695,355	12,760,469
<b>Non current liabilities</b>			
Superannuation	11	43,911,044	38,005,998
		43,911,044	38,005,998
<b>Total liabilities</b>		<b>62,606,399</b>	<b>50,766,467</b>
<b>Net assets</b>		<b>440,052,703</b>	<b>441,551,749</b>
<b>Net assets/ Equity</b>			
Govt. Contributions & Foreign Aid	12	161,932,729	162,061,321
Other projects	13	2,740,072	18,919,541
Accumulated surplus (Deficit)	14	275,379,902	260,570,887
<b>Total net assets / Equity</b>		<b>440,052,703</b>	<b>441,551,748</b>

The Board of Directors is responsible for the preparation and presentation of these financial statements. These Financial statements were approved by the Board of Directors on 25.02.2020 and signed on their behalf.



.....  
**BOARD MEMBER**



.....  
**ACCOUNTANT**



.....  
**CHAIRMAN**

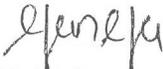
**SRI LANKA INSTITUTE OF TEXTILE & APPAREL**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2019**

	Note No.	2019 Rs	2018 Rs
<b>Revenue</b>			
Fees and others	15	182,923,000	177,510,267
<b>Total Operating Revenue</b>		<b>182,923,000</b>	<b>177,510,267</b>
<b>Expenses</b>			
Personal Emoluments (Wages, Salaries & Employee benefits)	16	100,499,756	92,400,532
Traveling	17	1,037,300	515,325
Supplies & Consumables used	18	11,465,526	11,264,143
Repairs and Maintenance	19	5,540,725	8,024,248
Contractual Services	20	20,041,763	20,150,913
Depreciation & Amortization expenses	21	24,191,721	23,945,918
Other expenses	22	23,634,745	20,175,295
Finance Cost	23	182,001	203,288
		<b>186,593,536</b>	<b>176,679,662</b>
<b>Surplus/(Deficit) from operation activities</b>		<b>(3,670,535)</b>	<b>830,605</b>
<b>Other revenue</b>			
Deferred Income	24	23,015,726	23,828,239
<b>Total other revenue</b>		<b>23,015,726</b>	<b>23,828,239</b>
<b>Total Surplus/(Deficit) for the period</b>		<b>19,345,190</b>	<b>24,658,844</b>

The Board of Directors is responsible for the preparation and presentation of these financial statements. These Financial statements were approved by the Board of Directors on 25.02.2020 and signed on their behalf.

  
.....  
BOARD MEMBER

  
.....  
ACCOUNTANT

  
.....  
CHAIRMAN

**SRI LANKA INSTITUTE OF TEXTILE & APPAREL**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31st DECEMBER 2019**

	Schedule No.	2019 Rs	2018 Rs
Surplus/(Deficit) for the period		19,345,190	24,658,844
Adjustments for			
Amortization - Differed income		(23,015,726)	(23,828,239)
Depreciation		24,191,721	23,945,918
Operating surplus/(Deficit) before working capital changes		20,521,185	24,776,523
Increase in provision for Gratuity		7,833,855	3,588,649
(Increase)/Decrease in Inventories		112,889	262,781
(Increase)/Decrease in pre payments		58,753	215,972
(Increase)/Decrease in other current assets		(1,744,584)	892,639
(Increase)/Decrease in Trade & Other Receivables		13,455,862	30,087,806
Decrease in previous year deficit (P/y/adj)		(4,536,175)	(366,139)
Increase in Trade other Payables		6,280,218	(706,879)
Increase in provisions		(345,332)	(99,175)
Error correction-Capitalized Canteen advance payment		1,759,857	-
Profit from disposal		(54,635)	-
Error correction-Dep. Canteen advance payment		(43,996)	-
Gratuity Payments made		(1,928,810)	(4,130,708)
<b>Net Cash Flows from Operating Activities</b>		<b>41,369,088</b>	<b>54,521,469</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Plant & Equipments		(20,780,502)	(25,580,013)
Advance Payment for Capital Expenditure		(18,251,849)	32,954,843
Disposal of Assets		60,310	29,539
Human Capacity Building		-	-
<b>Net Cash Flows from Investing Activities</b>		<b>(38,972,041)</b>	<b>7,404,369</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Capital Grants (Cash)		3,857,000	12,543,000
Capital Grants (Assets)		19,030,134	15,757,393
Changes in other Grants		-	(24,667,999)
Changes in other projects		(16,179,469)	(4,210,415)
<b>Net Cash Flows from financing Activities</b>		<b>6,707,665</b>	<b>(578,021)</b>
<b>Net increase/(Decrease) in cash and cash equivalents</b>		<b>9,104,712</b>	<b>61,347,817</b>
<b>Cash and cash equivalent at beginning of period</b>		<b>258,032,421</b>	<b>196,684,603</b>
<b>Cash and cash equivalent at end of period</b>	<b>1</b>	<b>267,137,132</b>	<b>258,032,421</b>

**Schedule No.1**

**Cash & Cash Equivalents**

**Cash at Bank**

Bank of Ceylon -Ratmalana(A/C 9521019)	4,281,161
Bank of Ceylon Ratmalana Foreign Currency (A/C7011691)	1,168,917

**Short term Investments**

Fixed deposits in BOC NRFC A/C No.000008446418	4,323,931
Treasury Bills (Gratuity fund)	15,681,586
Call deposit (including Gratuity fund)	241,681,537
	<b>267,137,133</b>

**SRI LANKA INSTITUTE OF TEXTILE & APPAREL**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2019**

	<i>Schedule No.</i>	<i>Contributed capital</i>	<i>Other reserves</i>	<i>Translation reserves</i>	<i>Accumulated surplus/deficit</i>	<i>Total NA/E</i>
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.12.2018	1	180,980,861	-	-	260,570,887	441,551,748
Changes in accounting policy		-	-	-	-	-
Changes NA/E in the year	2	(16,308,061)	-		(4,536,175)	(20,844,236)
Gain on property revaluation		-	-	-	-	-
Loss on revaluation of Investments		-	-	-	-	-
Foreign currency translation losses		-	-	-	-	-
Net revenue directly recognized in NA/E		(16,308,061)	-	-	(4,536,175)	(20,844,236)
Surplus/deficit for the period		-	-	-	19,345,190	19,345,190
Total revenue recognized for the period						-
<b>Closing balance as at 31.12.2019</b>		<b>164,672,801</b>	<b>-</b>	<b>-</b>	<b>275,379,902</b>	<b>440,052,703</b>

		2019 Rs	2018 Rs
<b>1 Cash &amp; Cash Equivalents</b>			
<b>Cash at Bank</b>			
Bank of Ceylon -Rathmalana (A/C 9521019)		4,281,161.21	3,940,984.16
Bank of Ceylon - Rathmalana Foreign Currency (A/C7011691)		1,168,917.36	1,159,680.82
Short term Investments (Discloser No.2)	1.1	261,687,054.25	252,931,756.05
		<b>267,137,132.82</b>	<b>258,032,421.03</b>
<b>1.1 Short term Investments (Discloser No2 )</b>			
Fixed deposits in BOC NRFC A/C No.000008446418 (Gratuity fund)		4,323,930.63	3,931,739.58
Treasury Bills (Gratuity fund)		15,681,586.19	14,448,158.68
Call deposit (including Gratuity fund)		241,681,537.43	234,551,857.79
		<b>261,687,054.25</b>	<b>252,931,756.05</b>
<b>2 Receivables</b>			
<b>Trade receivables (Discloser No.3)</b>			
Testing debtors	(2.1)	4,755,234.27	2,671,379.27
Training - Internal debtors	(2.2)	4,254,340.80	3,486,648.80
Training - External debtors	(2.3)	320,720.00	161,600.00
Consultancy services debtors	(2.4)	552,558.88	83,558.88
Customer / Technical Services debtors	(2.5)	199,088.00	32,680.00
Other Trade debtors	(2.6)	963,660.56	345,129.45
		<b>11,045,602.51</b>	6,780,996.40
Less - Provision for Bad debtors		(4,409,394.31)	(4,157,433.26)
		6,636,208.20	2,623,563.14
Sundry debtors	(2.7)	<b>42,550,670.00</b>	60,019,177.39
		49,186,878.20	62,642,740.53
<b>2.1 Testing Debtors</b>			
Alpha Apparels		236,852.00	443,623.50
Benji Ltd		78,325.00	-
Bernard Phil knit (Ceylon) Ltd		-	4,290.60
Brandix Apparel Ltd		19,317.75	19,317.75
Brandix Apparel Ltd - FC		2,761.20	2,757.48
Brandix Casual wear Ltd - FC		1,727.52	1,727.52
Brandi Intimate Apparels Ltd		4,830.00	4,830.00
Celcius Solutions (Pvt) Ltd		19,656.00	-
Civil Security Department		33,450.00	33,350.00
Cliftex Industries Ltd		37,325.00	-
Clifton Industries Ltd - Normal Testing		-	9,996.00
Coconut Cultivation Board		16,848.00	-
Consumer Affairs Authority		5,255.04	5,255.04
Cotton Para dais		-	29,295.68
Creative Textile Mills - Normal testing		11,043.00	22,111.05
Creative Textile Mills -Forces Uniform		1,038,964.63	-
Department of Christian Religious Affairs		19,818.00	-
Department of Civil Security		47,196.00	-
Department of Immigration & Emigration		1,408.18	-
Department of Wild Life Conservation		23,328.00	-
DG Fashions Garment (put) Ltd		7,539.84	7,539.84
Delink & Madushani Product		-	21,295.68
Directorate of Ordnance Services S.L.Army		248,600.40	248,600.40
Dousle XL		-	3,069.43
D Samson Industries Pvt Ltd		-	850.43
Excise Department of Sri Lanka		-	27,096.30
Fireflies for Lanterns		17,419.05	-
General Sir John Kotalawala Defence University		22,111.05	22,111.05
G P Garments (Pvt) Ltd		169,614.50	-
Harsha International Ltd		4,809.30	-
Hela Clothing (Pvt) Ltd		570.80	570.80
Hela Clothing (Pvt) Ltd - FC		44,999.21	44,999.21

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
Hela Marketing & Design Centre	9,775.00	9,775.00
Hela Salu Weaving	-	29,295.68
Iroscha International	21,606.75	4,516.05
Kabeer Handloom	29,295.68	-
Lanka Salusala	27,096.30	27,096.30
Lakshman Industries	-	21,295.68
Liya Sahana Handloom Society	-	21,295.68
Mas Active (Pvt) Ltd - Linea Intimo	219,475.00	121,788.00
Mas Active	4,182.00	14,994.00
Ministry of Defence	187,515.00	-
Ministry of Education & Higher Education	6,740.16	6,740.16
Mirage Industries - Forces Uniform	21,134.40	21,134.40
M.S.R.Apparel	-	3,753.60
National Youth Service Council	-	26,509.80
Omega Line Ltd	-	136,425.00
Openta Pvt Ltd	-	7,474.93
Penguin Leisurewear (Pvt)Ltd	26,128.58	26,128.58
Police Head Quarters	111,908.94	111,908.94
Prabha Textile Industries -Forces Uniform	77,760.00	-
Radiant Textile	2,463.30	2,463.30
Rajitha Tex - Forces Uniform	281,238.70	-
Rathanjana Textiles	16,832.55	-
Regitsrar - Magistrate Court	49,999.99	49,999.99
Rhino Consultants & Facilitators	-	1,887.00
Sarasavi Exports (Pvt) Ltd	-	23,254.73
S.G.S Lanka (Pvt) Ltd	35,813.72	204,506.65
Shinsee Lanka (Pvt) Ltd	12,850.47	12,850.47
Sin Mar Colombo Pvt Ltd	15,410.03	-
Sirio ltd	80,275.00	60,537.00
Skansco Trading Company (Pvt) Ltd	20,628.00	-
Spencer Denim Industries (Pvt) Ltd	1,583.55	1,583.55
Sri Lanka Airforce Head Quarters	-	255,765.00
Sri Lanka Army Headquarters	408,592.00	-
Sri Lanka Army	85,445.32	85,445.32
Sri Lanka Customs	17,595.00	17,595.00
Sri lanka Home guard Forces	17,250.00	17,250.00
Sri Lanka Navy	260,415.72	204,336.88
Sri Lanka Standard Institution	805.00	17,344.30
Star Textile Processing Industries	181,440.00	-
S & S Safety Equipment Holdings	23,973.10	23,973.10
Super Fashion Garment	523.43	523.49
Sin Mar Colombo Pvt Ltd	-	15,410.03
Sriyani Ikramm Medical Industries Pvt Ltd	-	15,512.93
Texlan Center (Pvt) Ltd	5,202.00	-
Textured Jersey Lanka PLC	-	2,790.00
Thisanva Enterprises	18,468.00	-
Tristar Apparel Export (Pvt) Ltd	790.00	790.00
T & T Fashion	-	1,583.55
Union Colombo Washing	7,600.00	-
Vanguard Industries Ltd	109,108.00	12,880.00
Vanguard Industries Ltd - Forces Uniform	242,028.06	100,277.42
Winner Guys	2,516.05	-
	<u>4,755,234.27</u>	<u>2,671,379.27</u>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>2.2 Internal Training Debtors</b>		
Course fees to be received from students	2,755,735.00	2,486,935.00
Air Force Sewavanitha Garment (SME)	20,400.00	20,400.00
Alpha Apparels Ltd	16,200.00	143,700.00
Bodyline (Pvt) Ltd	76,500.00	-
Broadway Kids(pvt) Ltd	18,128.00	-
Celcious (Pvt) Ltd	46,000.00	46,000.00
Department of Rural Industry	350,000.00	-
Dynamic Clothing(Pvt) Ltd	7,650.00	7,650.00
Everest Footwear Industries	40,800.00	40,800.00
Magi Enterprises Lanka (Pvt) Ltd	102,000.00	-
Jayz Arvind Enterprises Ltd	118,320.00	118,320.00
MRC Embroidery	-	17,952.00
Nordex (Pvt) Ltd	54,840.00	54,840.00
N P N Perera & Co . (Pvt) Ltd	40,800.00	40,800.00
Obaidani Apparel (Pvt) Ltd	127,500.00	-
One Time Training Customers	353,398.20	353,398.20
Paradigm Clothing (Pvt) Ltd	3,750.00	3,750.00
Pearly Fashion	30,600.00	30,600.00
Prym Intimates lanka (Pvt) Ltd	25,600.00	25,600.00
Rusirumal (Pvt) Ltd.	1,000.00	1,000.00
Sri Lanka Army	4,000.00	4,000.00
Sirio Ltd	-	29,784.00
Textured Jersey (Pvt) Ltd	46,350.00	46,350.00
Trig Apparel (Pvt) Ltd	14,769.60	14,769.60
	<b>4,254,340.80</b>	<b>3,486,648.80</b>
<b>2.3 External Training Debtors</b>		
Eligant Knitting(pvt)Ltd	159,120.00	-
Kane Apparel	10,200.00	10,200.00
Lanka Garments Mfg. Co Ltd	7,500.00	7,500.00
Pattern Garment (SME)	12,500.00	12,500.00
Queens workwear	30,000.00	30,000.00
Shas Wear (Pvt) Ltd	30,600.00	30,600.00
S G Q Apparel	30,000.00	30,000.00
Sri Lanka Army Ordnance Factory	40,800.00	40,800.00
	<b>320,720.00</b>	<b>161,600.00</b>
<b>2.4 Consultancy Services Debtors</b>		
Department of Health services	1,730.40	1,730.40
Hirdaramani International Exports Pvt Ltd	469,000.00	-
Pathma Distributors	2,203.20	2,203.20
Policy Headquarters	18,506.88	18,506.88
Special Task Force	22,505.28	22,505.28
Sri Lanka Customs	13,708.80	13,708.80
Sri Lanka Navy	24,904.32	24,904.32
	<b>552,558.88</b>	<b>83,558.88</b>
<b>2.5 Customer /Technical Services Debtors</b>		
Department of Christian Religious Affairs	23,920.00	-
Nordex (Pvt) Ltd	3,300.00	3,300.00
Police Head Quarters	25,806.00	-
Sha Lanka Apparel	17,650.00	17,650.00
Skansco Trading Co.(Pvt) Ltd	26,892.00	-
Sri Lanka Army Head Quarters	74,520.00	-
Vanguard Industries Ltd	27,000.00	11,730.00
	<b>199,088.00</b>	<b>32,680.00</b>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>2.6 Other Trade Debtors</b>		
Bearfoot (Pvt) Ltd	2,500.00	2,500.00
Fidelity Manufacturing (Pvt) Ltd	200.00	200.00
Forte Healthcare (pvt )ltd	3,240.00	3,240.00
MAS Capital (Pvt) Ltd	46,920.00	46,920.00
MAS Intimates (Pvt.) Ltd	82,516.86	82,516.86
MAS cap team	800.00	800.00
Ministry of Industry & Commerce	618,531.11	-
Orients Garments Ltd Sam-Dyeing	8,625.00	8,625.00
Sri Lanka Chamber of Garment Exporters	12,000.00	12,000.00
Sri Lanka army Head Quarters	20,644.80	20,644.80
State Ministry of Education	161,500.04	161,500.04
Textured jersey lanka (Pvt) Ltd	3,300.00	3,300.00
Unichella (Pvt.) Ltd - Dyed sample	2,882.75	2,882.75
	<u>963,660.56</u>	<u>345,129.45</u>
<b>2.7 Sundry Debtors</b>		
Ministry of Industry & Commerce (PIP & SME)	8,332,684.00	4,479,251.00
Ministry of Industry & Commerce -Research &Dev. Unit Banana fiber	2,631,728.31	26,634,279.35
Ministry of Industry & Commerce- Footwear	6,616,350.00	5,455,000.00
Ministry of Industry & Commerce- Installing Learning Mgt.System	3,692,559.50	-
Ministry of Industry & commerce - Library Automation	684,232.00	-
Ministry of Industry & Commerce- Wet Process.Ind.Project	1,250,000.00	436,170.00
Ministry of Industry & Commerce- Diviyata Udana-Train need analysis	400,399.97	681,763.74
Ministry of Industry & Commerce- Health & Safety Project	3,654,495.37	-
Ministry of Industry & Commerce- Fabric Library	1,917,835.00	392,302.10
Ministry of Industry & Commerce- Body Measurement	1,851,489.35	-
Handloom Development Programme	-	31,981.85
Over Expenditure Mini.of Ind.& Com.Mini Apparel Project	-	261,034.71
Mini.of Ind.& Com.Improve. Of Student Facilities	-	166,991.76
General Treasury	-	5,442,000.00
Canteen rental receivable A/C	-	15,000.00
Miscellaneous advance	52,937.76	38,937.76
Interest receivable on F/D	278,875.74	253,581.04
Interest receivable on Treasury bill	58,525.57	36,914.84
Interest receivable for Call deposits	10,586,871.40	10,002,058.66
Receivable from LK Domain	175.00	-
Welfare Society	399,999.82	399,999.94
Salary advance. For communication	-	3,589.02
Sri Lanka Insurance co.	-	197,250.00
Diviyata Udanaya" Awareness Programme	-	300,905.90
Conducted Train Need Ana for App. Indus Proj.Rs.2 M	-	378,617.51
Fabric Library Establaish.Expen Rs 3.25Mn	-	1,200.00
Health & Safety Certifi.Project.11.31 Mn-2018	-	2,394,174.15
Health & Safety Survay Project-Rs.15 M-2017	-	1,328,893.56
Sawing Machine Maintenance-Rs.8.290Mn	-	644,000.00
Lanka Ashok Leyland PLC	43,280.50	43,280.50
Vat Receivable	98,230.71	-
	<u>42,550,670.00</u>	<u>60,019,177.39</u>
<b>3 Inventories (Discloser No.4 )</b>		
Stationery	1,039,644.18	912,160.22
Training material & Consumables	1,080,305.84	1,220,249.62
Dyes & Yam	<b>15.4.1 314,475.85</b>	<b>414,905.37</b>
Spare parts & Accessories	196,857.30	196,857.30
	<u>2,631,283.17</u>	<u>2,744,172.51</u>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>4 Pre payments</b>		
Insurance - Medical	219,029.23	232,161.47
Insurance- Motor vehicles	341,320.90	391,681.74
Insurance - Fire & other	123,681.66	99,137.09
Insurance - Money in transit	15,443.66	-
Service Contracts - Computers	53,724.95	44,734.77
Service Contract - Furniture & Equipment	80,660.97	135,186.68
Vehicle License	20,248.66	-
Supplies- Accreditation fee of Testing Laboratory	68,027.18	328,811.13
Subscription Fee	822.72	-
Diploma Awarding Ceremoney	250,000.00	-
	<u>1,172,959.93</u>	<u>1,231,712.88</u>
<b>5 Payment in Advance for capital works</b>		
Building Construction	3,762,600.68	3,850,911.98
Renovation Canteen	4,775,116.84	-
Renovation Seminar Hall	13,565,043.46	-
	<u>22,102,760.98</u>	<u>3,850,911.98</u>
<b>6 Other Current Assets</b>		
Staff loans	(6.1) 10,249,409.12	8,504,825.06
Deposits	(6.2) 406,000.00	406,000.00
	<u>10,655,409.12</u>	<u>8,910,825.06</u>
<b>6.1 Staff loans</b>		
Distress loan	(6.1.1) 10,246,909.12	8,499,825.06
Festival advance	(6.1.2) 2,500.00	5,000.00
	<u>10,249,409.12</u>	<u>8,504,825.06</u>
<b>6.1.1 Distress Loan</b>		
Mr. D L Wijetunga	125,000.08	187,500.04
Mrs. W A C Ashoka	192,708.33	70,833.42
Mrs. R M N D Ranasinghe	119,791.66	116,666.60
Mr. R A D R I Perera	197,916.67	68,932.60
Mr. J A Priyantha	213,541.69	99,999.92
Mrs. D A M Priyangika	239,583.33	33,125.00
Mrs. W M D A Warnasooriya	250,000.00	74,999.93
Miss. G S Waduge	250,000.00	156,250.06
Miss. S L S Karunaratne	93,750.10	156,250.06
Miss. T R Jayatilake	244,791.67	156,250.06
Mrs. E A D Sunitha	140,625.07	203,125.03
Miss. P K R S Ariyaratne	171,875.05	234,375.01
Mr. L T D Hettiarchchi	239,583.34	151,250.04
Mr. M D U Jayadasa	229,166.67	74,999.91
Mr. J P D R Wijewardene	95,000.00	155,000.00
Mrs. D N Dodangoda	119,791.75	182,291.71
Mrs. R A D T R Samaranayake	192,708.33	79,166.74
Miss. G S Ranjani	166,213.33	228,543.33
Mrs. C A D S Kandambi	119,791.75	182,291.71
Mrs. T Balachndra	229,166.67	192,708.37
Mrs. J M A S A Jayakodi	24,999.86	74,999.90
Mrs. J M D R R Jayasekara	197,916.67	182,291.71
Mrs. P D R R de Silva	125,000.08	187,500.04
Mrs. B S A Mendis	201,388.92	118,055.64
Mr. W M S K Wijebahu	125,000.08	187,500.04
Mr. Y N Wikramanayake	171,875.05	234,375.01
MR. K A M Priyantha	229,166.68	243,055.56
Mr. Susil Mapatuna	-	99,998.24
Mr. U Wikramasinghe	119,791.75	182,291.71
Mr. N P P S K Pathirana	118,055.64	201,388.92

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
Mrs. H T M D Dinesha	229,166.67	161,458.39
Mr. S P A Sathyapala	104,166.76	187,500.04
Mrs. M S R Bhanu	244,791.67	222,222.22
Mrs. S Thewarapperuma	208,333.36	-
Mr. R M U Ratnayake	119,791.75	182,291.71
Mr. D P Weeraratne	119,791.75	182,291.71
Mrs. Amali Chathurika	83,333.24	137,499.95
Mrs. Y M de Silva	244,791.67	166,666.72
Mrs. W D Nirosha	54,166.55	104,166.59
Mrs. N K Manoja Badrani	41,666.60	166,666.64
Mrs. N C Ranasinghe	104,166.76	166,666.72
Mr. J M D Jayalath	151,041.73	213,541.69
Miss. M. D. L. Feranando	111,111.11	177,777.78
Mrs. M N Ranasinghe	145,833.40	208,333.36
Mr. W A L N Kumara	239,583.34	-
Mr. G K K S Kumara	104,166.76	166,666.72
Mrs. L I Kariyawasam	151,041.73	213,541.69
Mr. K. A. P. Fernando	88,541.77	151,041.73
Mr. A. H. Hibras	234,375.00	151,041.73
Mr. D. P. Wettasinghe	-	120,833.27
Mrs. N. A. C. K. Thirimawithana	201,388.92	33,333.37
Mrs. Y. A. P. G. Yapa	250,000.00	156,250.06
Mrs. P. D. Maduwanthi	223,958.33	77,500.00
Mrs. P. A. Buddhika	79,166.57	129,166.61
Mr. M. M. Mifras	234,375.01	199,850.01
Mr. N. M. M. Rihan	205,625.02	120,000.00
Mr. P. V. S. Wijayaratne	125,000.08	187,500.04
Mrs. S Wathudura	223,958.33	-
Mr. N M Shabeer	79,166.67	-
Mrs. D L Kushlani	234,375.00	-
Mr. C C S Silva	210,833.34	-
Mr. N P K Rajapaksha	239,583.34	-
Mr. I S Jayalathge	215,416.67	-
	<u>10,246,909.12</u>	<u>8,499,825.06</u>
<b>6.1.2 Festival Advance</b>		
Mr. M M M Shabeer	1,250.00	1,250.00
Mrs. Rameeza Bhanu	1,250.00	1,250.00
Mr. A Ahamed	-	1,250.00
Mr. N. Z. Israth	-	1,250.00
	<u>2,500.00</u>	<u>5,000.00</u>
<b>6.2 Deposits</b>		
Electricity Board deposit	250,000.00	250,000.00
R. L. Fernando-Fuel deposit	100,000.00	100,000.00
Oxygen & Acytesity cylinder	36,000.00	36,000.00
Dialog Telecom PLC roaming facility	20,000.00	20,000.00
	<u>406,000.00</u>	<u>406,000.00</u>

## Notes to Financial Statements contd....

### 7. Infrastructure, Plant and Equipment

	Plant & Machinery		Motor Vehicles		Industrial Sewing Machinery		Furniture, Fittings & Equipment		Lab Equipment		Computers		Books & Periodicals		Video Programme		Spare Parts & Acc.		Total	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Cost</b>																				
Cost as at 01/01/2019	43,654,314.48	24,169,059.33	47,375,993.22	68,115,066.96	181,584,041.68	40,348,468.06	8,674,385.82	582,055.00	1,356,195.00	415,859,579.55										
Additions Note no.7.1	11,962,335.95	79,325.00	-	2,364,835.17	-	5,233,356.00	846,503.07	-	-	20,486,355.19										
Disposal	(44,708.02)	-	(20,000.00)	(1,007,209.37)	-	(947,942.44)	-	-	-	(2,019,859.83)										
Cost as at 31/12/2019	55,571,942.41	24,248,384.33	47,355,993.22	69,472,692.76	181,584,041.68	44,633,881.62	9,520,888.89	582,055.00	1,356,195.00	434,326,074.91										
<b>Accumulated Depreciation</b>																				
Accumulated Depreciation as at 01/01/2019	35,061,506.16	17,303,719.08	39,710,601.69	44,876,540.79	131,693,087.56	34,600,436.63	6,466,785.49	582,055.00	1,356,195.00	311,650,927.40										
Depreciation for the year	2,531,240.04	2,052,857.86	1,366,897.73	4,904,217.21	8,210,104.99	2,821,429.65	275,419.88	-	-	22,162,167.36										
Depreciation on Assets Disposed	(44,708.02)	-	(20,000.00)	(1,001,534.37)	-	(947,942.44)	-	-	-	(2,014,184.83)										
Accumulated Depreciation as at 31/12/2019	37,548,038.18	19,356,576.94	41,057,499.42	48,779,223.63	139,903,192.55	36,473,923.84	6,742,205.37	582,055.00	1,356,195.00	331,798,909.93										
Net Book Value as at 31/12/2019	18,023,904.23	4,891,807.39	6,298,493.80	20,693,469.13	41,680,849.13	8,159,957.78	2,778,683.52	-	-	102,527,164.98										

## Notes to Financial Statements contd....

2019

Rs

**7.1 Infrastructure, Plant and Equipment**  
**Property , Plant & Equipment - Additions**

**Plant & Machinery**

HTHPS Dyeing Machine	1	11,962,335.95
		<b>11,962,335.95</b>

**Furniture, Fittings, Fixtures & Equipment**

Telesonic Industrial Fan	1	12,866.35
Computer Chair	1	9,846.57
Media Converter	1	7,050.00
Steel Cupboard	3	59,823.75
02KG CO2 Fire Extinguisher	9	40,950.00
03KG CO2 Fire Extinguisher	20	105,000.00
09 Liters water Stored Pressure Type Fire Extinguisher	18	73,800.00
06 KG ABC Dry Chemical Powder Fire Extinguisher	2	8,200.00
Stainless Steel Name Board -SLITA	1	160,000.00
Lilopad Sqable Electronic Kit	1	29,900.00
Magnifying Piece Glass 1x1'	19	194,636.00
Melamine Cupboard With Glass Door 7' Height	8	596,000.00
Melamine Cupboard With Glass Door 5.5' Height	2	194,000.00
Corner Stand	2	39,200.00
Notice Board	1	45,000.00
Low Back Chair	3	40,972.50
Finger Scanner	2	171,600.00
Mulimedia Projector	2	184,000.00
Office Cupboard	2	37,575.00
Display rack	2	89,000.00
NIKON Digital camera	1	95,040.00
Curtain	1	152,000.00
Government Logo	1	18,375.00
		<b>2,364,835.17</b>

**Computers**

CANON MF Printer MF735CX	1	96,212.50
Desk Top Computer (HP)	2	270,400.00
BROTHER HL-L62000W Printer	1	22,750.00
PROLINK PRO701SFC UPS	3	12,780.00
CANON NF525 Printer	1	56,350.00
CANON LBP 214DW Printer	1	23,500.00
CANON LBP 613CDW Colour Laser Printer	1	56,270.00
TRANSCEND 1TB USB 3.0 External HDD	1	11,250.00
Portable Router	1	6,800.00
EPSON LQ 310 DOT MATRIX Printer	1	39,500.00
CANON MF Printer MF525X	1	68,800.00
DELL Power Edge Server Machine	1	192,400.00
ZEBRA Barcode Printer	1	40,550.00
ASUS Lap Top	7	1,044,750.00
Desk Top Computer (DELL VOSTRO)	2	170,000.00
DEL E1916HV LED Monitor	19	226,100.00
TRANSCEND 1TB USB 3.0 External HDD	1	16,250.00
ZEBRA Barcode Printer	2	57,760.00
HP Lap Top	2	331,500.00
Imp. Of Intergrated Library Management System	1	653,600.00
Installation of Software System for Fabric Library	1	55,000.00
ASUS Lap Top	3	447,750.00
Installation of Software & Training of LMS	1	1,042,083.50
UPS Online	1	63,500.00
CANON Printer	1	24,000.00
HITI ID Card Printer	1	176,000.00
STREAMING Webcamp	1	27,500.00
		<b>5,233,356.00</b>

## Notes to Financial Statements contd....

2019  
Rs

### Motor Vehicle

Custom Duty for vehicle transfer from JICA -VE.NO.300-3750	79,325.00
	<u>79,325.00</u>

### Books & Periodicals

Total Quality Management: Key concepts and case studies	1	16,840.69
The fundamentals of Fashion Design	1	7,714.64
The Talent Code: Greatness isn't Born, it's Grown	1	1,077.84
Outliers: The Story of Success	1	1,077.84
Who: The a method for hiring	1	1,509.84
Measure what Matters: The Simple Idea that Drives 10x Growth	1	1,509.84
Objectives and key Results Driving Focus,Alignment,and Engagement with OKRs	1	13,313.63
The Management and control of quality 6E	1	31,996.80
Basic quality Management systems	1	29,440.00
Fashion Artist: Drawing Techniques to Portfolio Presentation book -2 3E	1	8,800.00
How to Create Your Final collection:A Fashion Students Handbook	1	11,200.00
Developing a Fashion Collection 2E	1	3,836.80
The Art of Fashion Draping 5E	1	27,200.00
Modern Hand Stching:Dozens of Stitches with Creative Free Form Variations.	1	12,796.80
Woven Textiles:Principles, Technologies and aApplications	1	42,828.00
Advances in Braiding Technology: Specialized Techniques and Application	1	49,896.00
Woven Terry Fabrics: Manufacturing & Quality Management	1	37,800.00
Assessing the Environmental Impact of Textiles and the Clothing Supply Chain	1	31,080.00
The Apparel Industry	1	17,087.40
Statistical quality control: (A modern Introduction)	1	30,232.80
Effective Implementation of Quality Management Systems	1	6,102.00
Handbook on Cotton Spinning Industry	1	11,862.00
Management of Technology Systems in Garments Industry 1E	1	7,182.00
ERP for Textile and Apparel Industry	1	10,782.00
Fundamentals of Designing for Textiles and Other End Uses	1	7,182.00
Humidification and Ventilation Management in Textile Industry	1	11,862.00
Texturising : defects, causes, effects, remedies and prevention through quality management	1	8,982.00
Sustainability in Fashion and Apparels	1	10,062.00
Apparel Merchandising	1	13,302.00
Control Systems in Textile Machines	1	13,302.00
Theory of Structure and Mechanics of Fibrous Assemblies	1	10,062.00
The Substrates - Fibres, Yarn and Fabric	1	16,182.00
Handbook of Value Addition Process for Fabrics	1	14,382.00
Advanced Woven Fabric Design	1	8,982.00
Textile Mechanisms in Spinning and Weaving Machines	1	11,862.00
Pretreatment of Textile Substrates	1	14,382.00
Textiles and Environment 1E	1	9,342.00
Fashion Marketing Management	1	10,782.00
Woven Fabric Structure Design and Product Planning	1	8,982.00

## Notes to Financial Statements contd....

		2019 Rs
Green Apparels: A Sustainable Way of Apparel Manufacturing	1	10,782.00
Handbook of Managing Apparel Production and Quality	1	16,182.00
Theory of structure and mechanics of yarns	1	16,902.00
Agro Textiles and its Applications	1	8,982.00
Statistics for Textile and Apparel Management 1E	1	10,782.00
Jane Eyre	1	560.00
Sarthakathwa Kusalatha	1	320.00
Sri Lanka Labour Law	1	240.00
Adya,Mano Vidyawa Ha Guruwaraya	1	480.00
Patchwork	1	200.00
Mama Jayagathimi	1	300.00
Midsummer Nights Dream	1	382.50
Malalasekara English Sinhala Dictionary	1	2,000.00
Puffin Classics -Christmas Carol	1	467.50
Maa	1	446.25
Adaraya Bala Indee	1	425.00
Sil Matha kaiwu	1	161.50
Essential English Grammer With Answers	1	457.30
Advanced English Grammer	1	889.10
Brabuddha	1	272.00
Jeevithaya Wenas Karana Katha	1	323.00
Jeevithaya Wenas Karana Katha 2	1	306.00
Jeevithaya Wenas Karana Katha 3	1	340.00
Intermediate Eng/Gramm/Referen/With Answ	1	824.50
Athishain Sapaladai f jalaingee Sirith	1	977.50
Senkottan	1	315.00
Manikkawatha	1	315.00
Rejina	1	480.00
Situwara Puwatha	1	500.00
Sudu Hamuduruwo -8	1	250.00
Sudu Hamuduruwo-7/4	1	220.00
Sudu Hamuduruwo-7/4	1	220.00
Thiththa Kopi	1	450.00
Abdul Kalam	1	220.00
Kotipathiyeku u vidi Daruwa	1	580.00
Maga Hodata Thibenam	1	250.00
Adaraniya Victoriya	1	600.00
12.12.12	1	600.00
Anuhas Adahas	1	240.00
Lovina	1	480.00
x	1	360.00
Adaraneeya Mandela	1	392.00
Daehaengatha Sitha	1	280.00
Sathuta Laba Dena Karunu SK	1	304.00
Makara Thorana	1	240.00
Kavikandura -H/C	1	440.00
Theerthaya Haerayama	1	360.00
Vijayaba Kollaya	1	440.00
Makarandaya	1	520.00
Weenasge Upatha	1	360.00
Gum	1	336.00

## Notes to Financial Statements contd....

		2019 Rs
Gum	1	336.00
Dharani	1	360.00
Awa Paelawiya	1	600.00
Adisi Nadiya	1	244.00
Kalu	1	400.00
Gini Gath Sadha	1	680.00
Appachchi Aevith	1	300.00
The Quiet At the End of the World	1	912.00
I am Malala	1	960.00
Ergonomics for beginners	1	27,600.00
Introduction to Human Factors and Ergonomics for Engineers	1	13,912.00
Woodhead Publishing Series in Textiles (WPT1721):Handbook of Life Cycle Assessment	1	43,658.00
Woodhead Publishing Series in Textiles (WPT189):Handbook of Life Cycle Assessment	1	32,508.00
World clothing and fashion An Encyclopedia of History,Culture,and Social Influence	1	37,674.00
Research Methodologies in Supply Chain Mangement	1	20,124.00
		<u>846,503.07</u>

**8. LAND & BUILDINGS AS AT 31/12/2019**

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Cost</b>			
Cost as at 01/01/2019	5,018,434.00	80,859,553.28	85,877,987.28
Additions - Note No.8 . 1	-	294,147.00	294,147.00
Error Correction		(1,759,857.28)	(1,759,857.28)
Cost as at 31/12/2019	<b>5,018,434.00</b>	<b>79,393,843.00</b>	<b>84,412,277.00</b>
<b>Accumulated Depreciation</b>			
Accumulated Depreciation as at 01/01/2019		35,181,207.79	35,181,207.79
Depreciation for the year	-	2,029,553.43	2,029,553.43
Error Correction		(43,996.43)	(43,996.43)
Accumulated Depreciation as at 31/12/2019	-	<b>37,166,764.79</b>	<b>37,166,764.79</b>
Net Book Value as at 31/12/2019	<b>5,018,434.00</b>	<b>42,227,078.21</b>	<b>47,245,512.21</b>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>8.1 Land &amp; Buildings</b>		
<b>Buildings</b>		
HTHPS Dyeing Machine Hut Construction	294,147.00	
	<u>294,147.00</u>	
<b>9 Payables</b>		
Trade creditors	862,926.38	1,001,839.98
Accrued expenses	6,343,636.75	5,116,716.10
Sundry creditors	4,392,815.25	4,135,448.14
Current Tax Payable	27,177.50	357,837.95
Project 2019 Payable	5,265,504.48	0.00
	<u>16,892,060.36</u>	<u>10,611,842.17</u>
<b>9.1 Trade Creditors</b>		
Cash received in advance	862,926.38	1,001,839.98
	<u>862,926.38</u>	<u>1,001,839.98</u>
<b>9.2 Accrued Expenses</b>		
Casual wages & allowance for trainees	37,006.40	36,468.75
Allowance to TEC & MTB Members	80,000.00	-
Co-ordinating fees	6,591.00	179,928.00
Transport	376,551.52	312,368.04
Allowance for Chairmen	37,500.00	-
Repairs & Maintenance of Computers	49,409.02	15,000.00
Repairs & Maintenance of Motor Vehicles	93,300.00	25,880.00
Repairs & Maintenance of Plant & Machinery	231,261.29	4,000.00
Repairs & Maintenance Land & Building	15,960.00	0.00
Degree Awarding Status Expenses	76,000.00	-
Overtime	295,516.87	318,243.26
Traveling & subsistence	124,800.00	52,925.00
Water	17,641.65	18,252.13
Electricity	862,396.93	217,339.42
Security charges	136,600.00	98,246.40
Communication services	124,677.87	88,572.13
Fuel for vehicles & Generator	180,128.50	14,000.00
Medical scheme labour welfare	248,981.12	115,334.75
Janitorial services	362,350.80	-
Expenses on gaze testing	24,000.00	21,400.00

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
Purchase of consumables	101,693.35	300.00
Expenses for Testing of Forces Uniform	-	1,467.31
Visiting Lecture fees	311,122.40	97,350.00
News paper bill	2,780.00	-
Purchase of Stationery	182,864.31	-
Productivity Improvement Project	177,078.13	156,886.41
Membership Subscription	-	11,732.57
Weekend Payments	1,159,931.35	1,174,800.95
Training courses expenses	93,505.00	-
Other Service Charges	18,690.00	50,000.00
Development of New Banana Yam	10,297.00	87,973.75
Mannar branch	-	-
Handloom Dye centre project - Palamunei	-	169,100.00
Renovation of Seminar Hall	43,901.15	-
Consultancy Incentive	367,580.00	-
ESC	195,443.00	188,032.00
E.P.F.	-	1,017,232.61
E.T.F.	-	138,713.54
Improvement of Student Facilities	283,755.67	283,755.67
Career Guidance Programme	14,322.42	8,107.85
Entertainment Expenses	-	540.00
Bank Charges	-	29.40
Welfare Society	-	200,000.00
Accreditations & Certifications Fees	-	12,736.16
	<b>6,343,636.75</b>	<b>5,116,716.10</b>
<b>9.3 Sundry Creditors</b>		
Consultancy advances	14,836.25	-
Test Report in Advance	18,530.86	-
Canteen tender deposit	5,000.00	25,000.00
Bid security	67,000.00	31,500.00
Refundable Deposit	345,000.00	200,000.00
General Treasury (Vehicle Sale Proceed)	3,871,448.14	3,871,448.14
Refundable Tender Deposit	71,000.00	7,500.00
	<b>4,392,815.25</b>	<b>4,135,448.14</b>
<b>9.4 Current Tax payable</b>		
Stamp Duty Payable A/c	9,025.00	8,750.00
VAT PAYABLE	-	163,271.73
Withholding Tax Payable A/c	18,152.50	28,689.00
NBT Payable	-	157,127.22
	<b>27,177.50</b>	<b>357,837.95</b>
<b>9.5 Project 2019 Payable</b>		
Fabric Library Project	700,000.00	-
Health & Safety Project	2,931,400.00	-
Installing Learning Management Project	920,000.00	-
Library Automation Project	165,750.00	-
PIP	548,354.48	-
	<b>5,265,504.48</b>	<b>-</b>
<b>10 Short-term provisions</b>		
Provision for audit fees	1,000,000.00	625,075.00
Provision for Staff Development Fund	803,294.66	1,523,552.00
	<b>1,803,294.66</b>	<b>2,148,627.00</b>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>11 Superannuation</b>		
<b>Provision for Gratuity (Discloser No.6)</b>		
Balance as at the beginning of the year	38,005,998.00	38,548,057.00
Less - Payments for the year	(1,928,809.50)	(4,130,708.00)
	<u>36,077,188.50</u>	<u>34,417,349.00</u>
Provision for the year	7,833,855.00	3,588,649.00
Balance at the end of the year	<u><b>43,911,043.50</b></u>	<u><b>38,005,998.00</b></u>
<b>12 Govt.Contributions &amp; Foreign Aid (Discloser No 7)</b>		
Balance as at the beginning of the year	162,061,320.65	182,257,165.76
Add - Grants in the year	12.1 <u>22,887,134.45</u>	<u>3,632,393.81</u>
	184,948,455.10	185,889,559.57
Less- Amortization of the year	12.2 <u>(23,015,725.63)</u>	<u>(23,828,238.92)</u>
Balance as at end of the year	12.3 <u><b>161,932,729.47</b></u>	<u><b>162,061,320.65</b></u>
<b>12.1 Capital Grant</b>		
Cash Grant in the year	3,857,000.00	12,543,000.00
Receivable Capital Grant not released	-	(30,000,000.00)
Capital Grant Receivable	-	5,442,000.00
Books & Periodicals Asia Foundation	-	558,509.76
Cost of Tab not paid by the Ministry	-	(109,999.00)
Grant received from Government through Ministry for projects	12.1.1 <u>19,030,134.45</u>	<u>15,148,883.05</u>
Handloom Machine DTI	-	50,000.00
	<u><b>22,887,134.45</b></u>	<u><b>3,632,393.81</b></u>
<b>12.1.1 Grant received from Govern. through Ministry for Capital Expend.</b>		
Training Need Analysis	96,212.50	30,426.25
Fabric Library	1,641,276.00	392,302.10
Handloom Development Project	-	111,799.55
Banana Fibre Project	12,256,482.95	1,364,800.00
Library Automation	2,505,813.07	-
Health & Safety Project	-	13,249,555.15
Learning management System(LMS)	2,313,103.50	-
Error correction	43,996.43	-
Wet processing project	173,250.00	-
	<u>19,030,134.45</u>	<u>15,148,883.05</u>
<b>12.2 Amortization of the year</b>		
Depreciation portion of assets by the Government Grant	<u>23,015,725.63</u>	<u>23,828,238.92</u>
	<u><b>23,015,725.63</b></u>	<u><b>23,828,238.92</b></u>
<b>12.3 Govt.Contributions &amp; Foreign Aid</b>		
Capital Grant from the Government	473,304,315.63	450,417,181.18
Assets transferred by the Ministry	50,043,791.00	50,043,791.00
Foreign Aid (World bank & JICA)	99,276,267.00	99,276,267.00
Other donations received	291,081.00	291,081.00
	<u>622,915,454.63</u>	<u>600,028,320.18</u>
Less- Accumulated total of amortization	<u>(460,982,725.16)</u>	<u>(437,966,999.53)</u>
	<u><b>161,932,729.47</b></u>	<u><b>162,061,320.65</b></u>
<b>13 Other projects</b>		
Handloom Development programme - Marandmunei	2,147,985.53	2,243,449.88
Ministry of industry & commerce Scholarship Fund	236,867.04	236,867.04
FDDI	-	30,405.42
Development of New Banana Yarn -Rs. 8.4 Mn	-	10,991,338.97
Health & Safety Survey Project-Rs. 15 M	-	1,406,663.00
Sawing Machine Maintenance-Rs. 8.290Mn	-	1,047,343.77
Wet Processing Rs.2.5Mn	-	420,537.04
Prod.Improve.Project	-	1,675,386.77
Apparel Base cottage Industry	355,219.06	867,549.06
	<u><b>2,740,071.63</b></u>	<u><b>18,919,540.95</b></u>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>14 Accumulated surpluses/ (deficit)</b>		
Profit Brought Forward	260,570,886.86	236,278,181.87
<u>Prior Year Adjustments for event occurred after balance sheet date</u>		
Course fees refunded	-	(132,750.00)
Revised Expenses	<b>14.1</b> (2,562,263.94)	2,896.91
Input VAT Adjustment		(290,441.19)
Under stated Fixed deposit Interest	-	(6,329.52)
Fixed deposit interest 2017	-	60,484.86
Sewing machine project	(644,000.00)	-
Forex exchange/loss	(1,017.72)	-
Health and Safety project	(1,328,893.56)	-
	<u>256,034,711.64</u>	<u>235,912,042.93</u>
Excess for the year	<u>19,345,190.15</u>	<u>24,658,843.93</u>
	<b><u>275,379,901.79</u></b>	<b><u>260,570,886.86</u></b>
<b>14.1 Revised Expenses</b>		
SMS Rental-Non 2018	15,875.09	
Writeoff O/S	26,400.00	
Footwear Project	238,900.00	
Canteen rent Deposit	(15,000.00)	
Audit fee Under provision	1,013,225.00	
VAT	425,193.19	
Accrued expense Palamunai	1,050.00	
Accrued expense Communication	(3,776.40)	
FDDI Excess money	(30,405.42)	
Improvement of student facilities	436,481.47	
Advance payment building	(43,996.43)	
Advance payment building-Depreciation	43996.43	
Banana project	454,321.01	
	<u>2,562,263.94</u>	
<b>15 Operating Income</b>		
Testing	<b>(15.1)</b> 47,345,997.92	48,652,141.63
Training	<b>(15.2)</b> 87,246,445.00	84,353,742.35
Consultancy services	<b>(15.3)</b> 9,440,076.47	7,400,000.00
Customer / Technical Services & other sales	8,791,322.13	11,446,515.99
Seminars	-	259,592.98
Loss on sale of Yarn at Palamuei Dye center	<b>(15.4)</b> (598,399.39)	(1,113,703.60)
Other income	<b>(15.5)</b> 30,642,923.14	26,257,311.03
Excess amount received for SME project	<b>(15.6)</b> -	(2,693.39)
Excess amount received on disposal of assets	<b>(15.7)</b> 54,635.00	257,360.00
	<u>182,923,000.27</u>	<u>177,510,266.99</u>
<b>15.1 Testing</b>		
Normal testing	36,176,657.56	37,775,213.38
Forces uniforms	11,170,743.88	10,892,311.67
less - Discounts given-Testing	(1,403.52)	(15,383.42)
	<u>47,345,997.92</u>	<u>48,652,141.63</u>
<b>15.2 Training</b>		
Week Day Training	24,786,533.63	22,026,893.40
Week End Training	43,328,780.00	48,485,645.00
External Training	16,605,059.37	11,745,729.97
SME Training	2,526,072.00	2,095,473.98
	<u>87,246,445.00</u>	<u>84,353,742.35</u>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>15.3 Consultancy services (Discloser No. 8)</b>		
<b>Consultancy service income</b>	7,053,776.47	1,500,000.00
<b>Add-Institute portion of Productivity Improvement Programme by consultancy</b>		
Funds received from The Government	6,818,000.00	15,005,251.00
Received from Factories	300,000.00	540,000.00
	<u>7,118,000.00</u>	<u>15,545,251.00</u>
Less-Amount C/F for Next year	548,354.48	1,675,386.77
	<u>6,569,645.52</u>	<u>13,869,864.23</u>
<b>Less- Expenditure</b>		
Electricity	193,351.80	427,542.40
Advertisement	120,981.28	172,258.00
Refreshments	14,362.00	2,560.00
Allowance to co-coordinator	-	90,000.00
W/E,Ot,Trav.	993,901.72	1,561,705.49
Staff Training	-	73,971.00
Telephone bill	5,767.45	59,155.79
Telephone allowance	30,000.00	-
Transport	853,371.76	1,878,155.00
Purchase of Tab	-	-
Publication & Magazines	-	-
Salary , EPF,ETF,& Other allowance	1,691,188.37	3,103,782.79
Purchase of consumables	-	20,930.00
Medical Bills	-	41,170.48
Stationery	66,895.00	-
Accommodation	146,500.00	231,500.00
Visiting lecture fee	-	3,000.00
Repairs & Maint.of Equipments	-	5,850.00
Repairs & Maint.of Building	32,500.00	1,700.00
Repairs & Maint of Pl.& Machi	6,307.34	42,986.00
Others	28,218.80	4,106.26
GSD upgrading	-	249,491.02
	<u>4,183,345.52</u>	<u>7,969,864.23</u>
<b>Less - Total expenditure</b>	<u>4,183,345.52</u>	<u>7,969,864.23</u>
<b>Institute portion received from PIP</b>	<u>2,386,300.00</u>	<u>5,900,000.00</u>
<b>Total consultancy service income</b>	<u>9,440,076.47</u>	<u>7,400,000.00</u>
<b>15.4 Profit form sale of Yarn at Palamuei Dye center (Discloser No.21)</b>		
<b>Income</b>		
Sale of Yarn	9,750.00	254,214.63
Re-imburement from DTI	69,246.72	-
<b>Less- Expenditure</b>		
Raw material used	15.4.1 100,429.52	119,929.13
Electricity charges	15,928.77	23,973.90
Physical verification	58,002.33	65,556.05
Water Bill	2,129.23	2,030.90
Electrical items	-	500.00
Handing Over Ceremoney	59,775.00	-
Consumables	-	34,477.00
Salaries & Wages	441,131.26	1,096,231.25
Refreshments	-	620.00
Stationery	-	150.00
Supplier Registration Fee	-	1,000.00
Transport	-	23,450.00
	<u>677,396.11</u>	<u>1,367,918.23</u>
<b>Total expenditure</b>	<u>677,396.11</u>	<u>1,367,918.23</u>
<b>Profit/(loss)</b>	<u>(598,399.39)</u>	<u>(1,113,703.60)</u>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>15.4.1 Raw materials used during the year</b>		
<b>Opening Stock</b>		
Dyes & chemicals	121,261.62	110,880.00
Yarn	293,643.75	402,447.50
	<b>414,905.37</b>	<b>513,327.50</b>
Add-Purchases during the year	-	21,507.00
	<b>414,905.37</b>	<b>534,834.50</b>
<b>Less - Closing stock</b>		
Dyes & chemicals	125,365.85	121,261.62
Yarn	189,110.00	293,643.75
	<b>314,475.85</b>	<b>414,905.37</b>
Amount used	<b>100,429.52</b>	<b>119,929.13</b>
<b>15.5 Other Income</b>		
Other Sales Income (15.5.1)	666,193.24	922,117.00
Miscellaneous income (15.5.2)	2,171,942.06	1,219,196.87
Savings A/C interest	9,624.20	7,112.75
Fixed Deposit interest	439,458.69	398,399.12
Treasury Bills interest	1,255,039.49	1,079,501.72
Call deposit interest	25,013,439.12	21,160,615.37
Staff Loan Interest	625,476.34	650,412.48
Transport charges (Funerals)	-	16,640.00
Registration of Suppliers	-	48,600.00
Canteen rental	48,250.00	50,000.00
Non Refundable Tender Deposit	413,500.00	36,500.00
Forex Gain	-	668,215.72
	<b>30,642,923.14</b>	<b>26,257,311.03</b>
<b>15.5.1 Other Sales Income</b>		
Auditorium, Seminar Hall, Class Room Hiring Charges	135,900.00	238,000.00
Preparation of Specification	-	88,000.00
Facilities Provided for Students	530,293.24	596,117.00
	<b>666,193.24</b>	<b>922,117.00</b>
<b>15.5.2 Miscellaneous Income</b>		
Sale of Coconut/ King coconut	-	1,080.00
Photocopy charges	34,362.00	67,185.00
Repeat exam fees & VIVA	49,500.00	167,500.00
Transport charges (PIP and Divineguma, Other Projects)	601,422.07	898,739.01
Unidentified Direct Credit	-	16,318.00
Over Payment Debtors	3,450.12	23,174.86
Sales on T-Shirts	-	1,500.00
Revision Session	-	30,000.00
Fusing	-	400.00
Refund TEC Member Fee	-	2,000.00
Sales on Disposa Items	38,390.00	-
Sale on Work Diary	200.00	-
Admin & Finance Cost for Projects.	1,320,617.87	-
Refund of Honanarum payment	40,000.00	-
Diploma Awarding Ceremoney	84,000.00	-
	<b>2,171,942.06</b>	<b>1,207,896.87</b>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>15.6 Small and Medium Enterprises development programme (Discloser No. 11)</b>		
Funds received from The Government	2,488,977.31	2,474,000.00
	<b>2,488,977.31</b>	<b>2,474,000.00</b>
<b>Less- Expenditure</b>		
Amount transferred to training income	2,337,996.00	2,321,243.39
Allowance paid to co-coordinator	25,000.00	55,000.00
Telephone allowance	5,000.00	11,000.00
Advertisement	120,981.31	55,900.00
Transport	-	
Postage	-	
Purchase of Pen Drive	-	2,500.00
Highway Expenses	-	1,050.00
Guest Lecture Payment	-	30,000.00
<b>Less - Total expenditure</b>	<b>2,488,977.31</b>	<b>2,476,693.39</b>
<b>Excess amount received for SME programme</b>	<b>0.00</b>	<b>-2,693.39</b>
<b>15.7 Excess amount received on disposal of assets</b>		
Cost of the Assets	2,019,859.83	
2019		
Depreciation	2,014,184.83	
Sale proceed	60,310.00	
Total profit on disposal	<b>54,635.00</b>	
<b>16 Personal Emoluments (Wages, Salaries &amp; Employee benefits)</b>		
Salaries & wages (Including interim allowance)	48,685,853.87	41,892,645.09
Adjustment Allowance	194,253.97	1,260,233.19
Cost of Living Allowance	7,675,823.83	7,750,600.00
Internal Auditor Acting allowance	-	21,080.50
EPF	6,784,962.38	6,118,412.30
ETF	1,700,506.99	1,520,575.38
Allowance to chairman	450,000.00	450,000.00
Casual wages / Allowance to trainees	1,047,184.27	1,096,694.96
Overtime	3,665,811.99	4,045,921.67
Week-end payments	11,014,501.91	12,393,517.49
Professional Allowance	2,714,799.99	2,538,583.33
Bonus/Appreciation allowance	1,493,750.00	1,407,375.00
Board secretarial fee	39,633.00	60,000.00
Allowance for week-end school staff	408,000.00	408,000.00
Telephone allowance	345,900.00	336,000.00
Transport allowance	4,800,000.00	4,575,000.00
Co-coordinating fee	404,507.65	2,277,879.35
Testing lab Staff allowance	486,000.00	513,675.00
Gratuity	7,833,855.00	3,588,649.00
Allowance for Chairman's Driver	24,507.76	54,321.90
E.P.F.,E.T.F.Arrears Payment	-	91,367.55
Consultance Incentive	729,903.00	-
	<b>100,499,755.61</b>	<b>92,400,531.71</b>
<b>17 Traveling</b>		
Local	1,037,300.00	515,325.00
	<b>1,037,300.00</b>	<b>515,325.00</b>
<b>18 Supplies &amp; Consumables</b>		
Stationery & office requisites	(18.1) 2,662,255.60	3,147,183.33
Other consumables	(18.2) 1,614,418.72	1,524,890.70
Accreditations & certification fees	3,218,430.37	2,656,652.05
Fuel for vehicles & generator	3,970,421.25	3,935,416.81
	<b>11,465,525.94</b>	<b>11,264,142.89</b>

## Notes to Financial Statements contd....

### 18.1 Stationery & Office Requisites

Stock as at beginning of the year	912,160.22	1,024,990.86
Add -Purchases during the year	2,789,739.56	3,034,352.69
	<u>3,701,899.78</u>	<u>4,059,343.55</u>
Less - Stock as at end of the year	█ (1,039,644.18)	(912,160.22)
	<u><b>2,662,255.60</b></u>	<u><b>3,147,183.33</b></u>

### 18.2 Consumables, QC Lab materials, Yarn & Dyes

Stock as at beginning of the year	1,220,249.62	1,271,778.03
Add -Purchases during the year	1,474,474.94	1,473,362.29
	<u>2,694,724.56</u>	<u>2,745,140.32</u>
Less - Stock as at end of the year	█ (1,080,305.84)	█ (1,220,249.62)
	<u><b>1,614,418.72</b></u>	<u><b>1,524,890.70</b></u>

### 19 Repairs and Maintenance

Land & Buildings	1,641,475.07	2,279,972.80
Motor Vehicles	1,900,159.58	1,889,537.43
Furniture & Fittings and Equipment	694,203.44	1,112,858.17
Lab Equipment	39,330.00	1,363,917.23
Plant & Machinery	(19.1) 716,473.08	853,550.71
Computers	482,087.33	469,431.61
Generator	66,996.15	54,980.00
	<u><b>5,540,724.65</b></u>	<u><b>8,024,247.95</b></u>

### 19.1 Repairs and Maintenance

Spare parts stock as at beginning of the Year	196,857.30	196,857.30
Spare Parts purchases during the year	112,900.00	15,000.00
Repairs & maintenance	603,573.08	838,550.71
	<u>913,330.38</u>	<u>1,050,408.01</u>
Less - Stock as at end of the year	(196,857.30)	(196,857.30)
Cash received for lost accessories	-	-
<b>Transferred to Maintenance of Machinery</b>	<u><b>716,473.08</b></u>	<u><b>853,550.71</b></u>

### 20 Contractual Services

Insurance	170,907.53	162,045.56
Security charges	1,594,989.34	1,872,994.58
Janitorial services	3,958,804.04	3,123,792.06
Electricity	7,776,043.91	8,084,943.99
Water	860,156.99	829,926.91
Communication services	782,767.57	940,004.15
Postage	269,835.00	246,639.00
Advertisement Expenses	813,561.11	763,099.50
Office Rent	-	400,302.90
Transport charges	3,814,697.52	3,727,164.21
	<u><b>20,041,763.01</b></u>	<u><b>20,150,912.86</b></u>

### 21 Depreciation

Building	2,029,553.43	2,009,292.46
Computers	2,821,429.65	2,747,385.84
Furniture ,Fittings & equipment	4,904,217.21	4,694,500.97
Motor Vehicles	2,052,857.86	2,048,891.61
Plant & Machinery	2,531,240.04	2,034,319.33
Industrial sewing machinery	1,366,897.73	1,366,897.73
Lab Equipment	8,210,104.99	8,833,123.81
Video Programmes	-	3,125.00
Books & Periodicals	275,419.88	208,381.27
Spare parts & accessories	-	-
	<u><b>24,191,720.79</b></u>	<u><b>23,945,918.02</b></u>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>22 Other expenses</b>		
Visiting lecturer fees	2,276,385.77	2,584,031.71
Audit fees - provision for the year	1,000,000.00	500,000.00
Training courses expenses	6,537,042.45	4,323,075.47
Miscellaneous expenses	561,957.89	534,298.36
Human capacity building /Staff training - Local	-	1,139,605.53
Human capacity building - Foreign	2,202,889.16	1,372,387.67
Staff Welfare - Tea Expenses	1,336,361.16	1,234,908.18
Staff Medical scheme labour welfare	1,958,384.20	1,523,067.30
Welfare society	200,000.00	275,000.00
Fees to Board of Governors	366,800.00	642,600.00
Exhibition expenses	73,314.00	369,022.63
Stamp duty	37,300.00	35,275.00
Career guidance programme	260,166.52	206,620.50
Doubtful debtors	251,961.05	356,767.77
NVQ Accreditation Expenses	293,188.00	
Expenses of gauze testing	309,600.00	309,000.00
Membership Subs.Fees	124,490.85	125,774.21
Exp. For testing of school uniform material	19,075.51	20,644.14
Withholding Tax	728,895.20	569,038.36
VAT	-	1,407.60
NBT - 2% expenses	8,589.00	34,984.50
Allowance to TEC and MTB Members	183,000.00	-
Allowance to Audit & Management committee, Academic council members	77,018.40	120,000.00
Annual subscription fees	-	3,290.79
Entertainment expenses	255,801.83	400,708.65
Certificate Award ceremony	73,364.00	56,596.00
Expenses on Mannar Centre	47,055.00	30,913.73
Degree Awarding status Expenses	2,573,945.00	1,131,735.00
Economic Service Charges	767,617.00	752,046.00
Legal Fees	-	8,000.00
Publication & magazines	432,624.90	781,746.21
Staff Development Fund	677,918.00	732,750.00
	<b>23,634,744.89</b>	<b>20,175,295.31</b>
<b>22.1 Miscellaneous Expenses</b>		
News paper bills	40,680.00	37,700.00
Labour charges	3,200.00	14,500.00
Renewal of driving license	3,000.00	3,000.00
Garbage removal charges	26,973.90	26,973.90
Honorarium fee	57,000.00	129,000.00
Translation Fees - annual report & others	62,712.25	95,509.50
Vehicle parking fee (BOI)	290.00	950.00
Medicine/Medical treatment for students	23,316.96	10,085.41
Books & report binding	300.00	7,710.00
Pirith ceremony	64,118.71	56,337.50
Vesak decorating & Sinhala New year festival contribution	140,123.50	43,190.00
Interview panel charges	-	6,000.00
Fish Tank	-	2,950.00
Laundry fee	1,181.27	5,395.05
Other Expenses	500.00	12,807.00
New Year Greetings	54,000.00	52,000.00
Textile Institute -Annual General Meeting	10,000.00	-
Over Coats	12,000.00	-
Valuation Charges	10,000.00	-
Desk Calenda	432.00	-
Testing Charges -Sample of Water	4,936.23	-
Confirmation of Degrr Certificate	2,500.00	-
Appreciation Gift	-	5,090.00
Identity Cards for Staff	600.00	6,500.00
DTAC Payment	17,500.00	-
Donation for Drama	-	5,000.00
Verification of Educational Certificates	-	6,300.00
Subscription for Magazine	21,908.07	-
Xmas Expenses	4,685.00	7,300.00
	<b>561,957.89</b>	<b>534,298.36</b>

## Notes to Financial Statements contd....

	2019 Rs	2018 Rs
<b>22.2 Expenses on Mannar Centre</b>		
<b>Expenditure</b>		
Overtime, Traveling, Week end payment	37,250.00	21,293.73
Physical verification Expenses	9,805.00	9,620.00
<b>Expenses incurred by the Institute</b>	<b><u>47,055.00</u></b>	<b><u>30,913.73</u></b>
<b>23 Finance cost</b>		
Foreign exchange loss	285.74	
Bank charges	181,715.12	203,288.24
	<b><u>182,000.86</u></b>	<b><u>203,288.24</u></b>
<b>24 Deferred income</b>		
Depreciation portion of assets by the Government Grant	21,830,794.82	21,828,238.92
Amortization of re-valuation reserve	-	-
Government contribution for human capacity building	1,184,930.81	2,000,000.00
	<b><u>23,015,725.63</u></b>	<b><u>23,828,238.92</u></b>

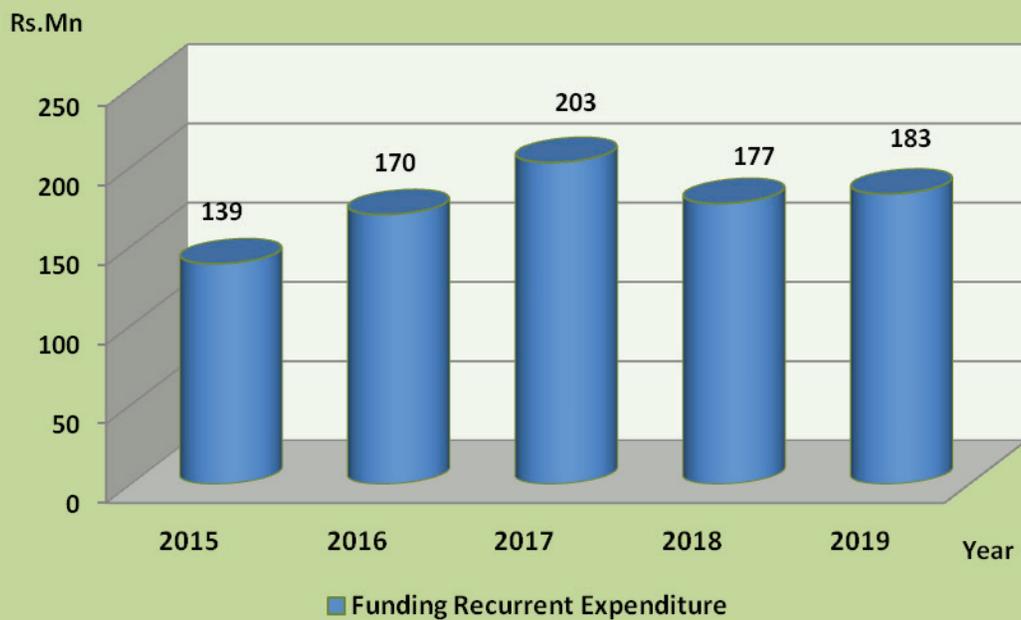
## PERFORMANCE INDICATORS



### Income as a % of Recurrent Expenditure (Excluding depreciation)

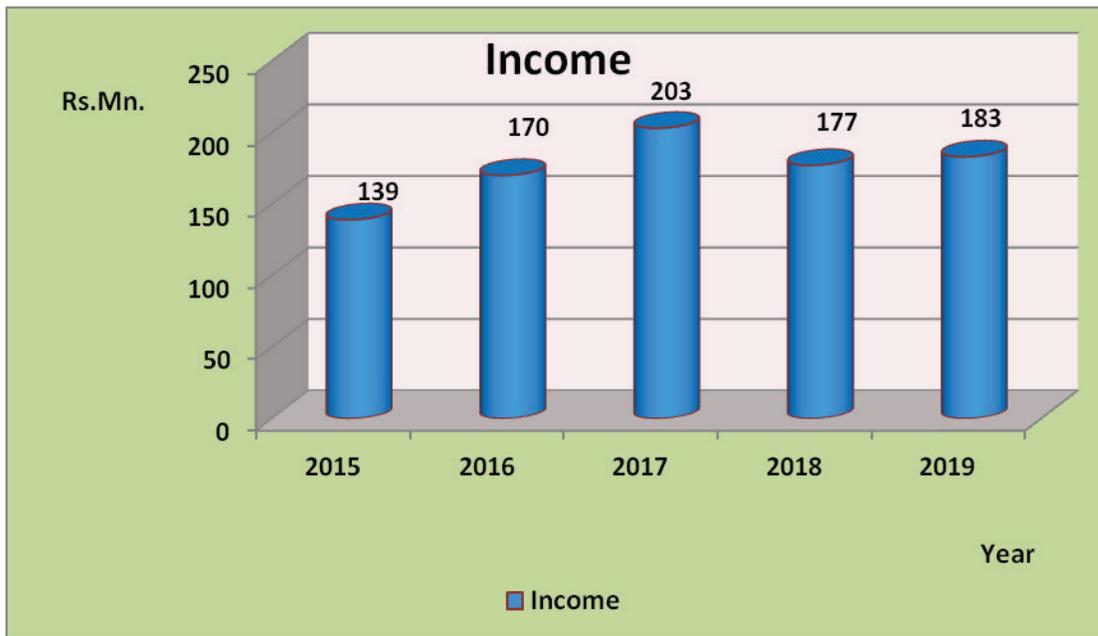


### Funding Recurrent Expenditure



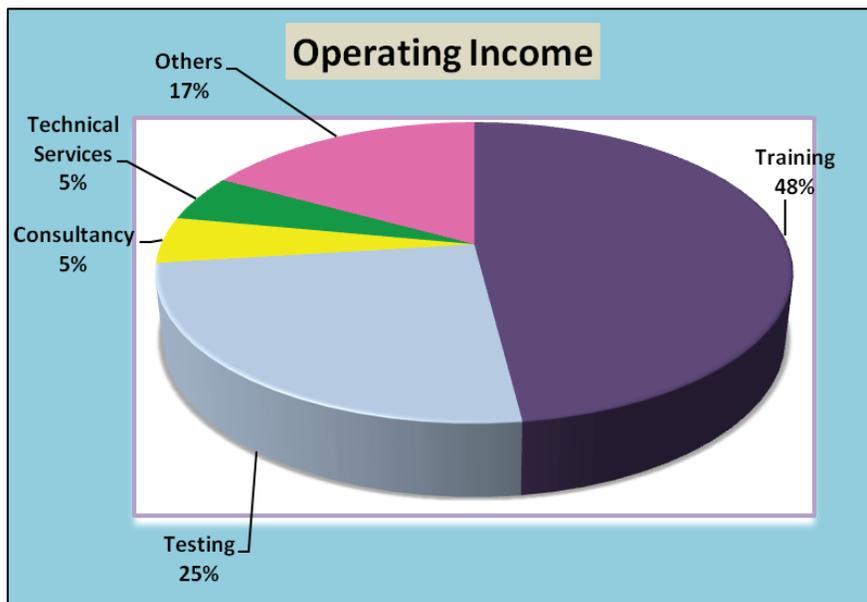
# REPORT ON FINANCIAL STATEMENTS

## Income



The Institute has recorded a total annual income of Rs. 183 Mn during the year under review which is a slight increase of 3% compared to the year 2018 .

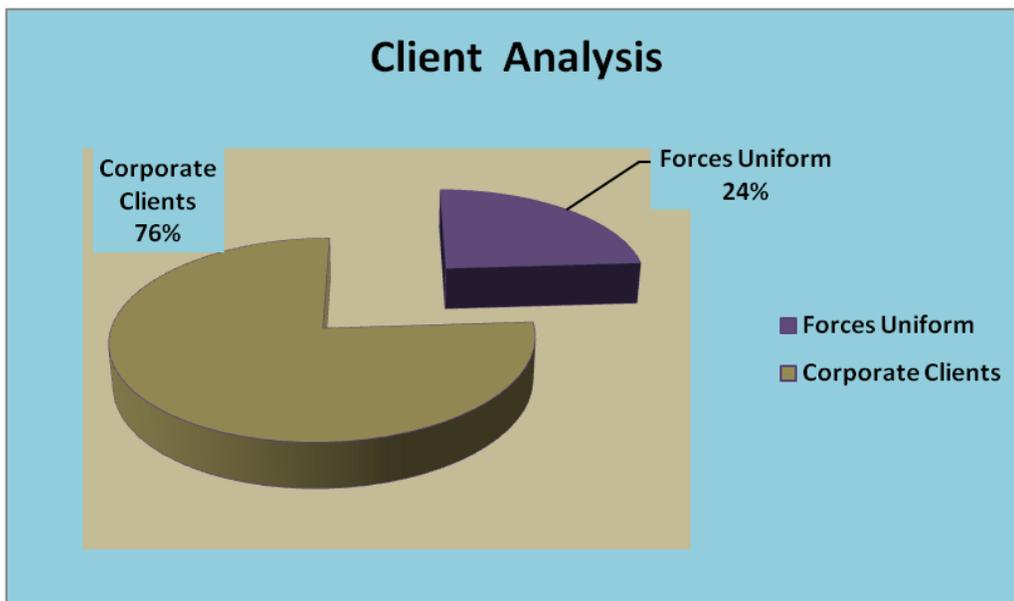
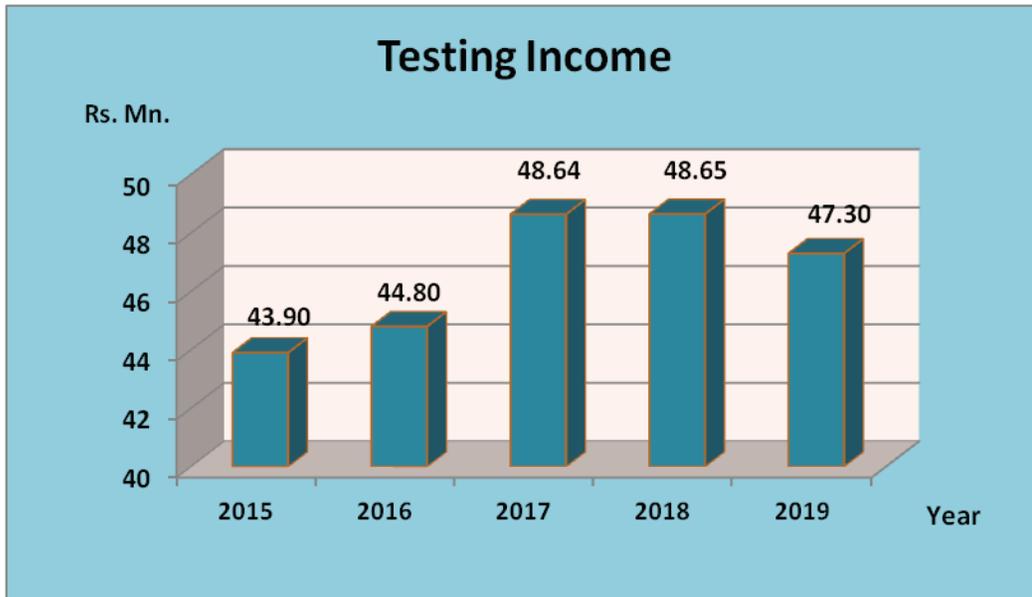
## Operating Income



The income generated by Testing, Training and Consultancy services are 78% of the total operating income while 17% of the operating income is contributed by sources such as Interests Income (Fixed Deposit, Treasury Bills and Call Deposits interest), Transport income and, miscellaneous activities. The technical Services income is 5% of the total income. However, training is the main income source over the year contributing to the total income in the current year.

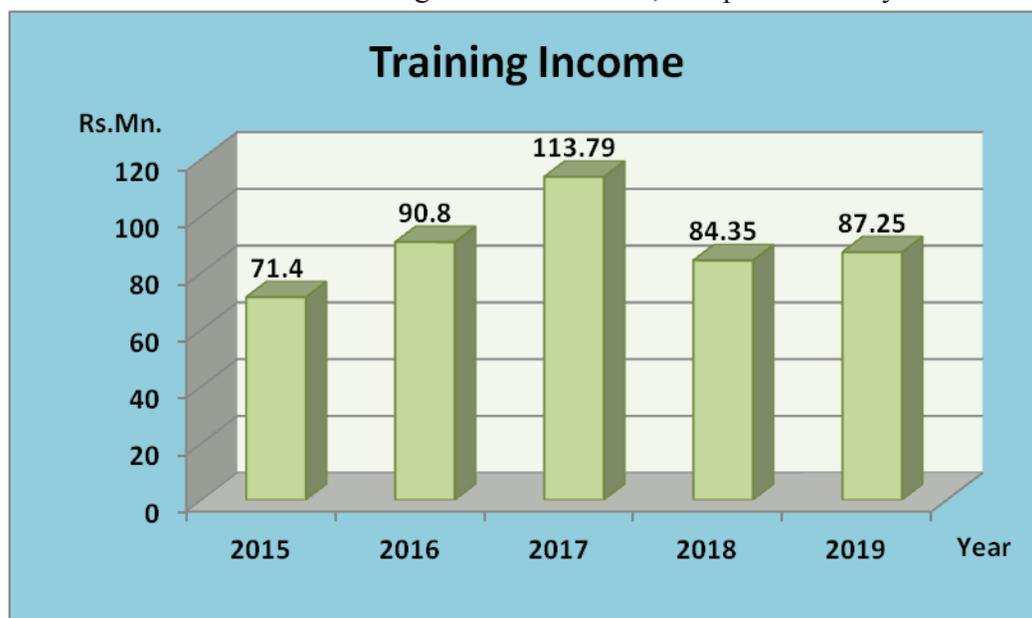
## Testing Income

During the year, testing has generated an income of Rs. 47.3 Mn. through 48,970 tests from 7,683 samples. There was a slight decrease of 3% in the testing income compared to the previous year.



## Training and Consultancy

Training is main services provided by the Institute. In the year 2019, Institute records a total number of Trainees as 6,119 and total number of Training Programs as 171, Total training income generated in the year under review amounts to Rs.87.25 Mn. compared to Rs. 84.35 Mn. earned in 2018. This is a slight increase of 3%, compared to the year 2018.



## Income from Other Sources

Other income sources, comprise mainly of Interest on Fixed deposits, Treasury bills and Call Deposit investments income ,transport income, Distress loan interest income and the balance contribution is made from Miscellaneous activities such as Sample Dyeing, Canteen rent and Tender document fees, photocopy charges, ....etc.

## Expenditure

	2019 Rs. Mn	2018 Rs. Mn
Operating Income	182.92	177.51
<i>Less:</i>		
Total Operating Expenditure	186.59	176.679
Operating profit/loss	(3.67)	0.831
<i>Deferred Income</i>	23.01	23.828
Net Surplus/ (Deficit) for the Period	19.34	24.659

Total recurrent expenditure incurred during the year is Rs. 186.59 Mn. compared to Rs. 176.679 Mn. previous year and this indicates a increase of 6 % of expenditure.

Recurrent expenditure mainly consists of personal emoluments, supplies and consumables, contractual services, maintenance expenditure , depreciation and gratuity provision and other expenses.

### **Overall Financial Structure.**

Infrastructure, Plant and Equipment consist of a net value of Rs. 149.77 Mn. Total investment during the year is Rs. 20.7 Mn.

- ✚ Overall institutional income increased by 3% that is income from Rs. 177 Mn to Rs.183 Mn for this year.
- ✚ Total Expenditure increased by 6% from Rs.177 Mn to Rs. 186.5 Mn.
- ✚ Total operating profit decreased from Rs.0.83 Mn to deficit of Rs.3.6 Mn.

# ACTIVITIES -YEAR 2019 HIGHLIGHTS

New Year 2019



SLITA Launched Banana Yarn R&D Project and Health & Safety for Children Clothing Project by Chief Guest Hon Minister Wimal Weerawansa at BMICH.



13th Certificate Awarding Ceremony -28th November 2019



## Inauguration Ceremony of Diploma in Fashion Design 2019/2020



## Staff Development Programme in Footwear Manufacturing..



## Special Training Programme - Certificate in Sewing Machine Maintenance for MAS Female Workers



## Students Annual Cricket tournament July-2019





Annual Pirith Ceremony of Testing Laboratory, SLITA & Get together of retired staff OF SLITA



Moving towards obtaining own B.Sc !!! Ministry of Higher Education review panel visit to SLITA for Institutional Review.



Blood Donation Campaign – 2019



The Inauguration Ceremony of HND in Textile & Apparel Technology 2019/2020 (Full Time)



Certificate Awarding Ceremony 2019 – June 2019



Sinhala and Hindu New Year in 2019



## **FUTURE PLANS FOR THE YEAR 2020**

- Acquire NVQ level for selected courses.
- Improve institutional and corporate connectivity and networking facilities, both locally and internationally, to provide competitive service deliveries in the areas of testing , training , consultancy and technical services.
- Acquire degree awarding status.
- Linkage with foreign academic institutions.
- Research on banana fiber to obtain yarn to produce fabric.

**Chairman**  
**Sri Lanka Institute of Textile and Apparel**

**Financial Statements of Sri Lanka Institute of Textile and Apparel for the year ended 31 December 2019 and the Auditor General's Report on other legal requirements as per 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 Sri Lanka Institute of Textile and Apparel for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance, and cash flow statement for the year then ended, 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 the Finance Act No. 38 of 1971 . This report will be presented to Parliament in due course in terms of Article 154 (6) of the Constitution of Sri Lanka.

In my opinion, except for the effects of the matters described in the section of basis for qualified opinion of this report, a true and fair view of the financial performance and cash flow for the year ended as at 31<sup>st</sup> of December 2019 in accordance with Public Sector Accounting Standards.

**1.2 Basis for the Qualified Opinion**

(a) Since depreciation expenses of the books and periodical statements, amortization expenses, payable audit fees and gratuity provisions of the year under review had been adjusted in lower values, surplus of the year under review had been over stated by Rs. 1,170,669 in the financial statements.

(b) Even though the residual value and the useful life time of an asset shall be reviewed as the last day of a reporting period at least once a year, the cost at the opening of the new year of Rs. 204,39,496 had been totally depreciated. However, action had not been taken in respect of the property, plant and equipment that are these assets had not been disclosed in the financial statements. Further, action had not been taken to rectify the estimated defect on the effective life time of these assets.

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 and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud and error.

When preparing financial statements, it is a responsibility of the management to determine the ability of continuous operation of the fund and in case the management determines to liquidate the institute or unless take action to cease the operations in the absence of other alternative, the management is responsible for accounting based on the continuous operation and to disclose the matters on the constant operation of the institute in future.

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

As per sub section 16(1) of the National Audit Act No. 19 of 2018, the fund 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 fund.

#### **1.4 Auditor's Responsibility on Audit of Financial Statements**

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My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General 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 furthermore;

- Appropriate audit procedures were designed and implemented to identify and assess the risk of possibility of quantitative misrepresentations occurred in financial statements due to fraud or errors in providing a basis for the expressed audit opinion. More than the impact of quantitative misrepresentations due to misrepresentation, the effect of fraud is strong because of malpractice, forgery, intentional evasion, misrepresentation, or evasion of internal controls can lead to fraud.
- Although it is not intended to express an opinion on the effectiveness of internal control, obtained an understanding of internal control in order to plan appropriate audit procedures occasionally.
- Evaluated the appropriateness of the accounting policies followed, fairness of accounting estimates and related disclosures made by Management.
- Evaluated whether the transactions and events underlying the structure and content of the financial statements are appropriately and fairly consisted in and presentation of financial statements including disclosures as a whole.

The Accounting Officer was made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

## **2. Report on the other legal and regulatory requirements**

National Audit Act, No. 19 of 2018 includes specific provisions in respect of the following requirements.

- Except for the effects from the matters described under the basis for the qualified opinion in my report, I have obtained all the information and explanations for the purpose of audit and as per revelations from my examination, proper financial records have been maintained by the Fund as per the requirement of Section 12(a) of the National Audit Act, No. 19 of 2018.
- The financial statements presented are consistent with that of the preceding year as per the requirement of Section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- Any observation made by me in the preceding year as per the requirement of Section 6(1) (d) (iv) of the National Audit Act, No. 19 of 2018 had been included in financial statements.

Based on the procedures which had been adopted and the evidence obtained which limited to matters that are material, nothing has come into my consideration to express following statements.

- As per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018, whether any member of the governing body of the Trust Fund has any direct or indirect interest in any contract entered into by the Trust Fund beyond the normal course of business.
- Except for the below mentioned observation, whether Trust Fund has not complied with any applicable written law or other general or special directions issued by the governing body of the Trust Fund as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018

**Reference to rules and**

**Description**

**regulations / order**

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|---|--|
| <p>(a) Public Enterprise Circular PED/2/2015 dated 25<sup>th</sup> May 2015</p> | <p>No. Even though all the eligible officers are entitled to reimburse communication bills subject to a maximum limit, in spite of reimbursing them, the institute had included the approved maximum allowance to the salaries of those officers from 2015. Accordingly, an amount of Rs. 346,800 had been paid as communication allowance for four officers during the year under review.</p>   |
| <p>(b) Public Enterprise Circular No. 95 of 1994</p>                            | <p>Even though all the allowances have to be obtained on the approval of the General Treasury or the Ministry of Public Administration upon the concurrence of the Secretary to the relevant Ministry, the management of the institute had taken steps to pay amounts of Rs. 2,961,879 and Rs. 962,508 respectively in 201 and 2019 as allowances from week end trainings, project coordinating allowances and allowances of Administrative Secretary and the Accountant .</p> |
- As per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018, whether the Trust Fund has not performed according to its powers, functions and duties.
  - As per the requirement of Section 12 (h) of the National Audit Act, No. 19 of 2018, whether the resources of the institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws

- (a) Even though renovations of the cafeteria was started in October 2017 with the estimated cost of Rs. 6,411,515, starting of the contract works had been delayed up to 08<sup>th</sup> August 2019. Due to this delay the contracted had charged Rs. 9,957,167 which is Rs. 3,545,652 more than the estimated value for renovations. It was decided to pay this amount from the fund of the institute without the approval of the Treasury.
- (b) An amount of Rs. 9,695,000 was received from treasury on 30<sup>th</sup> October 2018 for renovating of the conference hall and the engineering estimate was Rs. 8,813,830. It had been decided to award the contract on 28th February 2019 at the cost of Rs. 12,391,395 and it has been delays 21 days up to 21<sup>st</sup> March 2019 to send the letter of acceptance. Accordingly, action had not been taken as per the 8.7.1 (b) of the procurement guidelines.
- (c) In case a considerable time period is spent to call bids after preparing the opening total cost estimate as per the procurements guidelines 4.3.3 and 4.3.2, it should be get approved having updated the total cost estimate. However, the institute had not taken action accordingly. Hence, this contract had been awarded exceeding the cost original engineering estimate by Rs. 3,577,565 and payments had been made by the company without obtaining the approval of the treasury for this additional cost. Further, it was observed that the procurement entity had not used all necessary professional and manpower efforts as specified in the procurement guideline supplement 14.

**3. Other Audit Observations**

- (a) Including the amount of Rs. 31,705,545 received from the Treasury and the Ministry from 2015 to implement various projects, a surplus fund amounting Rs. 217,776,010 had been invested in short term deposits and an interest income of Rs. 20,816,188 had been earned in the year under review. Accordingly, the provisions received for the projects had not been utilized for the specific purpose and the balance had not been used to fulfill the key objectives of the institute.
- (b) Within the trade debtors' balance of Rs. 11,045,603 specified in the financial statements as at the end of year under review, a balance amount of Rs. 4,371,094 which had exceeded 03 years. The institute had not followed a proper procedure to recover this balance.
- (c) The approved cadre of the institute as at year under review was 140 and the actual cadre was 89. The number of vacancies was 51.

**W.P.C.Wickramarathne**  
Auditor General