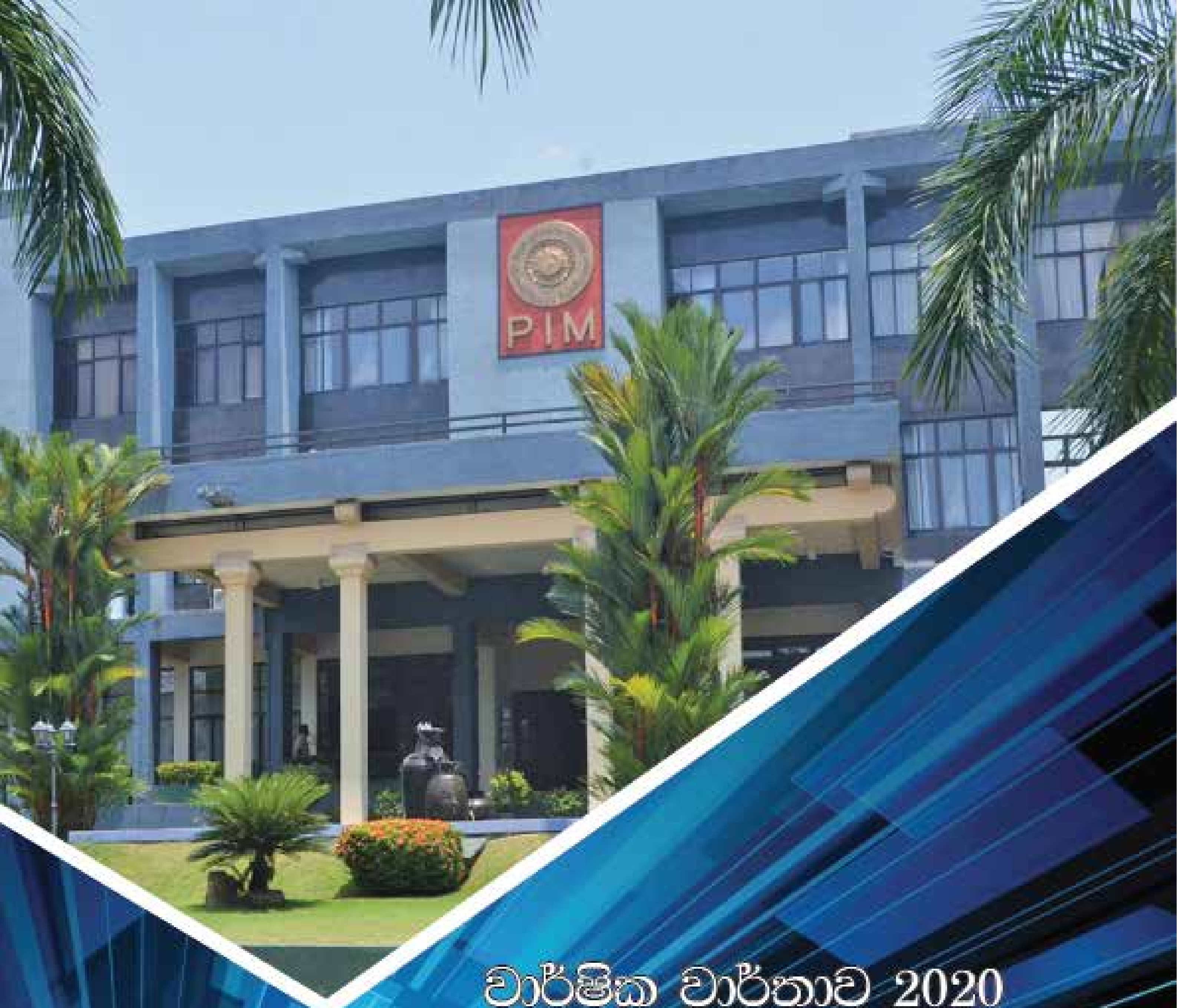

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ஆண்டறிக்கை 2020

முகாமைத்துவ பட்டப்பின்படிப்பு நிறுவகம்

ஸ்ரீ ஜயவர்தனபுர பல்கலைக்கழகம்

Annual Report 2020

POSTGRADUATE INSTITUTE OF MANAGEMENT

University of Sri Jayewardenepura

PIM Postgraduate Institute of Management

University of Sri Jayewardenepura

වාර්ෂික වාර්තාව 2020

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ஆண்டறிக்கை 2020

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Annual Report 2020

POSTGRADUATE INSTITUTE OF MANAGEMENT
University of Sri Jayewardenepura

PIM Postgraduate Institute of Management
University of Sri Jayewardenepura

Annual Report 2020

Postgraduate Institute of Management
University of Sri Jayewardenepura

VISION, MISSION AND VALUES

VISION

To become a center for management excellence in South Asia

MISSION

We ignite human imagination by developing leaders having global presence with local pulse.

In this endeavour, we pursue innovative teaching, cutting-edge research, enriching partnerships, inspiring sustainability, and exemplary governance.

VALUES

Passion: Enthusiasm and eagerness towards results in showing professionalism in actions.

Key Behavioural Indications (KBIs)

1) Is clear about the tasks associated with the job
2) Is enthusiastic in handling tasks
3) Thinks innovatively in finding new solutions
4) Is conscious about one's contribution to the institutional success
5) Willing to put extra effort to achieve objectives

Integrity: Acting in an ethical manner with the best interest of the Institution in mind

Key Behavioural Indications (KBIs)

1) Is honest in conducting oneself
2) Can be trusted in handling confidential matters
3) Conducts oneself fully within the rules and regulations of the Institution
4) Cannot be manipulated for unethical actions
5) Keeps the Institution's needs ahead of one's interest

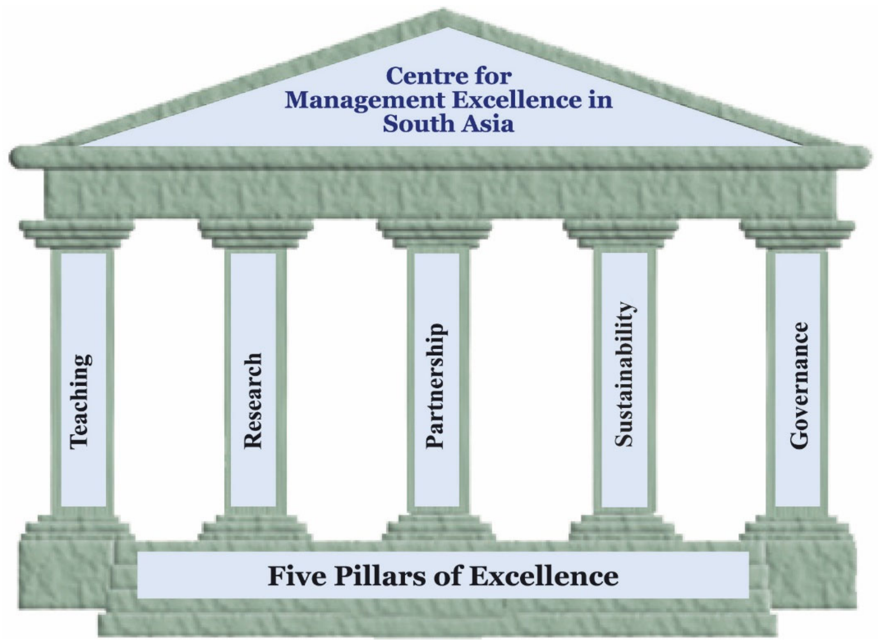
Mindfulness: Paying attention to purpose and actions in doing things with self-awareness

Key Behavioural Indications (KBIs)

1) Pays attention to details
2) Is aware of the needed actions in any given moment
3) Looks at situations unbiased with and open mind
4) Has complete focus on tasks at hand
5) Is efficient in utilizing time

Overall Approach

Our Edifice of Excellence



We use our Quality Management System (QMS) as a tracking mechanism of our progress

GOALS

PIM's five goals for the next five years are as follows:

Goal One:	**To enhance the scope of PIM academic programmes;**
Goal Two:	To enhance the scope of PIM excellence in research and publications;
Goal Three:	To foster partnerships with industry, universities and professional associations;
Goal Four:	To develop ICT and ensure green infrastructure facilities to offer a conducive learning environment, and
Goal Five:	Ensure revenue growth inclusive of foreign income with financial and administration compliance.

Accordingly, 20 Strategic Objectives have been formulated.

PIM Quality Policy

As a pre-eminent postgraduate institution in Sri Lanka, driven by the pursuit of knowledge and innovation, with a unique institutional culture based upon the values the institutions espouse, the Postgraduate Institute of Management (PIM) is committed to pursuing global standards excellence in all its endeavors, namely, teaching, research, consultancy, and continuing education, and to remain accountable in all its core and support functions, through a process of research, review, evaluation and continuous improvement at all times.

The PIM is committed to:

- enhance quality and scope of our academic programmes,
- enhance strategic international relationships through its research and development, and excel in research and publications,
- foster partnerships with industry, universities, and professional associations,
- developed a skilled and customer-focused staff and faculty by providing training and other support facilities,
- enhance efficiency and effectiveness of the Institute's administrative and financial processes, and
- promote corporate social responsibility as an integral component of linking its activities with society.

DIRECTOR'S REVIEW

I am much pleased to ponder on the PIM's performance during the year 2020. I attribute our overall success to my dynamic and dedicated team at the PIM.

As we are much aware, leadership is all about inspiring, influencing, and initiating. It is more than positions and titles as it involves decisions and actions. We have been breeding leaders to the nation for over thirty-five years. These thoroughbred professionals have mastered value creation with confidence and competence. They are equipped with cutting-edge knowledge and complementary skills needed to perform in both the private and public sectors. In producing them with clarity and commitment, the PIM has always been a centre of excellence in management education, with its wings spreading beyond Sri Lanka.

Excellence is all about being exceptionally good. When applied to enterprises, it involves exceptional achievements in a consistent manner. That's what the PIM is proud of as a self-financed and semi-autonomous public entity that focuses on the right quality and quantity. We excel with extraordinary executives in essentially engaging them to unleash their true potential. The nation expects them to contribute towards the socio-economic upliftment on multiple fronts.

Over eight universities in the country offer MBA programmes while over a dozen private, off-shore MBA programmes also compete with PIM. These latter programmes are advertised extensively using foreign funds and charge fees in excess of double that of PIM for their MBA programmes. Competition comes from lowering entry qualifications and the use of the faculty of the local universities as resource persons with their 'prestigious' name tags. These are the key challenges to PIM, the Institution that has taken the bold initiative to operate on self-generated funds. The competitor private educational institutions are not hampered by the restrictions that PIM faces. Owing to its self-imposed initiative to be self-sufficient, PIM has to earn funds to pay for salaries, utilities, supplies, transport needs, capital expenditure, taxes and maintenance, security, and audit fees. This is indeed a unique situation where a public sector organization in Sri Lanka has dared to earn its upkeep covering all its expenses, both recurrent and capital, and manage the Institution with a surplus.

During the year, PIM was ably guided and directed by its Board of Management and the Boards of Study on the basis of the Corporate Plan for 2020-22. I am pleased to state that overall performance in the PIM's five goals of (i) to enhance the scope of PIM academic programmes, (ii) to enhance the scope of PIM excellence in research and publications (iii) to foster partnership with industry, universities, and professional associations (iv) to develop ICT and ensure infrastructure facilities to offer a conducive learning environment (v) Ensure revenue growth inclusive of foreign income with financial and administration compliance. The next few pages are devoted to providing the PIM's achievements during the year. This will be followed by sections on human resources development and administrative and financial efficiency.

Arguably the future of the public enterprises in Sri Lanka lies in maintaining a proper balance between autonomy and control. On the one hand, the country needs to establish a self-funding, self-managed, and self-regulating tradition in public enterprise undertakings, and on the other hand, ensure that the various enterprises meet some minimum standards – such as efficiency, accountability, and service excellence.

The autonomy of the Postgraduate Institute of Management (PIM) is enshrined in the enabling legislation which provides for administrative, financial and operational freedom. Moreover, the PIM does not rely on any budgetary allocations from the General Treasury, not even for its capital expenditure which includes the construction of new buildings.

In recent years, there has been a proliferation of institutes of higher learning in Sri Lanka. However, a distinction has to be made between institutes that are self-financing and institutes such as the state universities, which depend on considerable Treasury grants on an ongoing basis. PIM is structurally differentiated from the vast array of such organizations in the quality of its courses, in the non-traditional modes of course delivery, group and interactive learning sessions, the presence of learning facilitators, and formal lectures and programmes designed on the basis of a needs analysis of clients. PIM's central intent is to transform public and private sector practitioners into professionals.

For private enterprises, profitability provides the key indicator of efficiency. For state-owned enterprises, profitability may not be a sufficient indicator, given that many such enterprises are not created to maximize profits as they perform non-profit-making functions. However, where state-owned enterprise functions without being a burden on the Treasury, in our view, such activities must be promoted. Only performance-based auditing will motivate PIM to improve its operational performance and delivery of services.

In seeking to maintain flexibility, we need a criterion for creating, managing, supervising, and holding to account for different types of enterprise. As a result, a wide variety of enterprises should exist, each with its own funding, reporting, personnel, and governance arrangements.

The challenges of financial independence and control of human resources will severely inhibit and constrain PIM's long-term development, market orientation, and performance improvement. For PIM to achieve its full potential, it is imperative that the PIM Board of Management must have the administrative and financial freedom to a certain extent for the PIM in order to stay ahead of the competition in keeping with emerging trends.

The PIM, as we aptly claim as the Nation's Management Mentor, will continue to contribute to the value creation in terms of producing leaders with required competence and confidence, in line with its vision, mission, and values.

Prof. Ajantha S Dharmasiri
Director

TABLE OF CONTENTS

INTRODUCTION

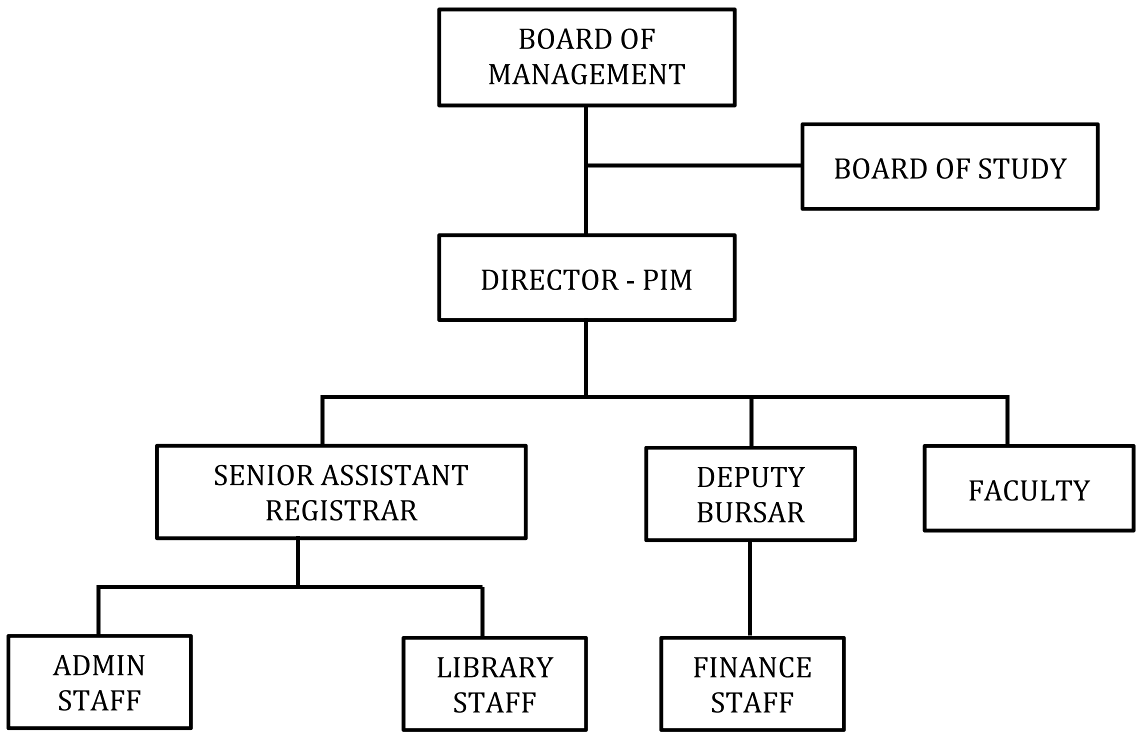
The Postgraduate Institute of Management (PIM), as the nation's management mentor, is much delighted to present its Annual Report 2020 with the necessary details. It is interesting to note that the Institution has successfully bounced back after the Easter Sunday attack in ensuring smooth continuity with timely completion of all planned programmes.

The PIM is a semi-autonomous body affiliated to the University of Sri Jayewardenepura. Its objectives are to promote advanced education and professionalism in management in Sri Lanka through the provision of postgraduate instruction, training, research, and development in the various branches of management and administrative studies. Today, it serves the national interests of professional management education and training, providing challenging opportunities for learning and skills development to thousands of senior-level managers and administrators. Being the pioneer of advanced management education in Sri Lanka, PIM provides leadership to those in the business of innovating and disseminating management know-how and those in search of higher learning alternatives.

The PIM, established in 1986 by Ordinance under the Universities Act 16 of 1978, is one of the eleven postgraduate institutes in the university system of Sri Lanka. Though it is relatively young, it has the largest student population among postgraduate institutes, and it is the only self-financing higher learning institution in the university system of the country.

The history of the Institute goes back to 1981 when a Division of Postgraduate Studies was set up at the Faculty of Management Studies of the University of Sri Jayewardenepura. The Division started postgraduate studies in management with collaboration under CIDA with two Canadian Universities, viz., Ottawa University, and Carleton University. In 1986, the Division was upgraded to a separate institute under the University of Sri Jayewardenepura. In 1995 the Postgraduate Institute of Management was moved to the new building constructed at Lesley Ranagala Mawatha, Colombo 8.

ORGANIZATIONAL STRUCTURE



BOARD OF MANAGEMENT

The following formed the Board of Management, which is the academic and executive body of the Institute

Ex-officio Members:

Prof. Ajantha S. Dharmasiri, Director, Postgraduate Institute of Management

Dean, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura (Prof. P D Nimal)

Dean, Faculty of Graduate Studies, University of Sri Jayewardenepura (Senior Prof. M M Pathmalal)

Members Nominated by the University Grants Commission:

Ms. K V C Dilrukshi, Director, Department of Public Enterprises
Mr. Asoka Hettigoda, Managing Director, Hettigoda Group

Senior Professor Laleen Karunanayake, Dean, Faculty of Applied Sciences, University of Sri Jayewardenepura

Mr. Asanga Ranasinghe, Executive Director, Diesel and Motor Engineering PLC

Mr. Deepal Sooriyaarachchi, Management Consultant

Mr. K R Uduwawala, Additional Secretary, Ministry of Higher Education

Mr. Lalith Weeratunga, Principal Advisor to H E President

Mr. Lasantha Wickremasinghe, Partner, B R De Silva and Company

BOARD OF STUDY

The Board of Study of the Institute regulated the matters connected with teaching, examinations, and research during the year and the following members represented it.

Board of Study in Business Administration

Prof. Ajantha Dharmasiri, Director, Postgraduate Institute of Management (Chairman)

Prof. U Anura Kumara, Dean, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura

Mr. Eardly Perera, Company Director/Consultant

Dr. Travis Perera, Senior Consultant, Postgraduate Institute of Management

Mr. M. R. Prelis, Chairman, Capital Trust Securities (Pvt) Ltd.

Dr. A. K..L Jayawardana, Senior Consultant, Postgraduate Institute of Management

Dr. Trevor Mendis, Senior Consultant, Postgraduate Institute of Management

Board of Study in Public Administration

Prof. Ajantha Dharmasiri, Director, Postgraduate Institute of Management (Chairman)

Dr. Fredric Abeyratne, Consultant, Policy Initiative, UNDP

Dr. Indrajit Coomaraswamy, Former Governor, Central Bank of Sri Lanka

Dr. Damitha De Zoysa, Former Director General, General Treasury

Dr. Lloyd Fernando, Economic Consultant

Dr. Sarath Rajapathirana, Economic Advisor

Dr. W A Wijewardena, Economic Consultant

TEACHING

Course Planning and delivery

Fresh attempts were made to improve the quality and relevance of the Doctoral, MBA, MPA programme as well as other academic and professional development programmes conducted during the year. In order to stay ahead of the competition while delivering value to the student, programme curricula were improved in keeping with emerging trends and new areas of knowledge.

Postgraduate output during the year

The educational programmes were conducted successfully and on schedule. The number of postgraduate students who completed the Doctoral, Master's degree, and Postgraduate Diploma requirements during the year is given in Table 1.

Table 1: Postgraduate Output during 2020

Programme	No.
Doctor of Philosophy in Business Administration	02
Master of Business Administration	266
Executive Master of Business Administration	14
MBA in Taxation	56
MBA in Customs & International Trade	19
Master of Public Administration	28
Postgraduate Diploma in Management	09
Postgraduate Diploma in Public Administration	02
Total Number of Graduates	396

Source: PIM database

Student Enrolment during the year

The student enrolment for the Master's degree programmes during the year 2020 is given in Table 2.

Table 2: Student enrolments during 2020

Course	Nos.
Master of Business Administration (Colombo)	350
Master of Business Administration (Qatar)	28
Master of Business Administration (Bahrain)	13
Master of Business Administration in Taxation	40
Doctor of Philosophy	23
Total	454

Source: PIM data base

Annual Faculty Retreat

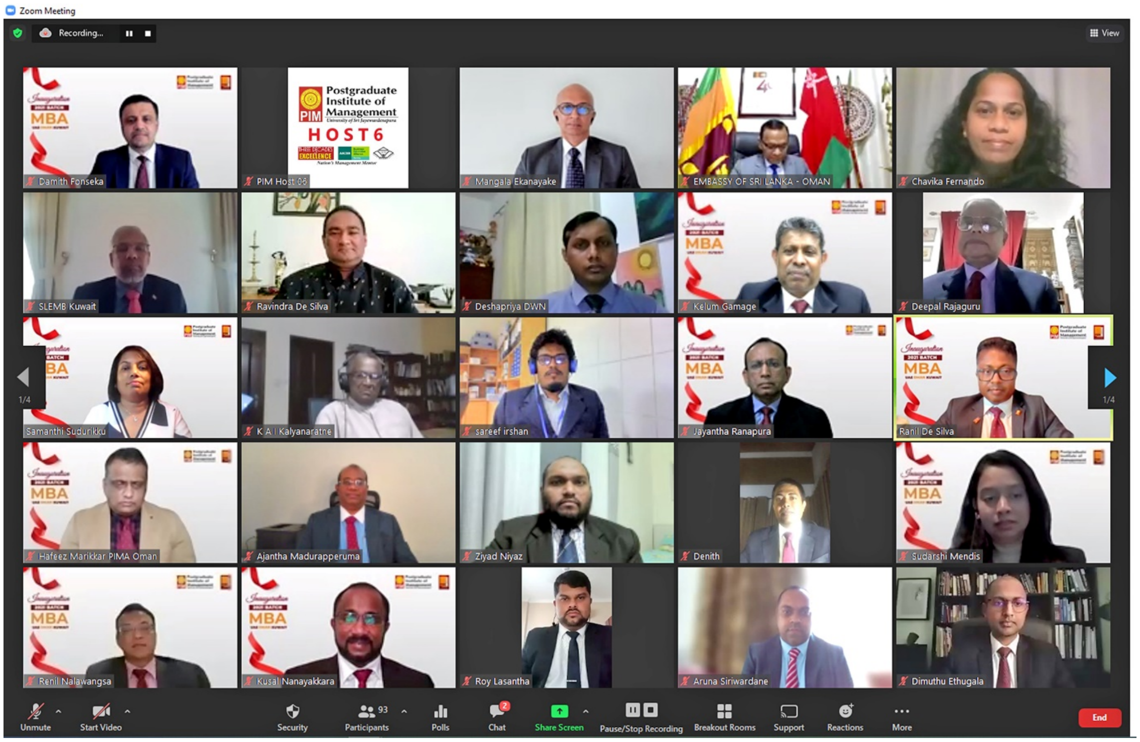
The main objective of the PIM Annual Faculty Retreat is to deliberate on the *status quo* of the Institute in respect of all its major functions and operations with a view to effecting improvements and repositioning itself to meet current and future demands and achieve greater success for the Institute. In fact, a worthwhile Faculty Retreat can breathe new life into the academic community. The content of a well-organized retreat can contribute to developing the Institute's identity and inspire a shared sense of reflection and forward movement. The annual Faculty Retreat for the year 2020 was postponed due to the prevalent situation in the country. However, the relevant items were discussed in depth at the monthly faculty meetings, and actions were taken to implement them accordingly.

Launch of PIM - MBA Programmes Overseas

PIM has always been a center of excellence in management education, with its wings spreading beyond Sri Lanka.

Successful launch of the Institute's MBA programme in UAE, Qatar, Oman and Kuwait City were significant achievements during the period 2015-19. Expanding its wings further in 2020, PIM launched its MBA program in Manama, Bahrain. Thirteen students enrolled in the first batch of the MBA programme offered in Bahrain. PIM is in the process of expanding these markets to other Middle Eastern countries and the Asian region as well in the near future.

PIM is the only higher educational Institution in the University system in Sri Lanka that offers its local Master's degree programmes overseas and generates a significant amount of foreign exchange to the country.



Significant achievements during the year (Teaching)

1. Commencement of the first PIM MBA programme in Bahrain and second PIM MBA batch in Qatar.
2. Introduction of online sessions and take-home examinations for the PIM students due to prevalent situation in the country
3. Introduction of hybrid lecture sessions (part physically and part online) for the PIM students due to prevalent situation in the country.
4. Ensuring the effectiveness of online and hybrid sessions with the use of features in Prajna Learning Portal
5. Consistent adherence to academic guidelines such as similarity index through Turn it in software

RESEARCH

Research in management in Sri Lanka still needs vast improvements. We have yet to develop a research tradition in the discipline. The challenge is to formulate the paradigm in which our research efforts should be directed. As we perceive it, the principal objective of the research is to go in search of an indigenous core for the enrichment of management as a profession. Towards this end, we seek methods and logical approaches to research through which the quality of research outputs can be elevated to acceptable levels.

During the year 2020, over 300 student research projects were completed, which are available in the hard-bound form in the PIM library.

Doctoral workshops

PIM research Centre initiated series of doctoral workshops for the doctoral students in research design and publishing a concept paper. A new initiative to encourage more students to get actively engaged in completing the doctoral work. Resources persons were invited from other universities as well as from PIM.

Building on concept papers

Few students, even those registered in doctoral programs, engage in formal academic writing at a level sufficient enough to get accepted in quality peer-reviewed journals. Having grasped the proper construction of a literature review, theoretical framework, methodology, collection of data, data analysis, findings, and discussions, students need to focus on building on a concept paper that forms the basis of the doctoral defense. The workshops addressed these needs of the students with the aim of having a greater number of students moving to doctoral defense.

Research design

The workshops focused on research designs based on quantitative and qualitative methods. Small group discussions were the basis of workshops where methodologies specific to both quantitative and qualitative methods were discussed. Participants presented various approaches of research designs, and workshops led to the refining of approaches of the doctoral students' work.

Conferences

PIM partnered with the National Science Foundation in their 2020 conference on "COVID 19: Impact, Mitigation, Opportunities, and Building Resilience" and Building Resilience". The achievements of Sri Lanka are commendable in a global context and are among the few countries that effectively managed COVID-19. They were made possible by a combination of the relevant authorities fulfilling their mission with dedication, devotion, and distinction and the resolute and effective leadership of the country at a time when an unprecedented pandemic shook the whole globe. Against this backdrop, the NSF designed a 2-day national conference titled "COVID-19: Impact, Mitigation, Opportunities and Building Resilience" under the theme "From Adversity to Serendipity". It aimed at bringing all the key players of the relevant public and private sector institutions under one roof to deliberate and reflect on the above aspects of the pandemic so as to build a robust and resilient community and economy in Sri Lanka

The APB Research Symposium

PIM research Centre associated with the Association of Professional Bankers, in designing the research conference focused on Sri Lankan Economic Resurgence, where the final research projects related to banking sector operations to be showcased in the conference. The conference due to be held in November 2020 will now be held in 2021 March

PIM Cases in Management

The first volume pioneering collection of cases based on the projects undertaken by students local and overseas, as "PIM Cases in Management" was brought was initiated to be published in 2021 March. Case based learning in management is an effective way of imparting knowledge, skill, and attitude, particularly in postgraduate courses. A case in fact, is a story with issues to explore in finding solutions and insights to excel in applying the key lessons. It is a symbol, metaphor, or a parable in one way or another, revolved around individuals interacting in institutions. In other words, it is a simulation of real-life through the depiction of planning, organizing, leading, and controlling, which are the four key pillars of management. Well-crafted cases enrich us in multiple ways in enhancing our competence and confidence in contributing towards organizational success.

Monthly Research Seminar

Another research initiative which commenced in 2016, monthly research seminar series, *"In Dialogue with* ...," an initiative designed to create a forum for researchers in business, management and allied disciplines to discuss ongoing research work. It provides a space to build rich and meaningful linkages among researchers across the country. Six seminars were successfully conducted during the year.

Publications

Satisfactory progress was shown in the area of publications during the period under review.

i) *PIM Presentation guidelines:* An updated edition of the handbook titled *PIM Presentation Guidelines* designed to promote uniformity in the writing and presentation of material by PIM staff and students was published. The book lays down the standard set of rules and guidelines for compliance and is largely based on the guidelines set out in the Manual of the American Psychological Association. The Faculty has also contributed to the compilation of the publication.

ii) *Sri Lankan Journal of Management (SLJM)*: The quarterly Journal of the Institute, started in 1996, continues to provide a forum for publication and discussion. Two bumper issues of SLJM were published during the year 2020. The principal objective of SLJM is to provide a medium for addressing issues of relevance in management and for disseminating results of excellent research projects of the Faculty and students. Those from the industry are also invited to send in their contributions for publication.

iii) *The Professional Manager*: This bi-annual magazine was launched, in addition to the SLJM, to cater to the emerging needs of the modern manager. It disseminates cutting-edge management knowledge in a style that is easy to comprehend without a particular functional bias. Issues that are topical and significant for today's managers operating in a complex and turbulent environment are given emphasis in *The Professional Manager*. Two issues of the publication were printed during 2020.

iv) During the year under review, 48 articles authored by faculty and students were published in the local press.

Table 3: Research, Innovation, and Publications

Subject	Published	Commercialized	Presented
a. No. of Research of MBA students	--	--	305
b. No. of Journals	02	02	
c. No. of Magazines	02	02	
d. No. of Case Study books	01	01	
e. No. of Articles (in the press)	62	(appeared in the daily press)	
Total	67	05	305

Source: PIM database

Hosting SLJM in EBSCO Database

EBSCOhost is a leading scholarly research database, mostly full text, with an emphasis on peer-reviewed journals. The content of the Sri Lankan Journal of Management (SLJM) of the Institute can now be discovered via two different databases on EBSCOhost – Business Source Corporate Plus and Business Source Ultimate. SLJM became the first Sri Lankan journal to be hosted on the EBSCO database. This has, in fact, increased the citation rate of SLJM articles.

Knowledge Voyage

Faculty members of PIM have to be continuous learners in order to share updated knowledge. The concept of a "Knowledge Voyage" is where a resource person shares a new concept, practice, or application with the other faculty. Each month, one-hour knowledge sharing preceding the monthly weekly faculty meeting has gathered momentum with the involvement of local and foreign resource persons. Ten Knowledge Voyage events were successfully conducted during the year.

Significant achievements during the year (Research)

1. Vibrancy in publications and conference presentations
2. Introduction of Monographs based on industry surveys conducted by MBA final-year students
3. Sri Lankan Journal of Management (SLJM) continuing to be hosted by EBSCO
4. Continuation of "In Dialogue with" monthly research series
5. Initiation of EBSCO hosted SLJM to be made a ranked journal

PARTNERSHIP

Industry Links and Consultancy

The PIM maintains formal links with industry, commerce, and government through representation in the Institute's Board of Management and Boards of Study and the Director's and the core faculty members' membership/participation in similar institutional arrangements elsewhere. A number of awards are available to students who perform well in coursework and research. Some of them are donations and endowments to Institute.

As a matter of Policy, the Institute undertakes management consultancy assignments that are likely to improve the content and skills of faculty teaching through exposure to practical management problems. In the past, several management consultancies have been successfully completed in such areas as corporate planning, organizational restructuring, job analysis, and remuneration policy, training & development, and institutional development. The clients included both public and private sector institutions engaged in manufacturing, services such as banking, finance, insurance, urban development, and special services aimed at improving the quality of life of disadvantaged social groups.

PIM - UNSW Partnership

Under the PIM - University of New South Wales (UNSW) partnership agreement, the UNSW assistance received during the year is noteworthy.

a) Development of academic and research skills of the PIM Faculty and Doctoral students through joint research projects.

b) Award of Ph. D scholarships to MBA graduates of PIM who perform exceptionally well in research.

The collaboration between the two institutions further strengthened during the year.

Partnership with Foreign Universities

Memorandums of Understanding (MOU) were signed with the following overseas Universities for the purpose of providing training in international management for selected groups of public sector officials in the country.

- Kasetsart University, Thailand
- Maastricht University, The Netherlands
- Frankfurt University, Germany
- Gadjamada University, Indonesia
- University of Hong Kong, Hong Kong
- International University, Japan
- Sydney University, Australia

the scheduled programmes for the year 2020 were postponed to the year 2021 due to the prevailing pandemic situation in the world.

Queen Elizabeth Commonwealth Scholarship Programme

PIM's MBA has been recognized by the Queen Elizabeth Commonwealth Scholarship Programme (QECS) funded by the Commonwealth Scholarship and Fellowship Plan (CSFP) to study for a two-year Master's degree in a low or middle-income country of the Commonwealth.

QECS has so far offered 06 fully paid scholarships to follow MBA at PIM since 2015.

In 2020, the QECS offered one scholarship to a student from the Gambia to follow MBA at PIM.

Executive Development Programmes

PIM also takes pride in conducting client-focused training for employees of organizations in its efforts to be a working partner of the business community. The Executive Development Programmes (EDP) of the Institute provide immense long-lasting value to its corporate customers. The aim of the PIM.s EDPs is to help improve organizational management systems and practices by providing relevant training and development to the executives of different sectors operating at different levels in the organizational hierarchy. The participants are equipped with the latest tools, techniques, and skills spanning different streams of management. Ten (10) EDPs were successfully conducted for the Corporate Customers of the Institute during the year.

Significant Achievements during the year (Partnerships)

1. Development of academic and research skills of the PIM Faculty and Doctoral students through joint research projects with UNSW.
2. Conduct of ten (10) executive development programmes for corporate customers.
3. Offer MBA study opportunities for students under QECS programme.
4. Increase of quality and quantity of EDPs with Globus simulation for Senior Managers
5. More doctoral collaborations with UNSW and ANU of Australia

SUSTAINABILITY

Being the premier institute of management education in the country, the PIM is ever conscious of its commitments and obligations to the country at large. It has, therefore, been futuristic in its approach to management issues. The PIM's Edifice of Excellence includes 'Sustainability' as one of its Five Pillars of Excellence.

Sustainability Pillar is implemented through the following strategies

(i) Carrying on the affairs of the Institute without damaging the Environment now or in the future.

(ii) Creating an administrative system that provides for quality of life while doing the utmost to preserve the Environment and its resources, as well as avoiding the depletion of natural resources in order to maintain an ecological balance.

(iii) Inculcating the concept of sustainability in the minds of the stakeholders, including the student community.

(iv) Practicing sustainability through CSR (corporate social responsibility) projects launched by the Faculty and the students in the MBA programmes as well as by the PIM's Staff Welfare Society.

(v) Promoting a greener, leaner and cleaner work environment through the PIM's 5S practices.

(vi) Replacing usage of paper by optimum usage of electronic documents for all internal communication, admissions, assignments, and final projects and adoption of wireless (WiFi) network systems.

PIM's 5S Policy

The following elements are included in the Goals and Objectives of the Institute's 5S Policy.

Goals:

1. All areas in the office building and premises are tidy, user friendly, clean, and safe, with hygienic conditions.
2. The employees regularly and earnestly participate in 5S activities.
3. The employees perform their works with a sense of pride in a pleasant and hygienic working environment.
4. Prime importance is given to prudent use of resources and environmental protection.

Objectives:

1. To increase awareness and to instill positive attitudes towards orderliness and discipline among employees at all levels
2. To improve overall efficiency.
3. To minimize consumption of operating resources.
4. To save energy and protect the Environment.
5. To have a safe, clean, well-organized, and conducive workplace to achieve the objectives of the PIM's Five Pillars of Excellence.
6. To promote the participation of employees and to enhance corporate-wide unity and teamwork.
7. To treat 5S activities as an inseparable part of the Institute's operations.
8. To create an excellent corporate image.

Establishment of a Herbal Terrace

This project was launched in the PIM premises three years ago, and it is being continuously maintained and improved.

Its Objectives are:

i. To encourage the herbal garden concept.

ii. To promote familiarity with the Environment.

iii. To educate in identifying different herbs.

iv. To encourage the use of herbs in food.

Eliminate Plastic Water Bottles from Usage in the PIM

Issues Considered

Issue No. 1 - Plastic water bottles are unhygienic as they contain hormone-disrupting chemicals like BPA and Phthalates.

Issue No. 2 – Environmental degradation caused by plastic bottles as they are not easily degradable.

Issue No. 3 – Plastic bottles pose a threat to the promotion of a greener, leaner, cleaner Environment.

Headed by a specialist team, a special project has been launched to eliminate the usage of plastic water bottles from the Institute. The report of the findings and recommendations of the specialist team is being studied by the management with a view to adopting and implementing its recommendations within the course of the current year.

Once the project is launched, it will have a ripple effect on all those directly impacted by the change and the others who are related/linked to them. The message would thus have a widespread impact.

Conduct periodic Fire Emergency Exercises

With a view to safeguarding the inmates and the premises, Fire Emergency Exercises are conducted periodically as important components of the PIM's 5S System and Staff Training & Development Exercises. For this exercise, the Institute obtains the services of the Fire Department of the Colombo Municipal Council.

Further, replacing of Fire Extinguishers is being put under the constant vigilance of the 5S Committee responsible for Security and Maintenance.

PIM Goals

Out of the five Goals of the Institution, the following goal is strategically related to sustainability, namely,

Goal Four: To develop ICT and ensure green infrastructure facilities to offer a conducive learning environment.

Environment and Disaster Impact Assessment Analysis

The Environment and issues on pending disasters are kept under the vigilant surveillance of the PIM's 5S system. Patrol audits are conducted monthly to ensure maintenance of safety systems and procedures. All deviations detected at these patrol audits are discussed with the management, 5S Core Committee and the 5S Facilitator regularly on a monthly basis. Herein all lapses are discussed, and measures are taken promptly to bring the deviations and lapses into normalcy.

PIM Genesis Business Incubator

The PIM Genesis is the Business Incubator at the PIM. It nurtures and supports new business initiatives. The main objective of the PIM Genesis is to convert good business ideas into sustainable business ventures. The incubator facilitates "would be entrepreneurs" by providing:

- Physical workspace for conducting meetings
- Links to potential funding sources
- Access to services such as accountants, marketers, and lawyers
- Access to networks and partnerships with business professionals
- Coaching and mentoring
- Connectivity with relevant private and public agencies
- Competitive strategy formulation

PIM Genesis was vigorously involved in achieving its objectives during the year.

AACSB Membership for PIM

The Association of Advance Collegiate of Business (AACSB) connects educators, students, and businesses to achieve a common goal to achieve the next generation of great leaders. The AACSB provides quality assurance, business education intelligence, and professional development services to over 1600 member organizations and nearly 800 accredited business schools worldwide.

In 2016, PIM was awarded the Membership of the AACSB. PIM is in the process of obtaining the prestigious accreditation status by AACSB in the near future.

The 5 M framework for development

In order to take PIM forward in the years ahead, the five-dimensional programme which had already been adopted was continued with even greater vigour. It involved constant involvement in the 5 M, viz., Market, Members (faculty and staff), Mentors (faculty assigned to provide individual help and guidance and feedback), Monitors (appointing class representatives for each batch), and MBA's (work with Alumni of PIM). Emphasis was given to working with these stakeholders through the deliberations at Faculty meetings and meetings organized with the participation of other stakeholders.

ISO 9001-2015 status for PIM

Obtaining the ISO 9001-2015 certification was one of the most outstanding achievements in our history. PIM is the only higher educational institution in the University system in Sri Lanka that has obtained this certification to date. The process leading to the certification was most rewarding as it resulted in effecting improvements in the academic arena comprising teaching, learning, and evaluation as well as educational, administrative, and financial administration.

Enhanced facilities for staff and students

PIM Building Project Stage II: A project proposal for the construction of Stage II of the PIM building complex was approved by the Cabinet of Ministers in June 2012. The total project cost is estimated at Rs. 240 million. The construction work of the project started on September 10, 2019, and the funds generated by the Institute will be utilized to complete the entire building project. On completion of the building, the Institute will be in a position to provide extended and expanded services to the students as well as to the corporate community.

Expansion of library

Expansion of the Library (including the video library) continued in the year 2020. The library was further upgraded to accommodate more users, and the facilities, viz., research collection and information assistance, inter-library loans, subject bibliographies, and displays, internet connectivity, and videos. The automated catalogue system was further upgraded to provide better service to students. By the end of the year 2020, over 36,000 books on management and related areas and over 30 journals and periodicals had been made available for the readership. In order to ensure an efficient service, the bar-coded circulation system was further upgraded as part of library modernization.

Publicity and Image

A conscious effort was made to publicize all PIM activities/events carried out in 2020 with press and TV coverage, thus increasing the visibility of PIM. The PIM website, which is regularly upgraded, also covers the special events conducted by the Institute.

Staff Training

The Institute works on the axiom that 'Staff is the organization". Therefore, in addition to the welfare measures that are in place to boost up the morale of the staff, and to make them genuinely feel that the Institute is their second home, their competency and skills enhancement are given prime importance in their overall development. In fact, the training presents an excellent opportunity to expand the knowledge base of all employees and will provide them a greater understanding of their responsibilities within their role, and in turn build their confidence.

The PIM has meticulously worked out an annual training calendar to fulfill these noble objectives, specifying the dates, times, resource persons, and topics/subjects selected for each session. As it's a mixed target group representing different categories of non-academic staff, the overall objective is to enhance their general outlook towards their work as well as to inculcate in them such concepts as responsibility, efficiency, effectiveness, and personal excellence.

As the PIM lays much importance on operational effectiveness in serving the student community, its prime stakeholder group, emphasis is given to sound housekeeping practices, including quality, productivity, and 5s methodology, and fire-emergency measures.

With a view to broadening their general outlook on life, the programme also includes such topics as sexual literacy and health, personal excellence, non-communicable diseases, and managing finances, and investing wisely.

The PIM obtains the services of both its faculty as well as specialists in the respective fields to conduct these sessions. Staff training has been an ongoing activity since 2014.

A further aspect of the PIM's overall staff training programme is providing exposure visits to foreign climes and, more particularly to reputed higher learning institutes, by nominating non-academic staff in the periodic international training programmes conducted by the Institute.

Human Resource Development and Cadre

During the year both faculty as well as non-academic staff rendered yeomen service to the achievement of institutional goals.

Faculty Resources

Over a period of three decades, the Institute has accumulated a wealth of experience in adult learning, research, and consultancy. Most of the teachers of the Institute today have been at the task for many years. Hence, they form a core team of academics who set standards, integrate locally-found knowledge regularly into the curricula, and coordinate with other faculty members with speed and efficiency. The teaching faculty was engaged in the conduct of course work and the supervision of research papers and skills projects of Master's and Doctoral level students. The faculty team comprised permanent teachers, teachers on contract, and visiting academics and professionals:

Approved Cadre 2020

Employee Classification

Service Category	Salary Code	No. of Employees	Actual Cadre	Vacancies
Primary Level				
Primary Grade – unskilled	PL -1	02	01	01
Primary Grade – semi skilled	PL -2	03	02	02
Primary Grade - skilled	PL -3			
Secondry Level				
Management Assistant – non technical	U-MN1	15	09	06
Management Assistant – technical	U – MT 1	02	02	-
Associate Officers – segment 2	U – MN 2			
Associate Officers – segment 1	U – MN 3			
Staff Assistant/Supra & Senior Staff Assistant	U – MN 4			
Tertiary Level				
Academic Support Staff – segment 2	U – AS 1			
Junior – Executive / Managers	U – EX 1	01	-	01
Academic Support – segment 1	U – AS 2	01	-	01
Senior Level				
Medical Officer	U – MO 1			
Chief Medical Officer	U – MO 2			
Middle Level Executives	U – EX 2	02	02	-
Middle Level Executives	U–EX 2 (a) U–EX 3			
Lecturer	U – AC 3			
Associate Professors	U – AC 4	18	10	08
Proffessors/Senior Professors	U – AC 5			
		44	26	18

Significant achievements during the year (Sustainability)

1. Commencement of PIM building expansion
2. Acceleration of AACSB activities in line with the modified standards launched worldwide
3. Increase use of Zoom and other technologies to ensure eco-friendlier learning
4. Conduct regular training programs for the staff
5. Conduct hybrid faculty meetings to accommodate both physical and virtual participants

GOVERNANCE

Administrative and Financial Efficiency

This has been a satisfactory year for the Institute in administrative and financial efficiency spheres, as is reflected in the following statements:

Comparative Recurrent expenditure figures appear in Table 7.

Table 7: Recurrent Expenditure: 2018 (Rs.) 2019 (Rs.) 2020 (Rs.)

Subject		2018	2019	2020
a.	Personal emoluments	103,639,815	123,881,631	90,505,329
b.	Travelling	40,105,701	42,666,852	10,732,537
c.	Supplies	15,303,251	20,815,478	9,887,879
d.	Maintenance	6,583,545	9,632,163	4,364,886
e.	Contractual Services	45,367,967	37,185,095	20,770,589
f.	Other	190,860,194	183,156,258	72,709,071
g.	Project Nature Expenditure	--	--	--
Total Expenditure		401,860,473	417,337,477	208,970,290

Source: PIM database

Comparative capital expenditure figures appear in Table 8.

Table 8: Capital Expenditure

Subject		2018 (Rs)	2019 (Rs)	2020 (Rs)
a.	Acquisition of furniture & office equipment	11,460,534	9,152,780	3,369,956
b.	Acquisition of machinery	52,112	-	-
c.	Acquisition of buildings and structures	-	-	-
d.	Other (Library books, Motor vehicle, Cloaks)	584,172	804,290	1,064,012
e.	Rehabilitation & Renovation of Land & Building	-	-	-
f.	Acquisition of Intangible Assets	1,950,000	-	590,000
Total		14,046,818	9,957,070	5,023,968

Source: PIM database

Comparative financial progress figures of expenditure appear in Table 9.

Table 9: Financial Progress (Expenditure)

Subject	Provision in 2020 Rs.	Expenditure in 2020 Rs.	Savings/Excess Rs.
a. Recurrent except Project	432,573,000	208,970,290	223,602,710
b. Capital except Project	44,000,000	5,023,968	38,976,032
c. Project – Local funded	-	-	-
d. Project – Foreign-funded	-	-	-
Total	476,573,000	213,994,258	262,578,742

Note: above (b) is excluding construction project provision of Rs. 200,000,000/-
Source: PIM database

Comparative financial progress figures of generated income appear in Table 10.

Table 10: Financial Progress (Generated Income)

Source of Revenue	Provision in 2020 Rs.	Collection in 2020 Rs.	Deficit/Surplus Rs.
Postgraduate Studies	364,555,000	316,161,734	(48,393,266)
Consultancies	15,000,000	4,960,719	(10,039,281)
Other	96,880,000	61,417,831	(35,462,169)
Total	476,435,000	382,540,284	(93,894,716)

Source: PIM database

Financial Performance Analysis, 2020:

During the year, the Institute did not receive any funds from government sources, in keeping with the Policy of self-financing of the Institute, which started in 1998. Since that year, PIM has not received any funds from the University Grants Commission or Treasury for recurrent or capital expenditure.

Financial performance analysis figures of 2020 appear in Table 11.

Table 11: Financial Performance Analysis, 2020

Subject	Exp. Per Student Rs.
Recurrent Expenditure (RE) per Student	235,062
Capital Expenditure (CE) per Student (CE)	5651

Source: PIM database

Significant achievements (Governance)

Introduction of revamped faculty work norms and workloads1 in line with the UGC expectations and AACSB standards

1. Continuation of the Finance and Remuneration Committee (FRC) as a Board of Management Sub Committee
2. Continuation of the ISO 9001:2015 status for the MBA programme
3. Conduct of Board of Management and Boards of Study meetings as planned
4. Continuation of the AACSB membership status obtained for the Institute.

FUTURE PLANS

In line with the strategic plan prepared for 2020-2022, the PIM is geared to achieve the set targets in the five pillars, viz., teaching, research, partnership, sustainability, and governance. The way we successfully overcame the after-effects of the Easter Sunday attack and currently showing resilience and revival in the face of COVID19 is a sign of the PIM's stern commitment and the demonstration of professionalism on all fronts.

PIM's flagship MBA programme is now offered in six international destinations (Dubai, Doha, Muscat, Kuwait City, Dhaka, and Manama- Bahrain), and the plans are underway to include Male – the Maldives during 2021. . Maintaining quality and relevance in the long term with further additions of overseas study groups should be of high importance. Such moves primarily cater to Sri Lankan expatriates to assist them in enhancing their leadership and managerial competencies.

PIM will pay greater attention to improve the quality of research on all fronts, inclusive of final projects. In addition to the content of research reports, presentation aspects need improvement. Students should also be exposed to larger doses of qualitative and mixed research methods. A concerted effort should also be made to get the Sri Lankan Journal of Management to attain ranked status for which enhancement of quality of research outputs of faculty seems essential. Thus, the need to broad-base the role of the Research Centre looms large.

In addition, attempts must be made to enhance the MPA programme conducted by the Institute both in terms of contents as well as the method of delivery. The use of blended learning methods using information technology can be further enhanced as it will ensure the effective participation of students from distant parts of the country.

The tailored programmes of PIM such as MBA in Taxation (MBAT) and MBA in Customs and International Trade (MBA-CIT) should be further expanded, and the plans are underway to offer MPA in Education Management (MPAH) and MPA in Health Administration (MPAH) as two new programmes in time to come. It is the Institute's endeavor to continue to excel in its chosen areas of activity, the MBA, MPA & Ph. D, core programmes, and research while paying greater attention to Executive Development

Programmes (EDP), which are tailor-made to meet the specific training and development needs of clients, especially from the private sector. Infra-structure development, with the expansion of the Faculty and their continuous development, will enable the above-mentioned programmes of study research and training to be delivered as planned.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
December 31, 2020

Postgraduate Institute of Management
University of Sri Jayewardenepura
Statement of Financial Performance
For the year ended 31st December 2020

	Note	2020	2019
			LKR
Revenue			
Course Fees	**01**	312,072,186	319,019,785
Income from International Training Programmes	**02**	-	44,682,030
Income From Executive Development Programmes		4,960,719	34,182,209
Income from Advanced Certificate Course		-	2,798,000
Convocation Fees - 2019		57,500	1,625,518
Re-registration Fees		2,225,298	1,074,780
Examination Fees		830,250	414,380
Application Fees		976,500	1,172,700
Other Income	**03**	61,417,831	90,718,351
Total Revenue		**382,540,284**	**495,687,752**
Expenditure			
International Training Programmes	**02**	-	38,686,601
Executive Development Programmes-2020		2,138,658	-
Executive Development Programmes-2019		6,656,605	25,268,504
General Administration and Staff Costs	**04**	67,141,343	106,458,757
Academic Services	**05**	80,702,573	174,216,114
Teaching Resources	**06**	13,927,242	17,732,647
Ancillary Activities	**07**	8,099,154	9,743,792
Expenses on Publication		3,212,606	3,618,879
Depreciation & Amortization		15,592,776	15,730,879
Audit Fee		1,020,510	1,020,510
Miscellaneous Expenses	**08**	10,478,822	24,795,225
Loss of Asset Disposal		-	65,568
Total Expenditure		**208,970,290**	**417,337,477**
Surplus for the Year		**173,569,994**	**78,350,275**

Postgraduate Institute of Management
University of Sri Jayewardenepura
Statement of Financial Position
As at 31st December 2020

	Note	2020	2019
			LKR
Assets			
Non-current Assets			
Property, Plant and Equipment	09	180,748,310	191,687,933
Work in Progress - Building (Stage II)	10	61,970,308	11,367,278
Mobilization Advance - Building (Stage II)	11	32,632,749	41,550,137
Intangible Assets	12	2,030,938	1,660,124
Total Non-Current Assets		**277,382,305**	**246,265,471**
Current Assets			
Fixed Deposits	13	425,529,062	407,062,855
Inventories	14	15,620,511	10,024,648
Advances & Prepayments	15	2,321,189	5,655,972
Receivables	16	141,587,258	104,798,504
Cash & Cash Equivalents	17	265,827,651	186,943,538
Total Current Assets		**850,885,671**	**714,485,518**
Total Assets		**1,128,267,976**	**960,750,989**
Equity and Liabilities			
Equity			
Capital Grant		166,986,090	166,986,090
Revaluation Reserve	18	157,166,440	157,166,440
General Reserve		703,916,885	530,346,891
Total Equity		**1,028,069,414**	**854,499,420**
Liabilities			
Non-current Liabilities			
Provision for Gratuity	19	8,228,743	7,504,441
Endowment Fund	20	437,608	437,608
Retention-Building Stage II		4,012,825	-
Total Non-current Liabilities		**12,679,176**	**7,942,049**
Current Liabilities			
Provisions	21	8,956,303	9,569,000
Refundable Deposits	22	95,000	95,000
Income Received in Advance	23	54,645,000	57,052,670
Trade & Other Payables	24	23,823,084	31,592,850
Total Current Liabilities		**87,519,387**	**98,309,520**
Total Liabilities		**100,198,562**	**106,251,569**
Total Equity and Liabilities		**1,128,267,976**	**960,750,989**

We certify the above financial statements of the Institute comply with the requirements of the relevant sections of the Universities Act No. 16 of 1978, and Ordinance No. 03 of 1985 made by the University Grant Commission.

P G Maithrieratne
Deputy Bursar

J K S Ranapura
Senior Assistant Registrar

The members of the Board of Management are responsible for the preperation & presentation of these Financial Statements.
Signed for and on behalf of the Board of Management.

Prof. Ajantha Dharmasiri
Chairman of the Board of Management

Lasantha Wickremasinghe
Member of the Board of Management

Postgraduate Institute of Management
University of Sri Jayewardenepura
Statement of Changes In Net Assets
For the year ended 31st December 2020

LKR

	Note	Capital Grant	Revaluation Reserve	General Reserve Restated	Total
Balance as at 1st of January 2019	**A**	**166,986,090**	**157,166,440**	**451,996,616**	**776,149,145**
Surplus for the year 2019				78,350,275	78,350,275
Balance as at 1st of January 2020		**166,986,090**	**157,166,440**	**530,346,891**	**854,499,420**
Surplus for the year 2020				173,569,994	173,569,994
Balance as at 31st December 2020		**166,986,090**	**157,166,440**	**703,916,885**	**1,028,069,414**

Note A. Capital grant

- Government's grants given prior to 1998

Postgraduate Institute of Management
University of Sri Jayewardenepura
Cash Flow Statement
For the year ended 31st December 2020

		LKR
	2020	**2019**
Cash Flows from Operational Activities		
Surplus	173,569,994	78,350,275
Prior Year Adjustment		
Adjustments For:		
Depreciation and Amortization	15,592,776	15,730,879
Provision for Gratuity	2,668,302	1,851,230
Loss of asset disposal	-	65,568
Library Unidentified Items	-	17,013
Interest Income From Staff Loans	(125,198)	(125,067)
Interest Income From Fixed Deposits	(48,165,182)	(61,867,510)
Income from Hall Charges	(2,894,875)	(9,332,205)
Profit on Sale of Old Store Items	-	(31,500)
	140,645,818	**24,658,684**
Changes in Working Capital		
(Increase)/Decrease in Inventories	(5,595,862)	(6,732,299)
(Increase)/Decrease in Advances & Prepayments	3,334,784	5,807,553
(Increase)/Decrease in Receivables	(43,490,648)	4,951,201
Increase/(Decrease) in Refundable Deposits	-	(20,000)
Increase/(Decrease) in Income Received in Advance	(2,407,670)	(3,103,116)
Increase/(Decrease) in Trade & Other Payables	(7,769,767)	5,418,046
Increase/(Decrease) in Provisions	(612,697)	116,557
	84,103,957	**31,096,625**
Gratuity Paid	(1,944,000)	(2,345,039)
Net Cash Flows from Operating Activities	**82,159,957**	**28,751,586**
Cash Flows from Investing Activities		
Purchasing of Property, Plant & Equipment	(4,433,967)	(9,957,070)
Purchasing of Intangible assets	(590,000)	-
Construction of Building	(37,672,818)	(46,800,199)
Proceed on Sale of Old Store Items	-	31,500
Income on Hall Charges	3,920,875	8,301,205
Withdrawal of Investment in Fixed Deposits	-	66,554,908
Increase in Investment in Fixed Deposits	(18,466,207)	(89,359,744)
Interest on Loan & Advances	125,198	125,067
Interest on Investments	30,121,046	20,098,024
Interest on Cumulative FD Investments	23,720,030	22,046,063
Net Cash Flows From Investing Activities	**(3,275,845)**	**(28,960,247)**
Cash Flows from Financing Activities		
Endowment Fund	-	6,550
Net Cash Flows From Financing Activities	**-**	**6,550**
Net Change in Cash and Cash Equivalents During the Year	**78,884,113**	**(202,110)**
Cash and Cash Equivalents at Beginning of the Year	186,943,538	187,145,648
Cash and Cash Equivalents at the end of the Year	**265,827,651**	**186,943,538**
Analysis of Cash and Cash Equivalents		
Bank Of Ceylon - Borella Branch- Acc No 192596	(11,026,981)	693,835
Sampath Bank PLC USD Acc No 521830000070	4,863,554	10,035,440
Bank A/C - RFC (International Centre) Acc No 9719360	2,230,312	1,772,673
Bank A/C (International Centre) Acc No 021580683001	87,461	87,461
Fund Management Account	70,434,003	40,368,651
Short term Investments	199,239,301	133,985,479
	265,827,651	**186,943,538**

Postgraduate Institute of Management of University of Sri Jayewardenepura
Notes to the financial statements
Year ended December 31, 2020

1. General information, basis of preparation and summery of significant accounting policies.

1.1 Reporting Entity

The Postgraduate Institute of Management (PIM) is a semi-autonomous body affiliated to the University of Sri Jayewardenepura, established in 1986 by Ordinance under Universities Act No. 16 of 1978. (amended by Ordinance No.03 of 2018)

Its objectives are to promote advanced education and professionalism in management in Sri Lanka through the provision of postgraduate instruction, training, research and development in various branches of Management and Administrative Studies.

The Institute provides facilities for over 500 students at a time and it houses the lecture halls, faculty rooms, IT Centre, library and a cafeteria. The Institute maintains a professional and modern outlook in terms of quality of the premises, lecture theatres and educational equipment.

As a unique higher learning institution in the university system of Sri Lanka, PIM is self-financed and has been so since 1998. Since that time it has not drawn any funds from the Consolidated Fund for either capital or recurrent expenditure. The PIM has produced over 5000 MBA and MPA Graduates and Diploma holders.

1.2 Management's Responsibility for Financial Statements

The governing body (Board of Management) is responsible for the preparation and fair presentation of financial statements in accordance with the Sri Lanka Public Sector Accounting Standards.

1.3 Statements of Compliance

The financial statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS).

Comparative Information

The accounting policies have been consistently applied by the Institute and are consistent with those of previous years. The previous year's figures have been indicated for the comparison purpose.

1.4 Property, Plant & Equipment

(a) Cost

Property, Plant and Equipment are recorded at cost less accumulated depreciation.

(b) Depreciation

Provision for depreciation is calculated using a straight-line method on the cost of all Property, Plant and Equipment other than freehold land, in order to write off such amounts over the estimated useful lives by equal installments.

Postgraduate Institute of Management of University of Sri Jayewardenepura
Notes to the financial statements
Year ended December 31, 2020

The annual rates used are

Office Fittings & Equipment's	10%
Plant & Machinery	10%
Furniture	10%
Lab & Teaching Equipment	20%
Motor Vehicles	20%
Office Equipment's	20%
Library Books & Periodicals	20%
Academic Cloaks	20%
Intangible Assets	10%

The Building was revaluated in 2018 by the Department of Valuation. Details are given below.

Book Value of the Building before Revaluation	= Rs. 16,834,831
Revaluated Amount	= Rs. 163,340,000
Revaluation Gain	= Rs. 146,505,169

The Building was depreciated at 2.63% estimating 38 Years of Lifetime.

Investments
Investments which consist of fixed deposits are stated at deposits value as at last renewal date.

1.5 Current Liabilities
Current Liabilities in the statement of the Financial Position are those expected to fall due within one year from the date of the Statement of the Financial Position.

1.6 Retirement Benefit Obligations

(a) Defined Benefit Plan – Gratuity
The Institute has provided for gratuity liability based on the gratuity formula method.

According to the Payment of Gratuity Act No. 12 of 1983, the liability for payment arises on completion of 5 years' continuous service by an employee.

(b) Defined Contribution Plans- University Provident Fund, Universities Pension Fund & Employees Trust Fund
In case of employees who not opted for the Pension scheme, Institute contributes 15% of gross emoluments of employees (inclusive of cost-of-living allowance) to University Provident Fund.

In case of employees who have joined the Pension scheme, the Institute contributes 7% and 8% of gross emoluments of employees to Universities Provident Fund and Universities Pension Fund respectively.

The Institute's contribution to the Employees Trust Fund is 3% of the gross emoluments of employees.

Postgraduate Institute of Management of University of Sri Jayewardenepura
Notes to the financial statements
Year ended December 31, 2020

1.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Institute and associate cost incurred or to be incurred.

(a) Course Fee
Revenue from students as tuition fee is recognized on a time proportion basis.

(b) Interest from Investment
Interest from fixed deposits is recognized on accrual basis.

(c) Income from Projects
Income from project is recognized on completion basis.

(d) Others
Other income is recognized on accrual basis

1.8 Expenditure Recognition

Expenses are recognized in the Statement of Financial Performance on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the Institute and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income.

1.9 Cash flow Statement

Cash and cash equivalents as referred in the Cash Flow Statements comprise cash in hand, demand deposits and short-term investments.

The Cash Flow Statement has been prepared by using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Public Sector Accounting Standard No. 2 on Cash Flow Statement.

2.0 Impact of Covid-19

During the year under review, all postgraduate degree programmes were conducted as planned despite the COVID 19 pandemic. However, the mode of delivery of lectures was converted from physical classroom to online/hybrid mode. All examinations were conducted as planned without any disturbance.

Most of the short-term tailor-made executive development programmes had to be postponed due to the pandemic.

Despite of COVID 19 situation, the number of enrolments for the MBA programme was increased by 80 students compared to the previous years.

University of Sri Jayewardenepura
Notes to the Financial Statements
As at 31 st December 2020

	2020	2019
		LKR
Note 01 .Course Fee		
MBA (2017/2018)	462,125	-
MBA (2018/2019)	2,433,500	78,243,942
MBA (2019/2020)	88,918,549	99,906,617
MBA (2020/2021)	96,232,875	-
MBA CIT (2018/2019)	6,189,000	9,140,475
MBA Executive (2018/2019)	-	1,325,000
MBA Executive (2019/2020)	3,734,569	8,275,833
MBA Taxation (2018/2019)	-	22,125,000
MBA Taxation (2019/2020)	9,722,500	5,602,500
MBA Taxation (2020/2021)	14,625,000	-
PHD (2018/2020)	296,642	1,000,001
PHD (2020/2022)	6,900,000	-
MPA (2018/2019)	11,832	5,609,570
MPA (2015/2017)	-	-
MPA-E Government	-	5,250,000
MBA UAE (2017/2018)	-	2,399,119
MBA UAE (2019/2020)	21,614,667	15,587,013
MBA Qatar (2018/2019)	5,315,135	27,180,249
MBA Qatar (2020/2021)	20,567,683	-
MBA Oman (2017/2018)	18,314	3,527,625
MBA Oman (2019/2020)	12,912,802	12,096,131
MBA Kuwait (2018/2019)	3,126,010	13,457,783
MBA Bangladesh (2018/2019)	8,862,871	8,292,926
MBA Baharain (2020/2021)	9,378,113	-
MBA (2019/2020) pending reference	750,000	-
Grand Total	**312,072,186**	**319,019,785**

Note 02 .Income and Expenditure of International Training Programmes

2020

LKR

* Programme	Income	Expenditure	Surplus / (Loss)
Indonesia	-	-	-
Japan	-	-	-
	-	**-**	**-**

2019

LKR

Programme	Income	Expenditure	Surplus / (Loss)
Indonesia	30,307,080	26,709,425	3,597,655
Japan	14,374,950	11,977,177	2,397,773
	44,682,030	**38,686,601**	**5,995,429**

* Foreign study programmes have been suspended by the government.

	Note	2020 LKR	2019 LKR
Note 03. Other Income			
Interest Income	3.1	48,290,379	61,992,577
Rent Income		2,894,875	9,332,205
Foreign Exchange Gain/(Loss)		1,591,866	(756,506)
Sale of Publications		359,800	747,150
Library Fines and Fees		34,800	92,100
Miscellaneous Receipts	3.2	6,913,235	6,766,969
Gain on Asset Disposal		-	31,500
Over Provision for Accrued Expenses		1,332,875	2,000,665
Over Provision for Alumni Membership Fees		-	239,580
MBA (CIT) Foreign Study Tour		-	10,272,112
		61,417,831	**90,718,351**
Note 3.1 : Interest Income			
Interest Income - Fixed Deposits		48,165,182	61,867,510
- Staff Loan		125,198	125,067
		48,290,379	**61,992,577**
Note 3.2: Miscellaneous Receipts			
Surcharge Fees		5,750,056	4,633,992
Photocopy Fees		-	100
Transcript Fees		26,500	38,500
Tender Fees		-	361,000
Miscellaneous Income		1,136,679	1,733,377
		6,913,235	**6,766,969**
Note 04 . General Administration and Staff Cost	4.1		
Salaries and Wages		27,334,084	28,844,980
Travelling and Subsistence		2,359,220	2,634,797
Supplies		2,318,156	7,337,616
Maintenance		3,183,385	8,637,095
Contractual Services		18,901,386	36,552,201
Other Recurrent Expenses		13,045,112	22,452,067
		67,141,343	**106,458,757**
Note 05 . Academic Services	5.1		
Salaries and Wages		50,768,547	56,506,855
Travelling and Subsistence		2,241,546	3,211,750
Supplies		175,370	343,072
Maintenance		-	183,966
Contractual Services		1,657,958	131,460
Other Recurrent Expenses		15,365,952	45,295,853
MBA -International Programmes		10,493,200	68,543,158
		80,702,573	**174,216,114**
Note 06 . Teaching Resources	6.1		
Salaries and Wages		3,727,960	4,899,185
Travelling and Subsistence		209,000	241,250
Supplies		7,380,853	11,566,950
Contractual Services		-	56,123
Other Recurrent Expenses		2,609,429	969,139
		13,927,242	**17,732,647**

Notes to the Financial Statements **LKR**

As at 31 st December 2020

	Note	2020	2019
Note 07 . Ancillary Activities	**7.1**		
Salaries and Wages		6,037,979	6,107,593
Travelling and Subsistence		302,525	327,239
Supplies		13,500	1,567,840
Maintenance		1,181,501	811,102
Contractual Services		211,244	445,311
Other Recurrent Expenses		352,405	484,707
		8,099,154	**9,743,792**

Note 08 . Miscellaneous Expenses	**Note**	**2020**	**2019**
PIM Genesis		-	2,920
Write offs of the Course Fee Receivable Balances	**8.1**	10,291,322	24,775,292
Library Books -Unidentified item Cost		-	17,013
Receivable settlement understatement		187,500	-
		10,478,822	**24,795,225**

Note 8.1- Write offs of the Course Fee Receivable Balances	**Note**	**2020**	**2019**
Receivables MBA 2017/18		-	4,675,000
Receivables MBA 2018/19		-	3,737,500
Receivables MBA 2019/20		6,180,000	-
Receivables MBAC 2018/19		-	84,525
Receivables MPA 2018/19		-	75,000
Receivables EMBA 2018		-	637,500
Receivables EMBA 2019		1,112,500	-
Receivables PHD 2016/18		-	6,250,000
Receivables PHD 2018/20		-	1,833,326
Receivables MBA QATAR 2018/19		90,297	2,218,338
Receivables MBA Kuwait 2018/19		923,910	553,455
Receivables MBA Bangladesh 2018/20		-	124,245
Receivables MBA UAE 2017/18		-	4,114,272
Receivables MBA UAE 2019/20		1,435,202	-
Receivables MBA Oman 2017/19		-	472,131
Receivables MBA Oman 2019/20		549,413	-
		10,291,322	**24,775,292**

Note 09. Property Plant and Equipment

Cost LKR

Item	Balance As At 01.01.2020	Additions	Revaluation	Disposals	Balance As At 31.12.2020
Land	5,000,000	-	-	-	5,000,000
Building	163,340,000	-	-	-	163,340,000
Plant & Machinery	4,852,112	-	-	-	4,852,112
Furniture	17,246,966	457,891	-	-	17,704,857
Office Fittings & Equipment	3,050,032	-	-	-	3,050,032
Office Equipment	48,863,852	726,515	-	-	49,590,367
Lab & Teaching Equipment	8,311,516	2,185,550	-	-	10,497,066
Motor Vehicles	18,289,442	-	-	-	18,289,442
Library Books & Periodicals	24,666,862	470,012	-	-	25,136,874
Academic Cloaks	2,074,527	594,000	-	-	2,668,527
Total	**295,695,310**	**4,433,967**	**-**	**-**	**300,129,278**

Depreciation

Item	Balance As At 01.01.2020	Depreciation	Depreciation adjustment	Depreciation for Disposals	Balance As At 31.12.2020
Building	8,596,842	4,298,421	-	-	12,895,263
Plant & Machinery	3,451,885	600,000	-	-	4,051,885
Furniture	9,837,613	797,984	-	-	10,635,597
Office Fittings & Equipment	3,085,363	17,766	-	-	3,103,129
Office Equipment	32,602,573	6,550,532	-	-	39,153,105
Lab & Teaching Equipment	4,414,923	1,103,520	-	-	5,518,443
Motor Vehicles	17,275,882	1,320,000	-	-	18,595,882
Library Books & Periodicals	22,667,769	480,641	-	-	23,148,411
Academic Cloaks	2,074,527	204,727	-	-	2,279,254
Total	**104,007,377**	**15,373,590**	**-**	**-**	**119,380,967**
Net Carrying Amount	**191,687,933**				**180,748,310**

Note 10. Work In progress (Building Stage II)

	2020	2019
Work in progress at the beginning of the year	11,367,278	6,117,216
Work Completed	41,685,643	5,250,062
Recoveries of Mobilization advance	8,917,388	0
	61,970,308	11,367,278

Note 11. Mobilization Advance- Building (Stage II)

	2020	2019
Balance at the beginning of the year	41,550,137	-
Advance Paid	-	41,550,137
Recoveries	8,917,388	-
Balance at the end of the year	32,632,749	41,550,137

Note 12. Intangible Assets

Cost LKR

Item	Balance As At 01.01.2020	Additions	Disposals	Balance As At 31.12.2020
System Soft wares	1,950,000	590,000	-	2,540,000
Total	**1,950,000**	**590,000**	**-**	**2,540,000**

Amortization

Item	Balance As At 01.01.2020	Amortization for the period	Amortization for Disposals	Balance As At 31.12.2020
System Soft wares	289,876	219,186	-	509,062
Total	**289,876**	**219,186**	**-**	**509,062**
Net Carrying Amount	**1,660,124**			**2,030,938**

Note 13.Fixed Deposits - 2020

FD Number	Bank / Financial Institution	Face Value	Deposit Value as at 31.12.2020
220141	Bank of Ceylon	35,000	35,000
220209	Bank of Ceylon	50,000	50,000
220018	Bank of Ceylon	43,690	43,690
220267	Bank of Ceylon	40,000	40,000
9543899	Bank of Ceylon	2,000,000	5,602,891
9680349	Bank of Ceylon	2,000,000	2,000,000
9680373	Bank of Ceylon	2,000,000	2,000,000
9680289	Bank of Ceylon	2,000,000	2,000,000
9680400	Bank of Ceylon	2,000,000	2,000,000
9680415	Bank of Ceylon	2,000,000	2,000,000
9717250	Bank of Ceylon	2,000,000	2,000,000
9735361	Bank of Ceylon	2,000,000	2,000,000
9735355	Bank of Ceylon	2,000,000	2,000,000
9798584	Bank of Ceylon	2,000,000	2,000,000
9798615	Bank of Ceylon	2,000,000	2,000,000
9798638	Bank of Ceylon	2,000,000	2,000,000
9802042	Bank of Ceylon	2,000,000	2,000,000
9802088	Bank of Ceylon	2,000,000	2,000,000
70393465	Bank of Ceylon	2,000,000	4,937,387
70393475	Bank of Ceylon	2,000,000	4,937,387
70393484	Bank of Ceylon	2,000,000	4,937,387
70393496	Bank of Ceylon	2,000,000	4,937,387
70393501	Bank of Ceylon	2,000,000	4,937,387
70431699	Bank of Ceylon	2,000,000	2,000,000
70431966	Bank of Ceylon	2,000,000	2,000,000
70505660	Bank of Ceylon	2,000,000	4,886,633
70505677	Bank of Ceylon	2,000,000	4,886,633
80233140	Bank of Ceylon	25,000,000	25,000,000
80601267	Bank of Ceylon	17,000,000	17,000,000
80601341	Bank of Ceylon	15,000,000	15,000,000
80601361	Bank of Ceylon	15,000,000	15,000,000
81110575	Bank of Ceylon	35,000,000	35,000,000
81817205	Bank of Ceylon	35,000,000	35,000,000
83301982	Bank of Ceylon	30,000,000	30,000,000
83615260	Bank of Ceylon	45,000,000	55,381,467
8402199	Bank of Ceylon	15,000,000	15,000,000
8470918	Bank of Ceylon	12,000,000	12,000,000
85230220	Bank of Ceylon	20,000,000	22,181,890
424736	National Savings Bank	20,000,000	44,084,048
413214	Peoples Bank	15,000,000	34,649,872
			425,529,062

Note 13 . Fixed Deposits - 2019

LKR

FD Number	Bank / Financial Institution	Face Value	Deposit Value as at 31.12.2019
220141	Bank of Ceylon	35,000	35,000
220209	Bank of Ceylon	50,000	50,000
220018	Bank of Ceylon	43,690	43,690
220267	Bank of Ceylon	40,000	40,000
9543899	Bank of Ceylon	2,000,000	5,076,903
9680349	Bank of Ceylon	2,000,000	2,000,000
9680373	Bank of Ceylon	2,000,000	2,000,000
9680289	Bank of Ceylon	2,000,000	2,000,000
9680400	Bank of Ceylon	2,000,000	2,000,000
9680415	Bank of Ceylon	2,000,000	2,000,000
9717250	Bank of Ceylon	2,000,000	2,000,000
9735361	Bank of Ceylon	2,000,000	2,000,000
9735355	Bank of Ceylon	2,000,000	2,000,000
9798584	Bank of Ceylon	2,000,000	2,000,000
9798615	Bank of Ceylon	2,000,000	2,000,000
9798638	Bank of Ceylon	2,000,000	2,000,000
9802042	Bank of Ceylon	2,000,000	2,000,000
9802088	Bank of Ceylon	2,000,000	2,000,000
70393465	Bank of Ceylon	2,000,000	4,438,936
70393475	Bank of Ceylon	2,000,000	4,438,936
70393484	Bank of Ceylon	2,000,000	4,438,936
70393496	Bank of Ceylon	2,000,000	4,438,936
70393501	Bank of Ceylon	2,000,000	4,438,936
70431699	Bank of Ceylon	2,000,000	2,000,000
70431966	Bank of Ceylon	2,000,000	2,000,000
70505660	Bank of Ceylon	2,000,000	4,393,305
70505677	Bank of Ceylon	2,000,000	4,393,305
80233140	Bank of Ceylon	25,000,000	25,000,000
80601267	Bank of Ceylon	17,000,000	17,000,000
80601341	Bank of Ceylon	15,000,000	15,000,000
80601361	Bank of Ceylon	15,000,000	15,000,000
81110575	Bank of Ceylon	35,000,000	35,000,000
81817205	Bank of Ceylon	35,000,000	35,000,000
83301982	Bank of Ceylon	30,000,000	30,000,000
83615260	Bank of Ceylon	45,000,000	50,400,000
8402199	Bank of Ceylon	15,000,000	15,000,000
8470918	Bank of Ceylon	12,000,000	12,000,000
85230220	Bank of Ceylon	20,000,000	20,000,000
424736	National Savings Bank	20,000,000	39,895,066
413214	Peoples Bank	15,000,000	31,540,907
			407,062,855

	Note	2020	2019
Note 14 . Inventories			
Publications - Central Stores		3,136,364	1,840,856
Publications - International Centre		832,912	832,912
Stationery and Others		1,772,380	1,110,931
Text Book Stock		9,878,855	6,239,950
		15,620,511	10,024,648

Note 15 .Advances & Prepayments

		2020	2019
International Centre		1,641,000	1,641,000
S.Durairathnam		49,364	-
Ravi Bamunusinghe		18,016	-
Protek Solutions(Pvt) Ltd		9,285	-
Fire Alert		6,660	-
International Chamber		7,500	-
Arpico Interior (Pvt) Ltd		-	155,000
P.S.D.C.Dayananda		-	35,975
Ravi Bamunusinghe		-	4,500
MIT SLOAN Management		-	4,967
Sri Lanka Insurance Corporation		-	36,351
AACSB		-	298,892
A G Melco Elevator		-	120,833
EMIT International (pvt) ltd		17,820	12,960
Asha Roshani		-	188,200
Vijitha Yapa		33,250	5,130
Singer Sri Lanka		5,130	49,017
National Chamber of Exporters		-	868
Tuirnitin LLC		336,926	529,910
AMDISA		-	66,164
BT Options (Pvt) Ltd		-	1,575
ETA Melco Engineering		142,800	-
Science Land Informatics		53,438	-
EBSCO International (Pvt) Ltd		-	2,370,405
Sage Publications - India		-	134,226
		2,321,189	**5,655,972**

Note 16. Receivables

	Note	2020	2019
Receivables From Students	**16.1**	124,621,286	79,305,272
Receivables From Staff	**16.2**	4,024,129	3,526,204
Interest Receivable		11,571,646	17,247,540
Other Receivables	**16.3**	1,370,197	4,719,488
		141,587,258	**104,798,504**

Note 16.1 Receivables From Students

	Note	2020	2019
			LKR
Executive Development Programmes		2,531,982	6,954,318
EMBA 2018/2019		850,000	1,037,500
EMBA 2019/2020		850,000	4,235,833
MBA 2014/2015		154,700	154,700
MBA 2020/2021		9,975,000	-
MBA 2019/2020		7,712,500	7,022,500
MBA (CIT) 2018/2019		5,687,500	812,500
MPA 2018/2019		500,000	750,000
MBAT 2019/2020		2,003,000	750,000
PhD 2018/2019		166,667	500,000
PhD 2020/2023		3,090,000	-
MBA (Baharain) 2020/2021		6,850,568	-
MBA (Oman) 2019/2020		10,922,461	5,942,625
MBA (Oman) 2017/2018		486,996	468,683
MBA (Qatar) 2016/2017		885,448	852,150
MBA (Qatar) 2018/2019		11,052,267	17,382,664
MBA (Qatar) 2020/2021		16,959,209	-
MBA (UAE) 2015/2016		3,020,774	2,907,177
MBA (UAE) 2017/2018		2,866,986	3,611,322
MBA (UAE) 2019/2020		20,004,682	8,970,000
MBA (Kuwait) 2018/2019		4,172,322	10,225,800
MBA (Bangladesh) 2018/2019		13,878,225	6,727,500
		124,621,286	**79,305,272**

Note 16.2 Receivables From Staff

Distress Loan	3,429,747	2,851,189
Staff Loan	-	666
Computer Loan	135,025	202,000
Vehicle Loan	332,557	388,598
Festival advance	100,000	83,750
Salary advance	10,000	-
Special advance	16,800	-
	4,024,129	**3,526,204**

Note 16.3 Other Receivables and Deposits

International Centre	438,000	438,000
Receivable Hall Charges	5,000	1,031,000
Fuel Deposit	100,000	100,000
Postal Deposit	48,315	174,785
Receivable Publication Sale of Income	-	182,900
Receivable WHT on Interest	778,882	2,792,803
	1,370,197	**4,719,488**

	Note	2020	2019
		LKR	

Note 17 . Cash & Cash Equivalents

	Note	2020	2019
Bank Of Ceylon - Borella Branch- Acc No 192596		(11,026,981)	693,835
Sampath Bank PLC USD Acc No 521830000070		4,863,554	10,035,440
Bank A/C - RFC (International Centre) Acc No 9719360		2,230,312	1,772,673
Bank A/C (International Centre) Acc No 021580683001		87,461	87,461
Fund Management A/C		70,434,003	40,368,651
Short Term Investments	17.1	199,239,301	133,985,479
		265,827,651	**186,943,538**

Note 17.1 . Short Term Investments (03 months)

FD Number	Bank / Financial Institution	Face Value	Deposit Value as at 31.12.2020	Deposit Value as at 31.12.2019
74147601	Bank of Ceylon	25,000,000	49,567,509	46,059,678
74811175	Bank of Ceylon	20,000,000	20,000,000	20,000,000
75405922	Bank of Ceylon	20,000,000	20,000,000	20,000,000
76869279	Bank of Ceylon	15,000,000	24,671,793	22,925,801
78439704	Bank of Ceylon	25,000,000	25,000,000	25,000,000
86833771	Bank of Ceylon	60,000,000	60,000,000	-
			199,239,301	**133,985,479**

Note 18 . Revaluation Reserve

	2020	2019
Furniture Revaluation gain	4,761,623	4,761,623
Office equipment Revaluation loss	(4,568,126)	(4,568,126)
Laboratory & Teaching Equipment Revaluation gain	10,424,585	10,424,585
Plant & Machinery Revaluation gain	43,188	43,188
	10,661,270	10,661,270
Building Revaluation gain	146,505,169	146,505,169
	157,166,439	**157,166,439**

Note 19. Provision for Gratuity

	2020	2019
Provision as at 01st January	7,504,441	7,998,250
Add: Provision For the Year	2,668,302	1,851,230
	10,172,743	9,849,480
Less: Gratuity paid	(1,944,000)	(2,345,039)
Provision as at 31st December	**8,228,743**	**7,504,441**

Note 20.Endowment Fund

	2020	2019
D.S. Jayasundara Gold Medal Fund	290,524	290,524
Mr./Mrs. Kamalgoda Gold Medal Fund	28,568	28,568
Endowment Fund	118,516	118,516
	437,608	**437,608**

LKR

Note 21. Provisions

	2020	2019
Provision for Audit Fee	2,174,130	2,041,020
Provision for Accrued Expenses	1,628,500	5,256,860
Provision for PIM ALUMNAI Membership fee	5,153,673	2,271,120
	8,956,303	**9,569,000**

Note 22 . Refundable Deposits

	2020	2019
Tender Deposit	60,000	60,000
Security Deposit	35,000	35,000
	95,000	**95,000**

Note 23 . Income Received in Advance

	2020	2019
MBA Taxation 2020-21	14,625,000	14,625,000
MBA Taxation 2019-20	940,000	1,959,500
MBA 2020/21	18,800,000	17,350,000
MBA 2021/22	20,000,000	-
MBA 2019/20	-	16,540,358
MBA(CIT) 2018/19	-	375,000
PhD 2020/2023	280,000	4,090,000
MBA (UAE) 2019/20	-	59,807
Ambeon Holdings PLC	-	2,053,005
	54,645,000	**57,052,670**

Note 24 . Trade and Other Payables

	2020	2019
International Centre	7,860,000	7,860,000
Accrued Expenses	12,269,119	18,903,161
Student Scholarship Account - Foreign - City Bank	1,576,639	2,712,364
PIM ALUMNI Association	2,117,325	2,117,325
	23,823,084	**31,592,850**

Postgraduate Institute of Management
University of Sri Jayewardenepura
Notes to the Financial Statements

Note 4.1, 5.1, 6.1, 7.1
Total Recurrent Expenditure -2020

LKR

TITLE / OBJECT	Note 4.1 General Administration	Note 5.1 Academic Services	Note 6.1 Teaching Resources	Note 7.1 Ancillary Activities	Total
Salaries And Wages					
04101-4201 Salaries & Wages	13,329,265	30,635,858	2,314,670	2,910,668	49,190,461
04102-4202 U.P.F	1,975,581	4,188,792	330,702	424,480	6,919,554
04103-4203 Pension	676,546	487,510	109,864	51,945	1,325,866
04104-4204 E.T.F	493,862	930,260	86,079	97,319	1,607,520
04105-4205 Acting Pay /	12,000	-	-	-	12,000
04107 Research Allowance	288,536	-	-	-	288,536
04108 Academic Allowances	-	3,547,714	-	-	3,547,714
04208 Over Time	2,396,458	-	169,822	239,751	2,806,031
04110-4210 Other Allowances	6,276,477	1,014,751	482,892	797,834	8,571,953
04111 Visiting Lecture Fee	-	9,157,014	-	-	9,157,014
04112-4212 Gratuity	551,558	650,649	46,732	1,419,363	2,668,302
04213 Cost of Living Allowance	1,333,800	156,000	187,200	96,619	1,773,619
	27,334,084	50,768,547	3,727,960	6,037,979	87,868,571
Travelling and Subsistence					
0501 Domestic	2,222,084	2,241,546	209,000	302,525	4,975,155
0502 Foreign	137,136	-	-	-	137,136
	2,359,220	2,241,546	209,000	302,525	5,112,291
Supplies					
0601 Stationery & Office Requisities	638,846	-	7,380,853	-	8,019,699
0602 Fuel & Lubricants	119,182	-	-	-	119,182
0603 Uniform & Tailoring charges	200,650	-	-	-	200,650
0604 Mechanical & Electrical Goods	142,900	7,700	-	-	150,600
0607 Other Supplies	1,216,578	167,670	-	13,500	1,397,748
	2,318,156	175,370	7,380,853	13,500	9,887,879

TITLE / OBJECT	General Administration	Academic Services	Teaching Resources	Ancillary Activities	Total
Maintenance					
0701 Vehicles	383,375	-	-	-	383,375
0702 Plant ,Machinery & Equipments	261,607	-	-	8,175	269,782
0703 Building & Structures	1,174,473	-	-	-	1,174,473
0704 Furniture	-	-	-	-	-
0705 Others	1,363,930	-	-	1,173,326	2,537,256
	3,183,385	-	-	1,181,501	4,364,886
Contractual Services					
0802 Telecommunication	2,910,863	170,609	-	27,976	3,109,448
0803 Postal Charges	198,546	-	-	-	198,546
0804 Electricity	5,533,000	-	-	-	5,533,000
0805 Security Services	2,872,319	-	-	-	2,872,319
0806 Water	445,601	-	-	-	445,601
0807 Cleaning Services	4,758,792	-	-	-	4,758,792
0808 Rents & Hire Charges	-	-	-	-	-
0809 Rates and Taxes to Local Authorities	652,390	-	-	-	652,390
0810 Printing , Advertising etc.	1,405,298	1,487,349	-	183,268	3,075,915
0811 Others	124,578	-	-	-	124,578
	18,901,386	1,657,958	-	211,244	20,770,589
Other Recurrent Expenses					
0902 Special Services - Council & Committees	1,055,640	-	-	-	1,055,640
0903 Special Services - Professional & Other Fees	133,955	1,735,887	-	-	1,869,842
0904 Workshop, Seminars	7,363	48,224	-	-	55,587
905 Academic Research	-	825,460	-	-	825,460
0906 Staff Development	44,555	273,170	-	-	317,725
0907 Grants to other Organization	5,000,000	-	-	-	5,000,000
0908 Holiday Warrants & Season Tickets	65,430	-	-	-	65,430
0909 Entertainment Expenses	934,840	352,295	-	-	1,287,135
0910 Bank Charges	1,481,406	-	-	-	1,481,406
0912 Contribution & Membership Fees	-	2,219,556	2,609,429	-	4,828,985
0913 Convocations	-		-	-	-
0914 Examination Expenses	476,020	9,575,435	-	-	10,051,455
0915 Other- Newspapers Magazines Etc.	1,171,800	335,925	-	352,405	1,860,129
0916 Welfare Society	2,674,103	-	-	-	2,674,103
	13,045,112	15,365,952	2,609,429	352,405	31,372,897

Note 4.1, 5.1, 6.1, 7.1
Total Recurrent Expenditure -2020 **LKR**

TITLE / OBJECT	Note 4.1 General Administration	Note 5.1 Academic Services	Note 6.1 Teaching Resources	Note 7.1 Ancillary Activities	Total
MBA (UAE) 2019/2020	-	1,750,245	-	-	1,750,245
MBA (Qatar) 2018/2019	-	3,597,340	-	-	3,597,340
MBA (Qatar) 2020/2021	-	642,098	-	-	642,098
MBA (Oman)2017/2018	-	71,460	-	-	71,460
MBA (Oman)2019/2020	-	2,087,248	-	-	2,087,248
MBA (Kuwait) 2018/2019	-	227,731	-	-	227,731
MBA (Bangladesh) 2018/2019	-	1,345,765	-	-	1,345,765
MBA (Bahrain) 2019/2021	-	771,314	-	-	771,314
	-	**10,493,200**	**-**	**-**	**10,493,200**
SUB TOTAL	**67,141,343**	**80,702,573**	**13,927,242**	**8,099,154**	**169,870,312**

Postgraduate Institute of Management
University of Sri Jayewardenepura
Notes to the Financial Statements

Note 4.1, 5.1, 6.1, 7.1
Total Recurrent Expenditure -2019 LKR

TITLE / OBJECT	Note 4.1 General Administration	Note 5.1 Academic Services	Note 6.1 Teaching Resources	Note 7.1 Ancillary Activities	Total
Salaries And Wages					
04101-4201 Salaries & Wages	12,622,973	32,850,343	2,503,105	3,106,734	51,083,155
04102-4202 U.P.F	1,903,874	3,967,143	389,740	475,963	6,736,719
04103-4203 Pension	583,242	293,249	103,909	43,367	1,023,766
04104-4204 E.T.F	497,423	852,078	89,327	113,268	1,552,097
04105-4205 Acting Pay / Research Allowance	251,733	79,514	-	-	331,247
04108 Academic Allowances	-	2,208,228	-	-	2,208,228
04208 Over Time	5,122,478	-	700,017	953,142	6,775,637
04110-4210 Other Allowances	5,579,314	897,941	615,091	1,093,069	8,185,416
04111 Visiting Lecture Fee	-	14,895,092	-	-	14,895,092
04112-4212 Gratuity	1,035,943	369,666	310,796	134,850	1,851,255
04213 Cost of Living Allowance	1,248,000	93,600	187,200	187,200	1,716,000
	28,844,980	56,506,855	4,899,185	6,107,593	96,358,613
Travelling and Subsistence					
0501 Domestic	2,451,296	2,743,434	223,900	301,939	5,720,569
0502 Foreign	183,501	468,316	17,350	25,300	694,467
	2,634,797	3,211,750	241,250	327,239	6,415,036
Supplies					
0601 Stationery & Office Requisities	3,667,851	25,605	10,891,950	-	14,585,406
0602 Fuel & Lubricants	385,278	-	-	-	385,278
0603 Uniform & Tailoring charges	447,112	-	-	-	447,112
0604 Mechanical & Electrical Goods	164,906	258,700	-	-	423,606
0607 Other Supplies	2,672,469	58,767	675,000	1,567,840	4,974,076
	7,337,616	343,072	11,566,950	1,567,840	20,815,478

TITLE / OBJECT	General Administration	Academic Services	Teaching Resources	Ancillary Activities	Total
Maintenance					
0701 Vehicles	1,543,977	-	-	-	1,543,977
0702 Plant ,Machinery & Equipments	589,676	-	-	-	589,676
0703 Building & Structures	3,804,131	-	-	-	3,804,131
0704 Furniture	-	-	-	-	-
0705 Others	2,699,312	183,966	-	811,102	3,694,380
	8,637,095	183,966	-	811,102	9,632,163
Contractual Services					
0802 Telecommunication	4,608,429	117,582	-	445,311	5,171,322
0803 Postal Charges	47,673	-	-	-	47,673
0804 Electricity	8,985,494	-	-	-	8,985,494
0805 Security Services	3,316,323	-	-	-	3,316,323
0806 Water	836,659	-	-	-	836,659
0807 Cleaning Services	5,694,079	-	-	-	5,694,079
0808 Rents & Hire Charges	-	-	-	-	-
0809 Rates and Taxes to Local Authorities	9,000,103	-	-	-	9,000,103
0810 Printing , Advertising etc.	3,953,528	13,878	-	-	3,967,406
0811 Others	109,913	-	56,123	-	166,035
	36,552,201	131,460	56,123	445,311	37,185,095
Other Recurrent Expenses					
0902 Special Services - Council & Committees	746,419	-	-	-	746,419
0903 Special Services - Professional & Other Fees	150,218	107,570	-	-	257,788
0904 Workshop, Seminars	-	21,350,667	6,500	-	21,357,167
905 Academic Research	-	4,882,485	-	-	4,882,485
0906 Staff Development	6,395,884	1,203,816	25,000	-	7,624,700
0907 Grants to other Organization	98,475	-	-	-	98,475
0908 Holiday Warrants & Season Tickets	87,660	-	-	-	87,660
0909 Entertainment Expenses	541,475	1,416,372	-	-	1,957,847
0910 Bank Charges	1,814,894	-	-	-	1,814,894
0912 Contribution & Membership Fees	138,732	339,713	908,289	43,134	1,429,867
0913 Convocations	63,660	8,266,932	-	-	8,330,592
0914 Examination Expenses	1,216,801	7,362,602	-	-	8,579,402
0915 Other- Newspapers Magazines Etc.	4,283,446	365,696	29,350	441,573	5,120,065
0916 Welfare Society	6,914,405	-	-	-	6,914,405
	22,452,067	45,295,853	969,139	484,707	69,201,767

Note 4.1, 5.1, 6.1, 7.1
Total Recurrent Expenditure -2019 **LKR**

	Note 4.1	Note 5.1	Note 6.1	Note 7.1	Total
TITLE / OBJECT	**General**	**Academic**	**Teaching**	**Ancillary**	
	Administration	**Services**	**Resources**	**Activities**	
MBA (UAE) 2017/2018	-	6,573,549	-	-	6,573,549
MBA (UAE) 2019/2020	-	11,858,081	-	-	11,858,081
MBA (Qatar) 2018/2019	-	12,514,032	-	-	12,514,032
MBA (Oman)2017/2018	-	8,230,459	-	-	8,230,459
MBA (Oman)2019/2020	-	8,614,597	-	-	8,614,597
MBA (Kuwait) 2018/2019	-	9,585,190	-	-	9,585,190
MBA (Bangladesh) 2018/2019	-	10,676,651	-	-	10,676,651
MBA (Bahrain) 2019/2021	-	490,599	-	-	490,599
	-	**68,543,158**	**-**	**-**	**68,543,158**
SUB TOTAL	**106,458,757**	**174,216,114**	**17,732,647**	**9,743,792**	**308,151,310**

Annexure 1

Representation on member of the Board of Management who has direct or indirect in any contract entered into by the Postgraduate Institute of Management.

Brief description and nature of the contract	Name of the member of the Board of Management who has direct or indirect interest in any contract entered into by the Institute	Whether this is a normal cause of business of the Institute or any special conditions offered
1. Contract for Visiting Lectures	- Prof. Ajantha Dharmasiri	Normal
2. Contract for Visiting Lectures	- Mr. Asanga Ranasinghe	Normal

National Audit Office

HED/D/IPM/FA/20/5 July 28,2021

Director

Postgraduate Institute of Management

Report of the Auditor General on Financial Statements of the Postgraduate Institute of Management affiliated to the University of Sri Jayewardenepura for the year ended December 31 2020 as per Section 12 of National Audit Act No 19 of 2018.

The aforesaid report has been sent herewith.

Sgd by / W.P.C. Wickramaratne

Auditor General

Copies to :

1. Secretary – Ministry of Education
2. Secretary – Ministry of Finance
3. Vice Chancellor -University of Sri Jayawardenapura
4. Chairman – University Grants Commission

National Audit Office

HED/D/IPM/FA/20/5 July 28,2021

Director

Postgraduate Institute of Management

Report of the Auditor General on Financial Statements of the Postgraduate Institute of Management affiliated to the University of Sri Jayewardenepura for the year ended December 31 2020 as per Section 12 of National Audit Act No 19 of 2018.

1. Financial Statements

   1.1 Qualified Opinion

The Audit of the financial statements of the Postgraduate Institute of Management affiliated to the University of Sri Jayewardenepura for the year ended December 31 2020 comprising the statement of financial position as at December 31 2020 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act, No. 19 of 2018 and Finance Act, No.38 of 1971. My report will be tabled in Parliament in due course as per Article 154(6) of the Constitution.

In my opinion, except for the effects of the matters described in the Section of Basis for Qualified Opinion of my report, the financial statements give a true and fair view of the financial position of the Institute as at December 31, 2020, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

a) In terms of paragraph 76 of Sri Lanka Public Sector Accounting Standard 01, even though it had to classify the assets other than the assets that are expected to realize within 12 months after the recording date as non-current assets, though 33 fixed deposits amounted to a total of Rs. 212,231,785 as at December 31 of the year under review had been reinvested annually for more than 03 years, those assets had been mentioned under current assets instead of recording under the non-current assets.

b) Due to the calculation of employee benefits contradictory to the Sri Lanka Public Sector Accounting Standard 19, Rs.1,329,592 had to be paid, exceeding the gratuity for an officer who had been retired within the year under review.

c) When recalculating the office equipment of the Institute in the year 2018, without taking action to write off the depreciation value of those assets as an expenditure to the income, it had been adjusted to the surplus of recalculating other assets. Due to this, the recalculated reserve cited in financial statements had been understated by Rs. 4,568,126.

d) When correcting the error of not capitalizing the fixed assets amounting to Rs. 722,373 that had been purchased in the year 2019 within the year under review, due to the accounting of them as income of the year under review instead of adjusting to the general reserves account, the surplus of the year had been overstated by that amount.

e) When calculating depreciation in the year under review, it had been depreciated by Rs. 359,537 exceeding the cost of office fittings and equipment, and motor vehicles.

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 Other information included in the Annual Report 2020 of the Postgraduate Institute of Management

The information that is expected to provide to me after the date of this audit report and included in the Annual Report but not included in the financial statements and in my audit report in that regard is intended as other information. The management shall be responsible for this other information.

Other information is not disclosed by my opinion on financial statements, and I do not state any assurance or opinion in that regard.

My responsibility relevant to my auditing of the financial statement is to read when it is able to receive the above-identified other information and, when doing so, to consider whether the other information quantitatively mismatches with financial statements or as per my knowledge obtained by some other means.

When I go through the Annual Report 2020 of the Institute, if I decide that there are quantitative errors, those facts shall be communicated to the governance parties for rectifying those. If there are further un-corrected erroneous citations, those will be included in the report that I would table in Parliament in due course as per Article 154(6) of the Constitution.

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

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

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

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

As per Sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Institute 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 Institute.

1.5 Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.

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

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

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

I make aware the governing parties on important audit findings identified during my Audit, main internal governance lapses, and other matters.

2. Report on the Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for the following requirements.

2.1.1 I have obtained all the information and explanation required for the Audit, and as far as it appears from my examination, proper accounting records have been kept by the Institute as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented by the Institute are consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

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

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

2.2.1 to state that any member of the Board of Management of the Institute has any direct or indirect interest in any contract entered into by the Institute which is out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Institute has not complied with any applicable written law, general and special directions issued by the Board of Management of the Institute as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 other than below-mentioned observation.

Reference to Rule Law/ Regulation	Description
Section 89 of the Universities Act, No.16 of 1978	Even though who have completed 65 years of age of the university academic staff should be removed from the University Provident Fund considering that they have reached the age of retirement, 15% contribution, including an employer contribution, was being paid to the University Provident Fund on behalf of 03 Management Consultants and a Senior Manager.

2.2.3 to state that the Institute has not performed according to its powers, functions, and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 to state that the Institute has not procured and used the resources of the Institute in an economical, efficient and productive manner within the durations in conformity with relevant rules and regulations as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

2.3 Other Matters

a) Actions had not been taken to recover course fees receivable totaling to Rs.1,527,144 relevant to three courses prevailing for more than 03 years of time.

b) Within the year under review, Rs. 10,291,322 out of the course fees receivable had been write-off against income without obtaining approval from the Board of Management.

c) Out of the students who registered for the degree courses of Master of Business Administration, the number of students who had not completed the MBA degree was ranged from 10 percent to 22 percent, and Ph.D. was ranged from 80 percent to 95 percent within the prescribed time frame.

d) The approved academic and non-academic staff of the Institute was 44, and only 30 had been recruited as the permanent staff. 08 officers had been deployed in service on a contract basis for several years for the vacant posts.

e) Even when an incentive scheme and a procedure to provide benefits through surplus money received from the conducting of executive development programs were being implemented for the staff of the Institute, in the year under review Rs. 3,223,883 had been incurred from the funds of the Welfare Society for providing food allowances and gift vouchers.

f) Although the canteen of the Institute had been leased out on a contract basis, Rs. 825,000 had been paid for two employees of the canteen for the period of May to December of the year under review on a decision of the Board of Management based on the COVID-19 pandemic.

Sgd by / W.P.C. Wickramaratne

Auditor General

Comments and clarification of the Institute for the Audit Observations

1.2 Basis for the Qualified Opinion

(a) Relevant fix deposits mature in 12 months, and the decision of whether to convert those into money or if not to reinvest is taken considering the cash flow requirements of the institute. The new building of the institute is being constructed, and funds are supplied entirely from the realization of fixed deposits. Similarly, when deposits get matured, those funds are used for other operational requirements of the institute. It is the belief of the institute that the classification of 12 months fixed deposits under current assets has been done in conformity with the Sri Lanka Public Sector Accounting Standard 01 (76).

b) The provisions have been made for the pension gratuity based on the equation method mentioned in Sri Lanka Public Sector Accounting Standard 19. (LKAS- 19). That method has been used since the year 2012. As an under- provision is disclosed, steps will be taken to re-check the provisions made since the year 2012. After that examination, steps will be taken to make provisions as per the Gratuity Payment Act or to use another alternative method.

c) Steps will be taken in the next financial year to write off the value of asset recalculation error from the recalculating reserve, and to adjust to the common reserve.

d) This error is an accounting error identified relevant to the year ended by December 31, 2019. As this error is not quantitative compared to the total revenue and net assets of the institution, it has been corrected by the financial statements for the current year without restating in the previous year's financial statements.

(e) Steps will be taken to rectify this accounting error in the next financial year.

2.2.2 **Reference to Rule Law/ Regulations**

Persons of the Non-academic staff who have completed 60 years of age and the persons of the academic staff who have completed 65 years of age are employed on an assignment basis based on service requirement, however, from January 1, 2021, they are not making contributions to the University Provident Fund.

2.3 Other Matters

a) Although students have been informed about this from time to time, no action has been taken to make payments. Certificates will be issued to the relevant students only after recovering all the arrears. Steps will be taken in the future not to allow students who have not paid the required fees to appear for the relevant examinations.

b) As the duration of the relevant postgraduate course is two years, the arrears of course fees will be written off at the end of that period. This writing off was done in the current year subject to the covering approval of the Board of Management. This writing-off was also taken into consideration when the Board of Management approved the accounts reports.

However, having submitted a separate memo in this regard to the next Board of Management meeting, steps will be taken to obtain the covering approval.

c) As the Institute pays special attention to maintaining the quality of the postgraduate courses of the institute, some students may not be able to complete the courses on time due to difficulty in reaching the required standard level or other personal reasons.

d) Employees had been recruited on a contract basis with the approval of the Board of Management in accordance with the powers conferred by the Ordinance of the Institute. The contract basis is used to recruit the most suitable employees for the institute based on the service requirement. The contribution of the staff recruited on a contract basis has been a great assistance in maintaining the institution with a unique function in the university system. Trade union action, such as strikes in the university system, has not hindered the activities of the institute, and one of the major contributors to that beneficial condition is the staff recruited on a contract basis.

e) Employee welfare includes all the facilities and benefits provided by the employer for the relief or comfort of the employees. Therefore, the Institute is of the view that all relevant expenditure falls within the scope of welfare. It should also be considered that these benefits that fall within the scope of welfare are enjoyed by staff members in the long term.

f) Students do not come to the institute as there are no physical lectures due to COVID 19. As a result, the canteen is functioning at a loss and its owners say they will have to close it. This payment is made with the approval of the Board of Management to avoid difficulties for the staff members as well as for the administrative activities of the institute due to the non-functioning of the canteen.