

ANNUAL REPORT 2023





Table of Contents

Message from the Chairman	02
Message from the Director General	03
Board of Directors	04
Overview of BOI	06
Vision, Mission and Core Values	07
Milestones	08
BOI Contribution to the Economy at a Glance	09
BOI Performance in 2023	12
Global Investment Scenario 2023 –2024	19
Promoting Sri Lanka as an Attractive Destination for FDI	21
Promotional Engagements	22
Participation in International Forums	25
Participation in International Treaty Negotiations	26
Working with International Partners	27
Hear from our Investors	28
Achievements of our Investors	31
Notable Highlights of the Year	33
Human Capital	36
Social Impact	38
Department Functions and Performance	39
Financial Review - 2023	46
Corporate Governance Report	48
Financial Statements - 2023	53
Report of the Auditor General - 2023	99
Reply of the BOI on AG's Report - 2023	111
Report of the Audit Committee	118
Key Contacts of BOI	119

Message from the Chairman



2023 has been a year where the Board of Investment has highlighted the efforts of the Government of Sri Lanka to lay a pathway to recovery from the economic crises of 2022. Enhanced facilitation, internal improvements and expedited approvals have been a priority at BOI during the past year, as Sri Lanka stepped up as an example of resilience amidst a number of global economies that struggled on the back of economic and geo-political turbulence.

The BOI initiated several new projects such as a promotion program to attract 100 New ICT companies, and a Reinvestment Drive focusing on 50 successful BOI Enterprises. Industry Advisory Councils were established for identified priority sectors with the participation of key private and state sector stakeholders. Digitization of key investor services functions and modernization of existing zones to meet International Green Standards while improving promotional material were at the forefront of internal process and product improvement.

Aside from this, effective collaboration with international agencies such as the U.S. Agency for International Development (USAID), United Nations Development Programme (UNDP), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) yielded a number of initiatives aimed at improving the investment climate within the country.

Throughout the year, our dedication towards positioning Sri Lanka as a key destination for investment and fostering industries that actively contribute to sustainable development remained steadfast. And we remain committed to our mandate of driving economic growth, promoting innovation, and creating a business-friendly environment, building and strengthening the case for Foreign Direct Investment in Sri Lanka.

As we look to the future with a vision of transforming the BOI into a future-ready organization, we will strengthen our value proposition by leveraging Sri Lanka's strategic location, improving the country's branding while introducing new investment products and platforms.

The proposed "Invest Sri Lanka" initiative will transform the country's investment climate by simplifying the business environment for investors. We will have experts specializing across different provinces and sectors, hand-holding investors through their business life cycle from pre-investment to after-care.

In conclusion, 2023 has been a year where the BOI has leveraged strategic collaborations, facilitated investments, and implemented policies geared towards promoting innovation, job creation, and overall economic growth, fully encompassing its mandate as an economic change agent for Sri Lanka.

Dinesh Weerakkody

Message from the Director General

It is indeed admirable to observe BOI's dedication and its resilience in navigating through the challenges of the year 2023. I am proud to announce that our human capital strength, teamwork and the untiring efforts of dedicated staff has been the main driver providing services beyond limitations. Our continued commitment to human capital development and teamwork has been the cornerstone for overcoming difficulties and achieving success.

The continuation of the Investor Facilitation Centre (IFC) and the Investor Facilitation Coordination Committee (IFCC) pioneered in 2022 at the World Trade Centre, demonstrated our commitment in providing efficient services to investors and facilitating the investment approval process. This approach not only streamlined operations but also enhanced interagency coordination, contributing to a more conducive environment for investors. The recognition of 35 enterprises through the *Award of Green Channel Facility* also showcases BOI's commitment towards acknowledging and rewarding outstanding performance and compliance of BOI enterprises. Our dedicated team at BOI has been continuously working towards digitalization of services and approval processes reflecting the progressive approach initiated for seamless interaction between enterprises and the BOI.

Promulgation of new regulations to provide for existing non-BOI enterprises to be accommodated under the BOI was introduced as a new proactive policy measure in 2023 which further expanded the coverage of BOI in numerous industries. Moreover, advocating for the validity and continuity of concessions specified in BOI agreements, despite implications of subsequent legislation also catalyzed BOI's commitment and supportive role to champion and strengthen investor confidence.

I wish to acknowledge and praise the confidence and resilience of the investor community, whose continuous investments and expansions have contributed significantly to the recovery and growth of the business environment in the country. The partnerships with supporting line agencies also continued to play a vital role in ensuring the success of the BOI's services.

BOI has also taken steps to engage with international agencies such as UNESCAP, USAID, and the World Bank to explore capacity enhancement to improve the business environment as well as to support trade negotiations to maximize market access for Sri Lanka.

As we note our accomplishments, we also acknowledge BOI's ability to overcome setbacks and adapt to changes positioning it as a leader in fostering a favorable investment environment. We remain steadfast in our vision to further strengthen and continue our success in the coming years striving to provide exceptional services and support to investors partnering the economic growth of the country.

Renuka M. Weerakone



Board of Directors



Mr. Dinesh Weerakkody

Chairman

Board of Investment of Sri Lanka

Mr. Dinesh Weerakkody (D.BA) is a former Chairman of Hatton National Bank PLC and Commercial Bank of Ceylon PLC. He currently holds the position of Vice Chairman at the Employers' Federation of Ceylon, immediate past Chairman of the International Chamber of Commerce Sri Lanka, and Senior Vice Chairman of the Sri Lanka Institute of Directors. He also serves as a Director of several companies.

Currently, Mr. Weerakkody acts as an Advisor on Treasury Affairs to the President and serves as the Chairman of the Colombo Port City Economic Commission. Additionally, he has previously held key positions, including Chairman of the Employees' Trust Fund Board of Sri Lanka, the National Human Resource Development Council of Sri Lanka, and the International Chamber of Commerce Sri Lanka. Furthermore, he has served as an Advisor to the Prime Minister of Sri Lanka, the Ministry of National Policies and Economic Affairs, and the Minister of Tourism Development.



Dr. Dushni Weerakoon

Dr. Dushni Weerakoon is the Executive Director of the Institute of Policy Studies of Sri Lanka (IPS) with research and publications covering areas related to macroeconomic policy, regional trade integration, and international economics. She has extensive experience working in an advisory capacity for the Government of Sri Lanka (GOSL) and as a consultant to international organizations such as the World Bank, the Asian Development Bank and the World Trade Organisation. She serves at present as an Appointed Member to the Monetary Policy Board of the Central Bank of Sri Lanka and as an Independent Non-Executive Director at Cargills (Ceylon) PLC, having formerly served on the Boards of the Nations Trust Bank and the Cargills Bank. Dushni Weerakoon holds a BSc in Economics with First Class Honors from the Queen's University of Belfast, U.K., and an MA and PhD in Economics from the University of Manchester, U.K.



Mr. Manil Jayesinghe

Mr. Manil Jayesinghe, is a Chartered Accountant with over 41 years of auditing, advisory and industry experience across key sectors, including manufacturing, retail, hospitality, wholesale business and telecommunication, in Sri Lanka Maldives and Bhutan. He was the Country Managing Partner of Ernst & Young Sri Lanka & Maldives from 2021 - 2023, Head of Assurance Practice in Sri Lanka, and the Professional Practice Director of Sri Lanka, from 2003 -2023, and has served as the Head of the IFRS/SLAS Desk in Sri Lanka. He is the immediate past president of the Institute of Chartered Accountants of Sri Lanka and has served as a council member of the National Chamber of Commerce of Sri Lanka, Board member of the CIMA Sri Lanka Board, member of the International Accounting Education Standards Board of the IFAC, a council member of the Moratuwa University, member of the Board of Sri Lanka Accounting & Auditing Standards Monitoring Board, council member of CMA Sri Lanka and have served as a consultant to the Audit Committees of the Listed Companies. He currently serves as the Chairman of the Statutory Accounting Standards Committee and is a member of the Securities and Exchange Commission of Sri Lanka and the Monetary Board of the Central Bank of Sri Lanka. He also acts as an independent Director to Diesel and Motor Engineering PLC, Ceylon Hospitals PLC, C W Mackie PLC and Sahasiya Investments Ltd.



Mr. Eraj De Silva

Mr. Eraj de Silva President's Counsel is an active practitioner in the original and appellate courts of Sri Lanka. His practice areas include Commercial and Civil litigation, Fundamental Rights and Constitutional Law. He has appeared in several notable cases of National significance in recent times.

He currently serves as Co Editor-in-Chief of the Law Journal of the Bar Association of Sri Lanka (from April 2014 onwards), having served in the Editorial Committee since 2009. He is the Vice President of the National Council for Mental Health "Sahanaya" and a Trustee of the Martin Wickremasinghe Trust.

He is a Barrister-at-Law of Gray's Inn, London, and holds an LL.M from the University of Cambridge.



Ms. Chandanie Wijayawardhana

Ms. Chandanie Wijayawardhana holds a Special Degree in Geography and has done Masters at the Institute of Development Studies in the Netherlands. She joined Sri Lanka's public service in 1994 as an Assistant Director in the field of Planning and has served in various Ministries/Departments. She has worked at the Treasury for more than 21 years in several departments such as National Planning, National Budget and Fiscal Policy where she gained valuable experience in public financial management and policy analysis. She was offered the post of Secretary to the Ministry of Development Strategies and International Trade in 2015 and got the opportunity to serve at the policy making body for investment and trade under which several initiatives were made during 2015-2019 with the objective of broadening market access to boost exports. During that period, she was able to contribute greatly in the commencement of negotiations of comprehensive FTAs with larger economies and formulation of the national export strategy for the country. Subsequently, she worked as the Secretary to the Ministry of Economic Reforms and Public Distribution in 2019. Currently, she is serving as the Director General of the Department of National Planning that paved the way to reach the height in strategic planning and decision making at the national level. In addition, Ms. Chandanie Wijayawardhana serves as the Senior Additional Secretary at the Presidential Secretariat at the Strategic Affairs Division mainly covering education reforms, international trade matters, investment & trade facilitation and related institutional reforms and matters dealing with food policies.

Overview of BOI

Established in 1978, the Board of Investment (BOI) serves as Sri Lanka's premier investment promotion agency, entrusted with the responsibility of serving as the focal point for investors and their businesses. Its mandate includes promoting and facilitating investment, fostering industrial development, and streamlining access to supportive services.

Recognized as a pivotal institution driving Sri Lanka's economic progress, the BOI plays a vital role in attracting foreign direct investment, which in turn fuels sustainable economic expansion. By facilitating the creation of skilled and specialized employment opportunities, boosting exports, and improving the overall investment environment, the BOI contributes significantly to the country's economic growth trajectory.

Purpose

It is the purpose of BOI to serve the nation by implementing national economic policies, driving foreign investment and creating a conducive investment climate. It strives to achieve sustainable foreign investment creating export revenue and to position Sri Lanka as a sought after international investment destination.

Objectives

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

Role

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

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

The evaluation of investment applications is carried out by the BOI, which oversees processes such as approval of project proposals, granting concessions, and facilitation of visa issuance for expatriates.

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

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



“To make Sri Lanka the most Preferred
Destination for Sustainable Investment in Asia”



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



Passion for Performance and Achievement:

BOI will set and achieve ambitious but realistic sustainable investment goals.

Bridging the Public and Private Spheres:

BOI will take pride in facilitating, securing and growing investments that help our economy to prosper. We will collaborate and partner with public and private bodies to deliver our mission, while contributing to theirs.

Integrity & Professionalism:

BOI will be dedicated to understanding the needs of investors and will deliver timely and innovative solutions. We will place integrity, honesty, sincerity, reliability, trust, fair treatment, respect and care at the heart of this dedication.

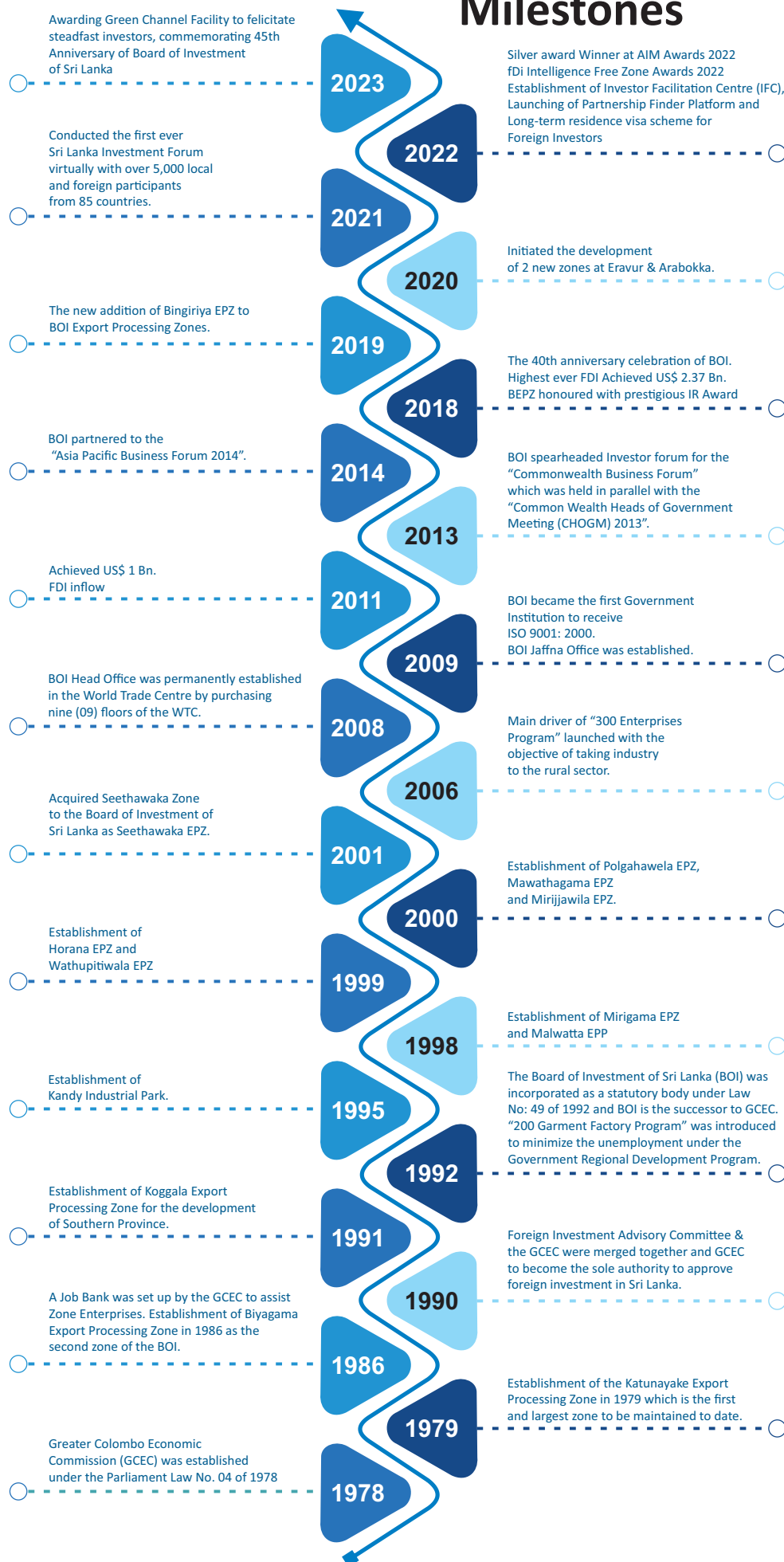
Superior Customer Service:

BOI offers customer services to levels which are proactive and significantly ahead of competing FDI locations.

People:

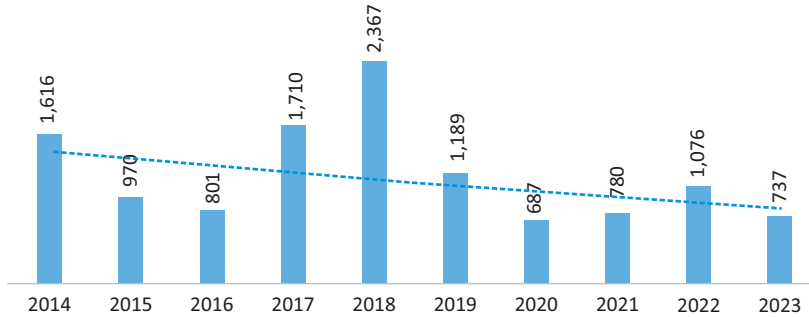
BOI will value the competence, collaboration, dedication and commitment to excellence of its people. We will continually focus on making BOI a great place for staff to work, develop and succeed.

Milestones



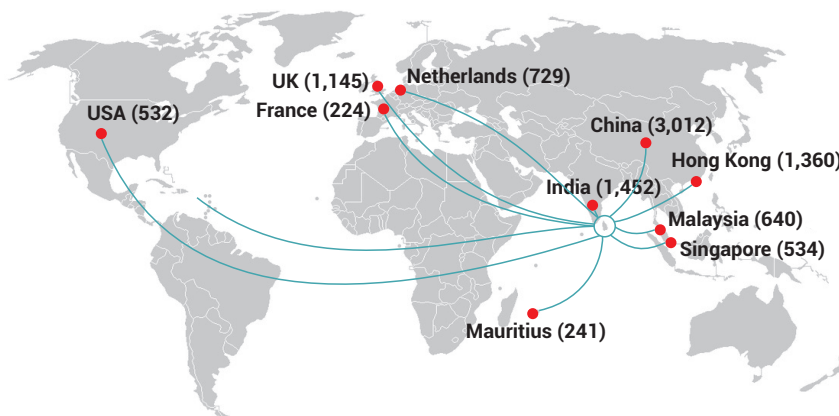
BOI Contribution to the Economy at a Glance

FDI Inflow (2014 - 2023) - US\$ Mn



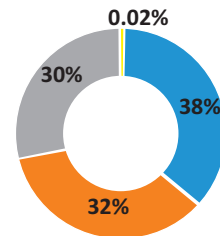
- Over 55% of total FDI received during last 10 years
- Over US\$ 21.9 Bn cumulative FDI inflow since 1978

FDI from Top 10 Investing Countries in Sri Lanka (2014 - 2023) - US\$ Mn



FDI Inflow 2023

- Over US\$ 0.7 Bn FDI inflow during 2023
- China ranked 1st FDI Sourced Country with 23% of the total FDI inflow
- India ranked 2nd FDI Sourced Country with 22% of the total FDI inflow
- France, Singapore, the Netherlands and Malaysia have each contributed 5% to the total FDI inflow



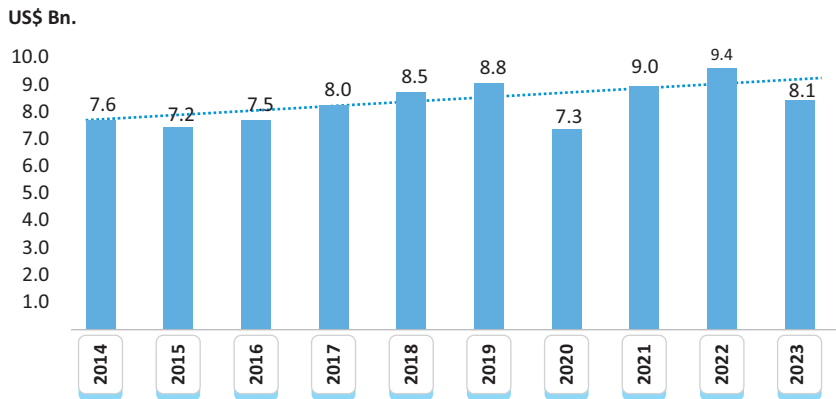
- Services
- Manufacturing
- Infrastructure
- Agriculture

- The service sector, encompassing logistics, tourism, and ICT, recorded the highest FDI inflow at 38%.
- The 2nd highest FDI inflow amounting 32% is from manufacturing sector.
- Ranking 3rd, the infrastructure sector accounted for 30% of the total FDI inflow.

FDI Inflow by Sector (2014 - 2023)

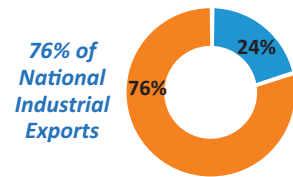
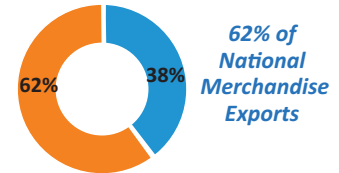
Infrastructure		Manufacturing			Services	
Property Development 23%	Telecommunication 19%	Textile & Wearing Apparel 7%	Rubber Products 6%		Tourism 11%	IT & BPO 2%
	Port Container Terminals 13%		Chemical, Coal, Petroleum 3%	Food & Beverages 2%		
Other 1%		Other 3%	Non-metallic Mineral 1%	Machinery & Transport Eq. 1%	Other 8%	

BOI Export Performances - Merchandise & Services (2014 - 2023)

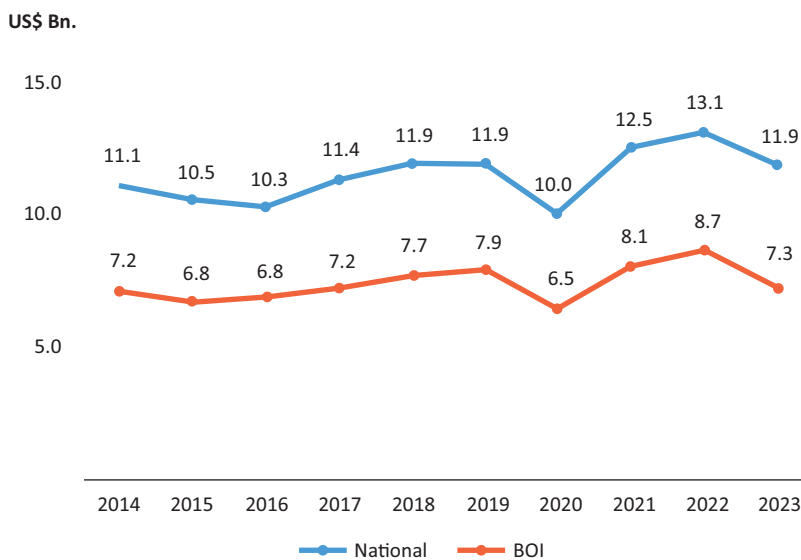


BOI Exports 2023

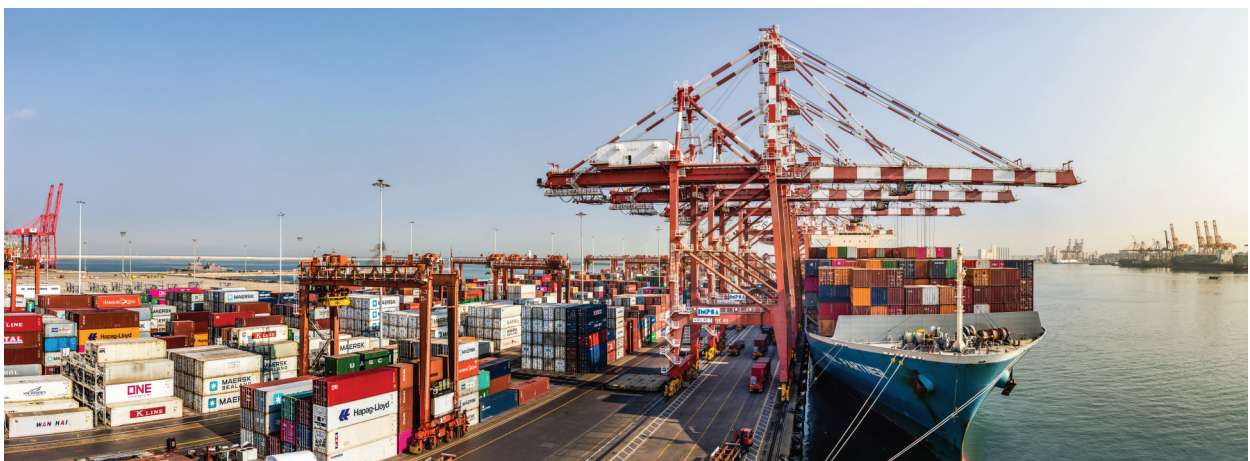
- US\$ 8.1 Bn Exports in 2023
- US\$ 7.3 Bn Merchandise Exports



Merchandise Exports (National vs BOI) - (2014 - 2023)

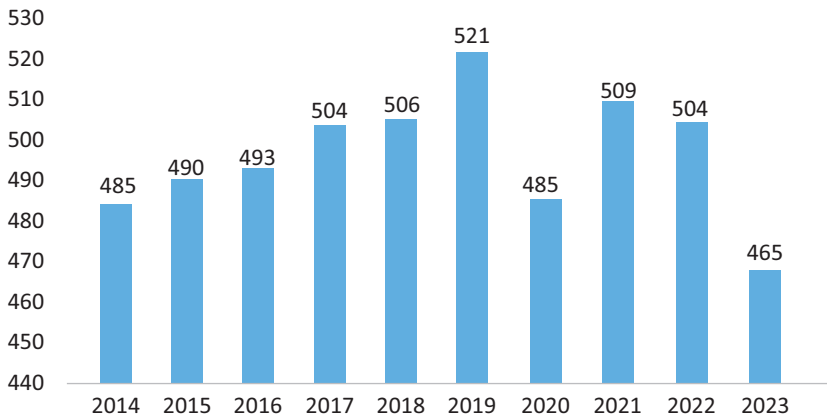


- 96% of National Garments Exports
- 90% of National Rubber Exports
- 87% National Leather, Travel Goods & Footwear Exports
- 80% National Machinery & Mechanical Appliances Exports
- 80% National Printing Industry Products Exports
- 80% of National Transport Equipment Exports



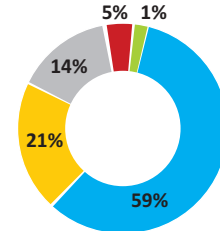
Employment Generation of BOI Enterprises

Total Direct Employment ('000')



BOI Employment 2023

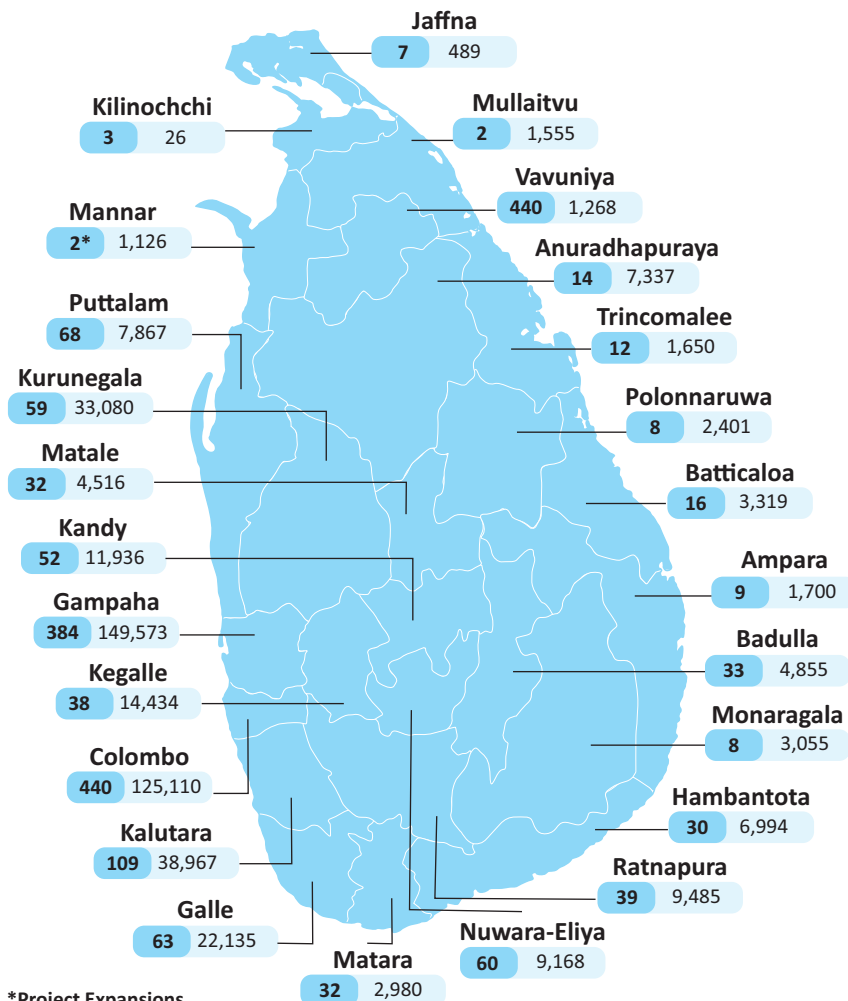
- 465,000 total direct employment
- Over 1.4 Bn cumulative indirect employment



- Apparel
- Services
- Manufacturing
- Agriculture
- Infrastructure

- 274,000 in the Apparel & Textile Sector
- 97,000 in the Manufacturing Sector
- 25,000 in the IT/BPO Sector
- 15,000 in the Tourism Sector

Geographical Distribution of BOI Enterprises and Employment (2023)



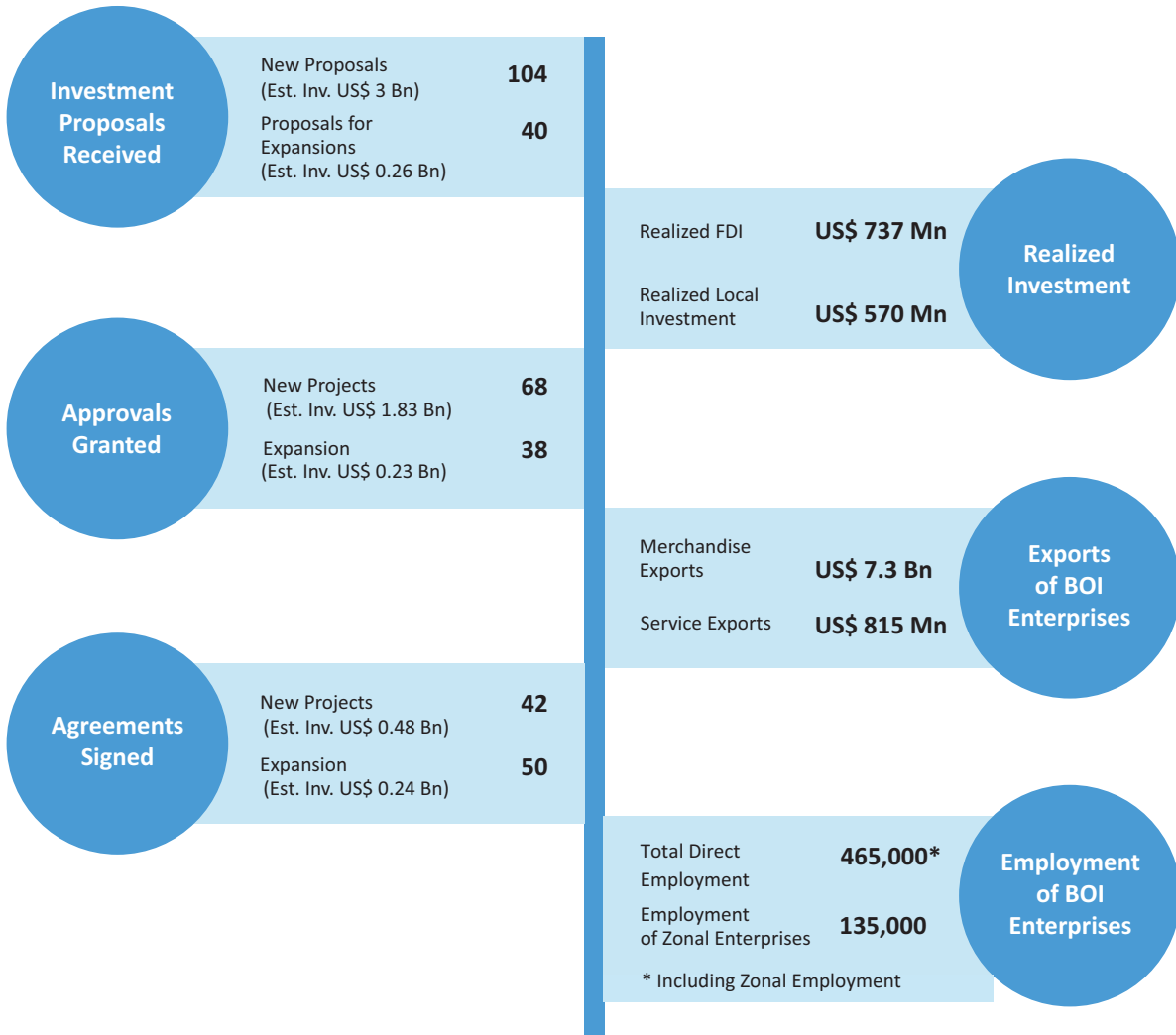
*Project Expansions

- No. of BOI Enterprises
- No. of Employment



BOI Performance in 2023

Year at a Glance

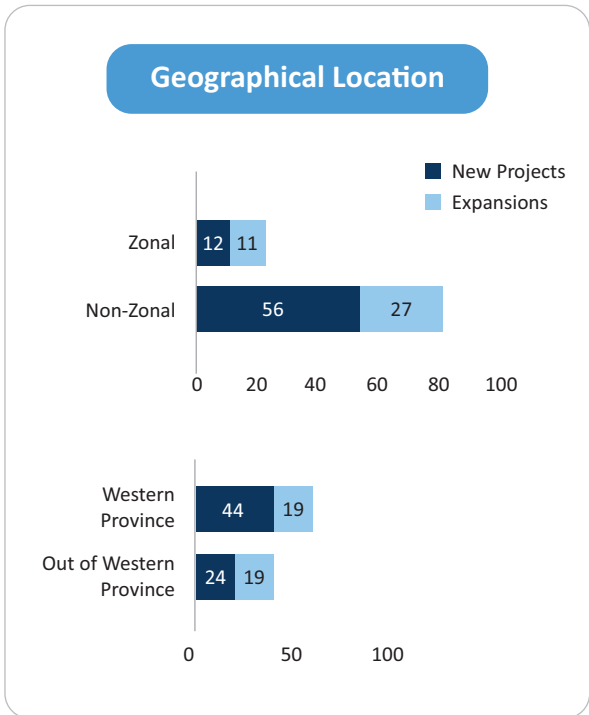
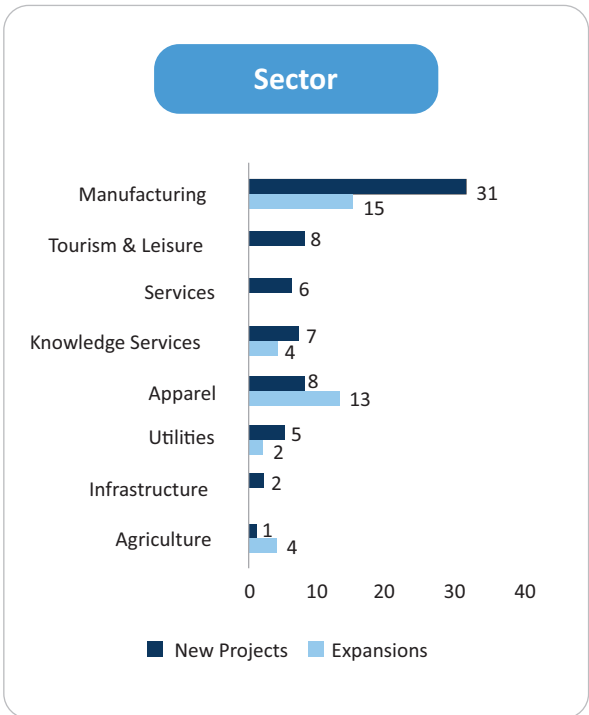
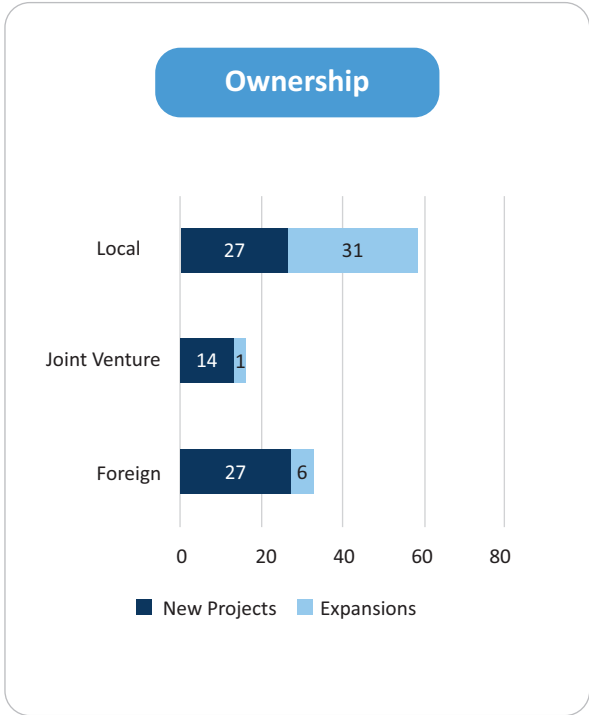
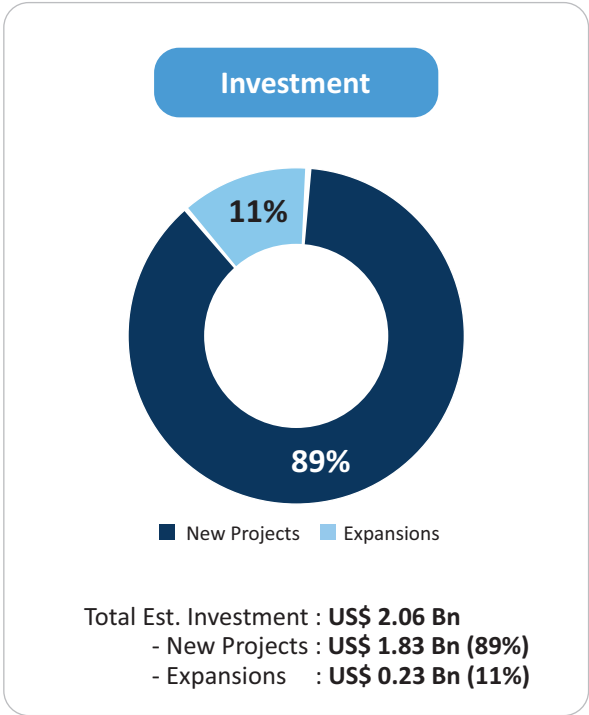


Approved Projects - 2023

106
Number of Projects
68 New and 38 Expansions

US\$ 2.06 Bn
Total Approved Investment

21,397
Estimated Job opportunities



Investment Performances 2023

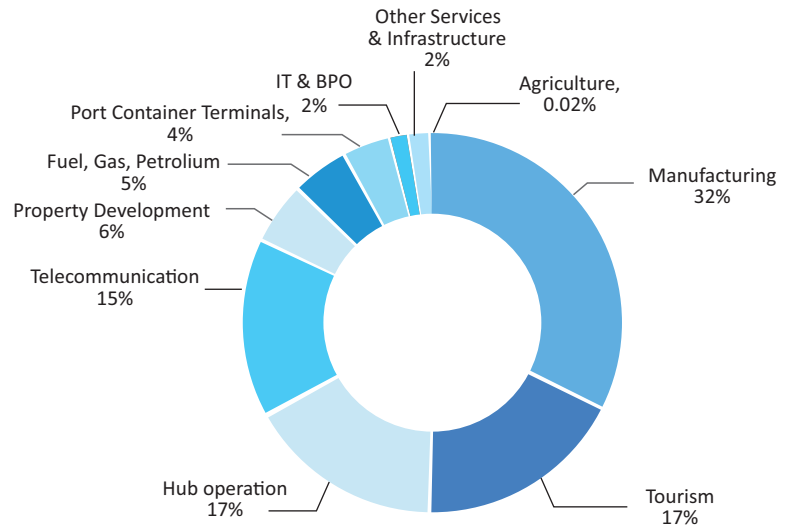
FDI Sectoral Contribution

In 2023, Sri Lanka attracted US\$ 737 Mn in FDI, distributed across various sectors, as depicted in the accompanying figure. The manufacturing sector emerged as the most attractive for foreign investors, commanding a significant 32% share of the total FDI inflow.

This underscores the sector's robust appeal and its pivotal role in the nation's industrial development.

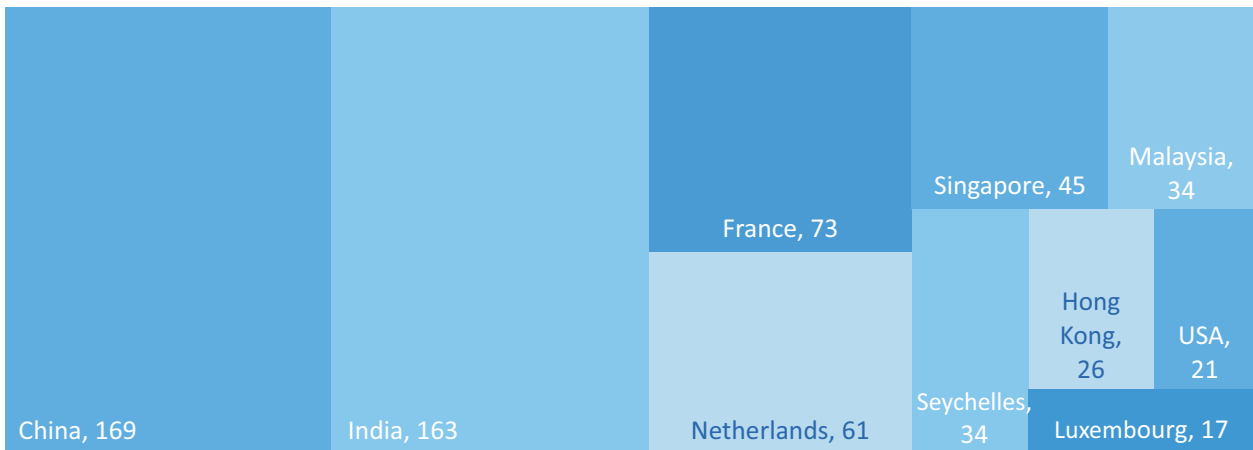
Tourism and hub operations each secured 17%, while telecommunication attracted 15%.

Property development received 6%, fuel, gas, and petroleum 5%, Port container terminals 4% and IT & BPO 2% among other sectors. These sectors are poised to drive sustainable growth, enhance infrastructure, and create employment opportunities across the country.



FDI Contributors 2023

FDI Inflow by Major Countries (US\$ Mn)



Among the FDI sourcing economies during 2023, the top ten contributing countries collectively played a pivotal role in infusing FDI into Sri Lanka. China emerged as the largest investor, contributing 23% from total FDI, followed closely by India with 22%, highlighting the strong economic ties and strategic partnerships between these countries and the host nation.

France was the third-largest contributor accounting for 10% of the total FDI inflow, indicating a significant interest from European countries to invest in Sri Lanka. The Netherlands added 8%, and Singapore invested 6%, both demonstrating substantial investments into Sri Lanka from developed economies.

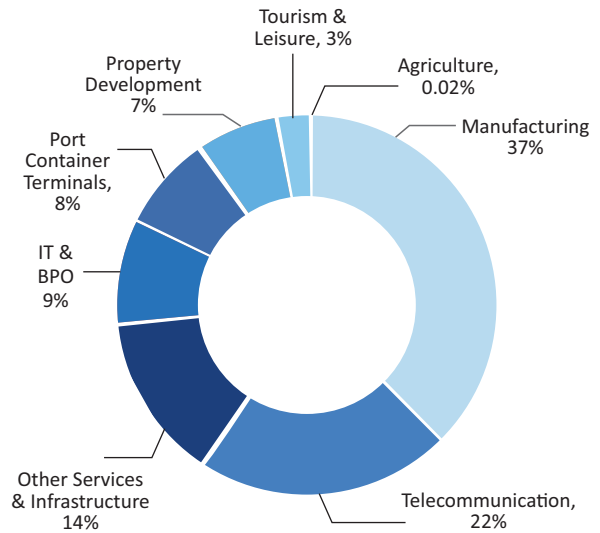
Malaysia and Seychelles each invested around 5%, showing notable regional engagement. Hong Kong contributed 4%, further emphasizing robust investment flows from Asia. The United States and Luxembourg rounded out the top ten with 3% and 2% respectively, reflecting diverse investment source economies.

Sectoral Contribution of Local Investment 2023

From January to December 2023, the Board of Investment (BOI) reported a total local investment of US\$ 570 Mn. The manufacturing sector attracted the largest share of these investments, commanding 37% of the total.

The telecommunication sector was the 2nd largest contributor, receiving 22% of the local investments. Investments in other services and infrastructure accounted for 14%, reflecting their critical role in supporting economic growth. The IT and BPO sector secured 9% of the investments, highlighting its importance in the modern economy.

The Port container terminal sector received 8%, underscoring its significance in facilitating trade. Property development attracted 7% of the total local investment, while the tourism sector accounted for 3%, demonstrating continued interest in developing the country's tourism infrastructure. Agricultural sector received a minimal share of 0.02%.



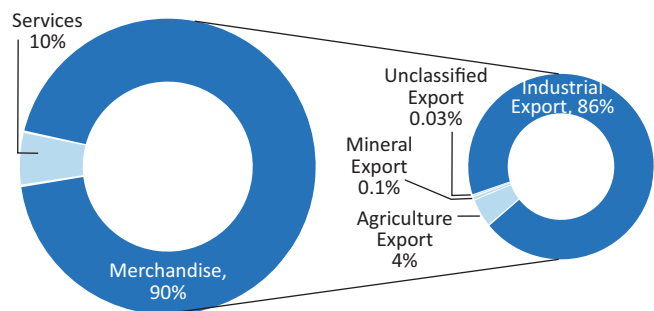
BOI Export Performances 2023

BOI Export Basket - 2023

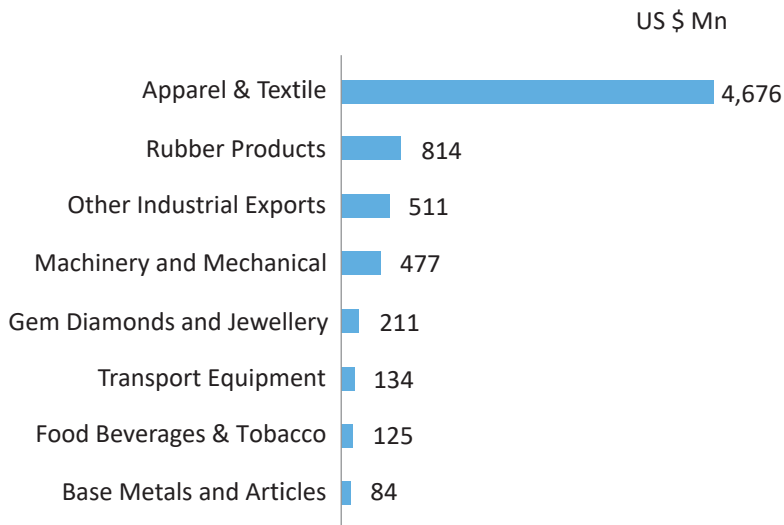
In 2023, the total exports of BOI enterprises reached US\$ 8,149 Mn, comprising US\$ 7,334 Mn in merchandise exports and US\$ 815 Mn in services exports. BOI merchandise exports accounted for a significant 62% of the national merchandise exports and an impressive 76% of the national industrial exports.

Merchandise exports are comprised of industrial exports, agricultural exports, mineral exports, and unclassified exports.

Industrial exports dominated the BOI export portfolio, constituting 86% of the total BOI exports. Services exports represented 10%, reflecting the growing importance of the services sector in the export economy. Agricultural exports contributed 4% to the total BOI exports, while mineral exports and unclassified exports accounted for 0.1% and 0.03%, respectively. These figures underscore the substantial contribution of BOI enterprises to the national export economy.



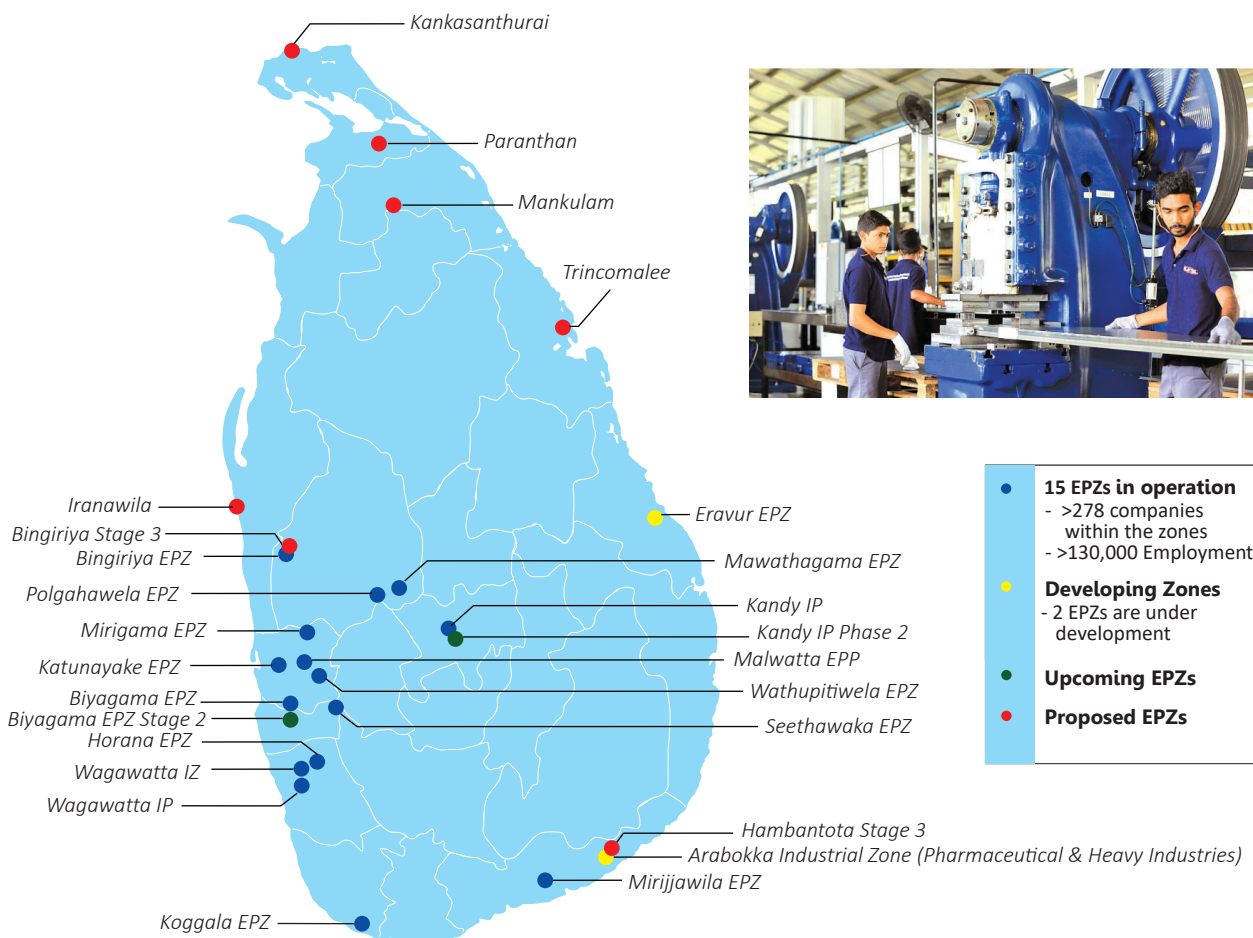
BOI Industrial Exports - 2023



In 2023, BOI enterprises recorded a total of US\$ 7,032 Mn in industrial exports. A significant 66% of these exports, amounting to approximately US\$ 4,676 Mn, derived from the textile and garment sector, underscoring its dominance in the industrial export landscape. The rubber sector contributed 12%, amounted to around US\$ 814 Mn, while other industrial exports accounted for 7% of the total. Machinery and mechanical appliances made up 7%, equivalent to US\$ 477 Mn.

The gem, diamond, and jewelry sector contributed 3%. Food beverages & tobacco sector and Transport equipment sector each contributed 2% of the exports while base metals and articles sector contributed 1%. These figures highlight the diversified nature of BOI industrial exports, with a strong emphasis on textiles and garments, followed by significant contributions from the rubber, machinery, and specialized industrial sectors.

BOI Export Processing Zones



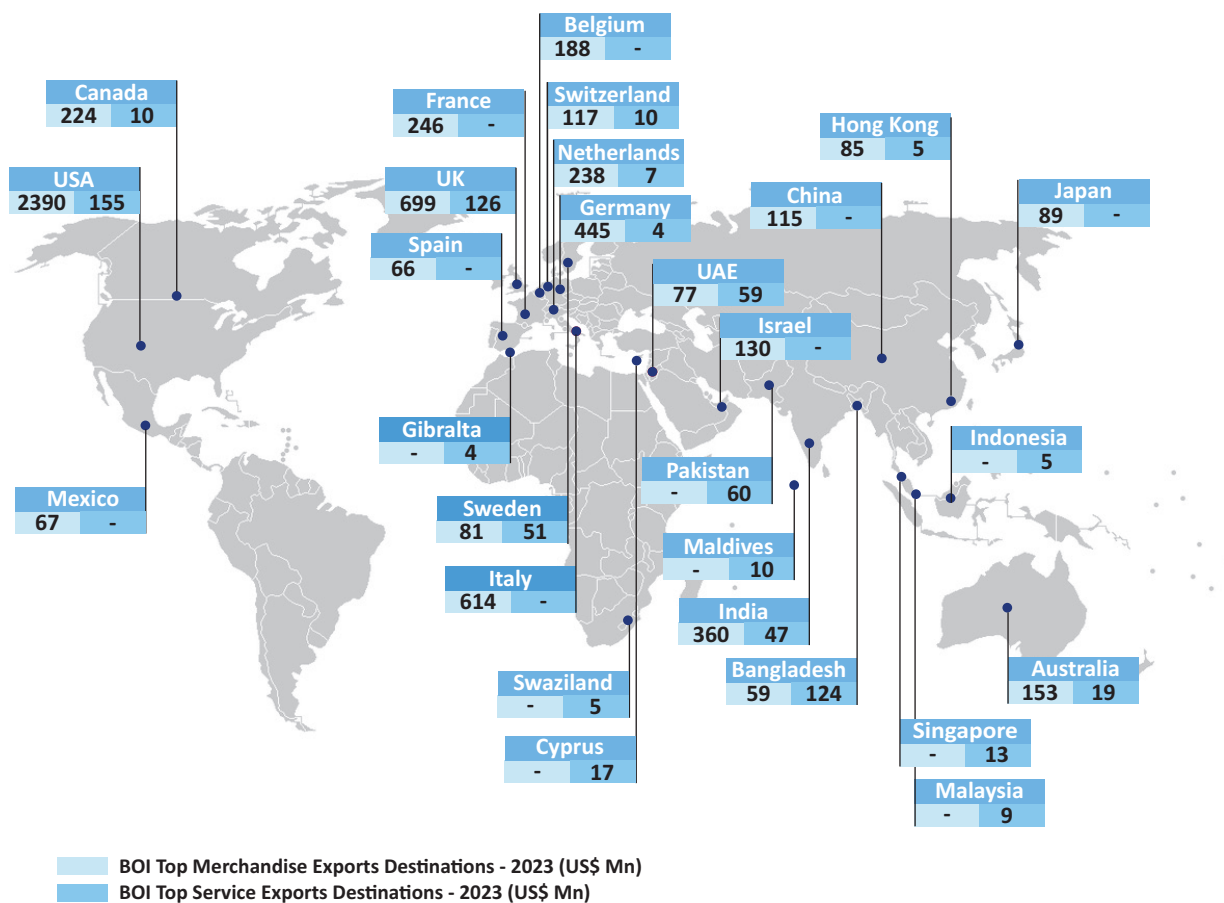
BOI Top Merchandise Exports Destinations

In 2023, BOI enterprises recorded a total of US\$ 7,334 Mn in merchandise exports. The United States was the largest market, accounting for 33% of these exports, equivalent to approximately US\$ 2,390 Mn. The United Kingdom followed with a significant 10% share, and Italy accounted for 8% of the total exports. Germany contributed 6%, while India represented 5% of the merchandise export destinations.

France, the Netherlands, Canada, and Belgium each accounted for 3%, demonstrating a well-distributed market presence across multiple European and North American countries. Australia also played a notable role, contributing 2% to the total merchandise exports.

BOI Top Service Export Destinations

In 2023, BOI recorded US\$ 815 Mn in service exports. The distribution of these exports reflects a diversified global market outreach strategy. Notably, the United States emerged as the largest destination, absorbing 19% of the total service exports. United Kingdom and Bangladesh each contributed 15%. Pakistan and United Arab Emirates accounted 7% of the Service exports. Sweden and India accounted for 6%. Other notable destinations include Australia, Cyprus, and Singapore at 2% of Service exports. This distribution underscores the BOI's successful efforts in expanding its global footprint and tapping into diverse markets for service exports.

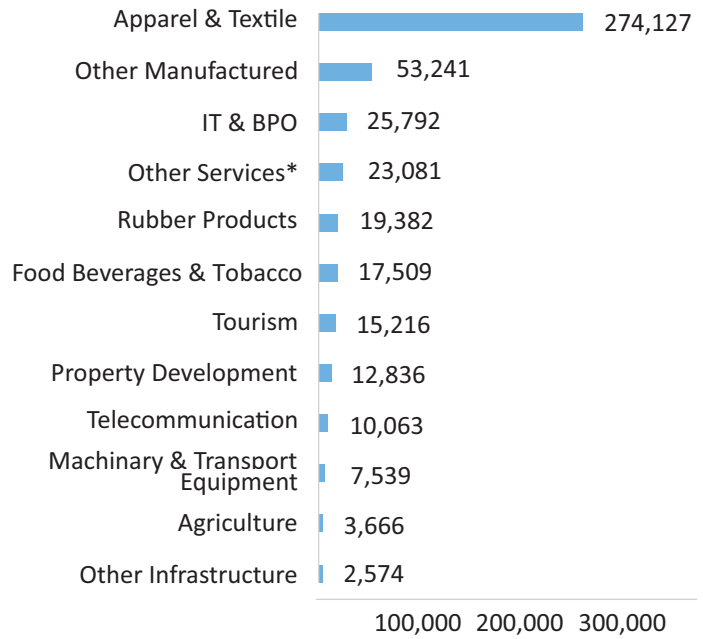


Employment Performances 2023

In 2023, total of 465,026 individuals engaged in various industries. The apparel and textile sector emerged as the largest contributor to employment, constituting 59% of the workforce.

Other manufactured products followed, representing 11% of total employment. IT and Business Process Outsourcing (BPO) sector provided employment opportunities for 6% of the workforce while other services contributed 5%. Both the rubber products sector and the food, beverages, & tobacco sector employed 4% of the workforce each, reflecting their substantial role in job creation.

The tourism sector and property development each accounted for 3% of total employment, highlighting its importance in driving economic activity and employment generation. Moreover, sectors such as telecommunications, machinery & transport equipment contributed 2% of employment, illustrating their relative impact on workforce engagement. Additionally, 1% of employment stemmed from the agricultural sector and other infrastructure sectors, showcasing a holistic approach to economic development and employment generation pursued by the BOI.



* Other services include airline services, ship repair services, educational institutes etc.



GLOBAL INVESTMENT SCENARIO 2023 - 2024

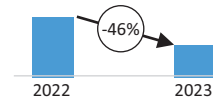
In 2023, global foreign direct investment (FDI) declined by 2%, reaching US\$ 1.3 trillion, influenced by significant financial fluctuations in a few European conduit economies. Excluding these effects, global FDI flows were over 10% lower than in 2022. The outlook for international investment in 2024 remains challenging due to weakening growth, economic fragmentation, trade and geopolitical tensions, industrial policies, and supply chain diversification. Despite these challenges, multinational enterprises (MNEs) maintain high profit levels, financing conditions are improving, and increased greenfield project announcements in 2023 suggest potential modest growth for the coming year.

In 2023, international project finance and cross-border mergers and acquisitions (M&As) were particularly weak. M&As, crucial for FDI in developed countries, saw a 46% drop in value, while project finance, vital for infrastructure investment, fell by 23%. Factors such as tighter financing conditions, investor uncertainty, financial market volatility, and increased regulatory scrutiny contributed to these declines.

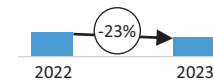
Greenfield investment projects, however, showed promise with a 2% increase in project numbers, primarily in manufacturing and concentrated in developing countries, which saw a 15% rise. In developed countries, new project announcements decreased by 6%.

However, within Income Groups, FDI flows to developing countries dropped by 7% to US\$ 867 Bn, with an increase of 9% FDI in developed economies, while LDCs showed a significant 17% increase. Further, in 2023, global foreign direct investment (FDI) showed mixed trends across regions. Asia remained robust with an increase in greenfield announcements, though the global downturn in project finance impacted the region. Nevertheless, FDI inflows to developing Asia fell by 8% to US\$ 621 Bn, including a recorded decline in inflows to China, the second largest FDI recipient in the world. Africa's FDI inflows fell by 3%, with notable greenfield announcements including a major green hydrogen project in Mauritania. Latin America and Caribbean experienced fewer project announcements, while international project finance deals in developing regions fell by a quarter.

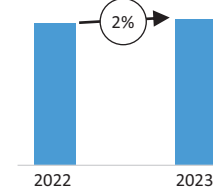
Cross-Border M&As
(Value)



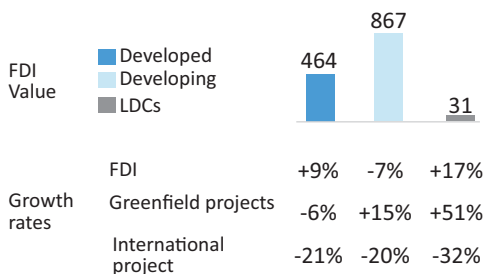
International Project Finance
(Number)



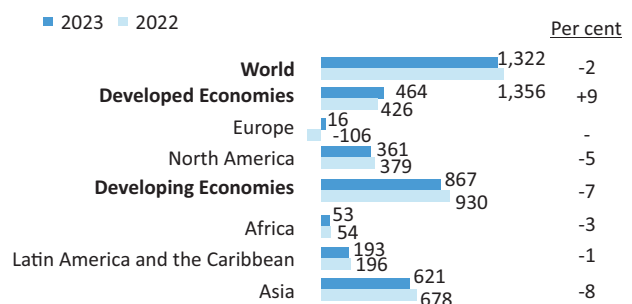
Greenfield Projects
(Number)



Income Groups



FDI Inflows by Economies Grouping and Regions
(US\$ Bn of dollars and percentage change)



Source : UNCTAD, FDI/MME database (www.unctad.org/fdistatistics)

Industry trends showed downward trend of investment in infrastructure and digital economy sectors but strong growth in manufacturing and critical minerals. For instance, Global value chain-intensive sectors like automotive, electronics, and machinery industries experienced significant growth due to supply chain restructuring. Meanwhile, investment in critical minerals extraction and processing nearly doubled in both project numbers and values.

Investment in sectors relevant to Sustainable Development Goals in developing countries declined in 2023. Even though there is a growth in greenfield project announcements in renewable energy, power and transportation, in value terms, investments in to SDG projects declined due to downturn in international project finance affecting larger infrastructure projects. There was also a significant decline witnessed in cross border M&A sales, primarily owed from service sector particularly ICT. The number of M&A sales dropped across all sector verticals, except extraction and automobiles.

Investment policy measures in 2023 were predominantly favorable to investors, especially in developing countries representing 86% of the more favourable policy measures, mostly adopting initiatives to promote and facilitate investment by simplifying or streamlining administrative processes and introducing incentive schemes.

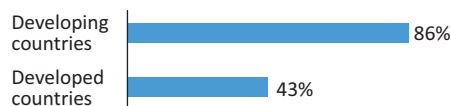
The introduction or expansion of investment incentives represented one third of the policy measures more favourable to investors in 2023 in both developed and developing countries which encompass incentives, related to special economic zones and sector specific incentives with growing focus on promoting investment in services sector, renewable energy, manufacturing industries supporting clean technology and high-tech manufacturing.

But in contrast, in developed countries, policies more favourable to investors, started to decline in importance and represented only 43% of the total favourable measures. There was an increase in restrictive measures in developed countries which adopted restrictions on entry as well as Treatment and operation.

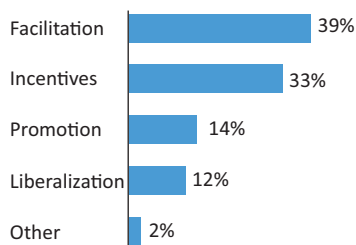
Efforts to reform international investment agreements continue, aiming to balance investment facilitation with regulatory rights, though progress is slow, particularly in mitigating risks for the poorest countries.

In 2023, 29 new International Investment Agreements (IIAs) were concluded, with traditional bilateral investment treaties making up less than half. Most new treaties were broad economic agreements with investment provisions. Efforts to reform the IIA regime are ongoing, with new treaties incorporating features to safeguard the right to regulate and covering a wider range of issues, including investment facilitation and sustainable development.

Share of Measure More Favourable to Investors



More Favourable Measures by Type



Promoting Sri Lanka as an Attractive Destination for FDI

Promotional Engagements

- 4** Webinars
- 15** Facilitation Programmes
- 81** 16 Virtual & 65 Physical Meetings
- 57** Inward Delegations
- 09** Outreach Missions
- 24** Events & Business Forums
- 398** IFC Inquiries Attended



Media Engagement



25,000+ followers



3,000+ followers



1500+ followers

Total Social Media followers as of January 01, 2024 - 29,500

FOLLOW

New followers in 2023 - 11,480

Press Releases	252
Production complete for Social Media Platform	22
45 th Anniversary supplement issued with ANCL Group	01

What we post

- Agreement signing
- Sectoral performance of BOI enterprise in relation to exports
- Zone and factory visits and respective functions
- BOI participation at events, forums, and functions
- Opening ceremonies of BOI-approved factories
- Development projects approved by UDA
- Visits of prominent personalities to BOI including Ambassadors
- Important meetings with stakeholders



Board of Investment of Sri Lanka

Apex agency of the Government of Sri Lanka for promoting Foreign Direct Investment. User name - Investin_SL

Highlights

- Post two tweets per day
- Embed a Twitter timeline at the bottom of the BOI website
- Hashtag named #InvestinSL
- Tweeting content comprising videos

Promotional Engagements

During the year 2023, Board of Investment of Sri Lanka (BOI) executed several promotional activities and strengthened its economic diplomacy through bilateral and regional meetings, investor facilitation programs, fostering relations with stakeholders, participating and organizing promotional events and outreach missions. BOI's achievements stem from its core task as the sole promotion agency in the country promoting Sri Lanka as an investment destination that showcases Sri Lanka's unique attributes, potential investment opportunities, highlight updates in the investment climate and target priority sectors.

Bilateral and Regional Meetings

Thailand - Sri Lanka FTA

The Embassy of Sri Lanka in Thailand together with the Department of International Trade Promotion, Ministry of Commerce of the Royal Thai Government, organized a seminar on Trade and Investment Opportunities in Sri Lanka and Thailand, to complement the 8th Round of Sri Lanka-Thailand Free Trade Agreement Negotiations from 27 - 29 November 2023 in Bangkok, Thailand. The Executive Director of Investment Promotion, presented on Sri Lanka's economic position, recovery and future plans, highlighting near-term investment priorities and longer-term growth strategies.

National Events

In the pursuit of fostering international economic collaboration to further opportunities in attracting quality investments as well as promoting Sri Lanka as a promising investment destination, a series of diverse events were organized by the BOI's pivotal stakeholders during the first and third quarters of 2023. Each event served as a strategic platform for engagement, dialogue, and partnership building and facilitating discussions on key sectors and Sri Lanka's growth potential.

FCCISL - Russia - Sri Lanka Economic Forum (24 January 2023)

This forum marked a significant milestone in the economic relations between Sri Lanka and Russia. It was organized by the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) in collaboration with the Embassy of Sri Lanka in Russia, Economic Affairs Division of the Ministry of Foreign Affairs and Sri Lanka Export Development Board. At this event the Russian delegation was presented with the opportunity to have fruitful discussions with the Chairman and Director General of the BOI. Accordingly, this event provided a dynamic arena for stakeholders from both nations to explore avenues for bilateral trade, investment, and collaboration.

Sri Lanka Clean Energy Summit (27 March 2023)

Emphasizing Sri Lanka's commitment to renewable energy and sustainability, the Clean Energy Summit was held on 27 March 2023 which brought together industry leaders, policymakers, and innovators to explore avenues for clean energy development and investment. Under the Visionary leadership of the President Hon. Ranil Wickremesinghe, crucial policy reforms were introduced towards making an agile, resilient business-friendly policy and regulatory environment, while accelerating Sri Lanka's green energy transition through a strong, transparent and investor-friendly policy regime. Executive Director, Investment Promotion of BOI attended this event accompanied by officials representing Central Bank of Sri Lanka, Ceylon Electricity Board and Ministry of Environment.

AHK Sri Lanka and German Deligation (24 April 2023)

Led by Ms. Marie Antonia von Schönburg, Chief Delegate of AHK Sri Lanka and Mr. Malintha Gajanayake, Head of Corporate Affairs/Export Promotion, AHK together with few German investors including representatives from Continental, Hafele, Linde (Ceylon Oxygen), Eskimo Fashion, Kramski, A&R Fashion, Lanka Leather Fashion and Bogala Graphite met with the Chairman and Director General of the BOI on 24 April 2023. The primary objective was to understand the road map of BOI and opportunities for new German FDIs and expansions for current investors.

SLASSCOM National Ingenuity Awards (16 June 2023)

The Sri Lanka Association for Software and Services Companies (SLASSCOM) National Ingenuity Awards celebrated the outstanding talent and achievements of individuals and teams from schools, universities, and companies throughout Sri Lanka. The awards covered various categories, including 'Best Client Delivery Innovation,' 'Best Start-up,' 'Best Disruptive Product Innovation,' and 'Woman Technopreneur of the Year.' Sri Lanka's IT and BPM industry is a crucial export sector serving clients globally. Innovation plays a key role in its offerings, and these awards aimed to highlight the best of Sri Lankan creativity, inspiring more individuals and companies in the industry to continuously improve their ideas, processes, and products. Board of Investment of Sri Lanka was a national partner organization lending support to the event alongside the Information Communication Technology Agency of Sri Lanka (ICTA) & Export Development Board (EDB).

French Business Delegations (3 November 2023)

French business delegations led by Jean Alexandre EGEE, Economic Counselor, the Embassy of France to Sri Lanka visited the BOI on 3 November 2023 and met with the Director General and Executive Director (Investment Promotion). The discussion was based on seeking investment opportunities in multiple sectors: energy, aviation, ITC, high-tech, and precision manufacturing based on Industry 4.0.

SLASSCOM BPM Summit (6 December 2023)

The Summit highlighted the rapid growth and importance of Sri Lanka's IT/BPM sector, offering a vital platform for industry leaders, experts, and stakeholders to discuss the future direction of the industry. The event included a panel discussion on key attributes for the success and sustainability of the IT/BPM industry, as well as Sri Lanka's role in the global BPM landscape, featuring BOI Sri Lanka Executive Director of Investment Promotion and several other industry experts.

International Events

COP 28 - World Climate Summit (30 November 2023)

The 2023 United Nations Climate Change Conference (COP28) was held in the United Arab Emirates to address the climate change crisis by agreeing on ways to limit temperature rise and achieve net-zero emissions by 2050. Sri Lanka's President Ranil Wickremesinghe unveiled his ambitious plan for the International Climate Change University, aimed at advancing climate-related research and technologies. This initiative, initially proposed by President Wickremesinghe during COP27 in Egypt in 2022, has already taken effect and has seen the government designate 600 acres of land in the Nuwara Eliya district in Central Province for the university. The announcement at COP28 in Dubai was met with enthusiasm from numerous international partners. Senior Deputy Director (Environment) and Deputy Director (Investment Promotion) represented BOI in this programme to explore opportunities to attract Greener FDI into Sri Lanka.



Outward Missions

To attract more lucrative investments from target countries the BOI officials have embarked on numerous foreign missions to directly engage with potential investors abroad, which allows the BOI to showcase Sri Lanka's investment opportunities, business climate, and competitive advantages through one on one investor engagement. This personal interaction builds trust and peaks interest among prospective investors.



Saudi-Sri Lanka Joint Committee (21-23 May 2023)

The First Session of the Sri Lanka-Saudi Joint Commission which was formed under the framework agreement signed in 2003 was held in Riyadh, Saudi Arabia from 21-23 May 2023. The Sri Lankan delegation which participated in this Mission was composed of senior officials from the Ministry of Foreign Affairs, Ministry of Health, Ministry of Labour and Foreign Employment, Ministry of Defence, Ministry of Education, Ministry of Investment Promotion, Ministry of Technology and the Colombo Port City Economic Commission. During the visit an MoU was signed between the Ministries of Foreign Affairs of the two countries which is intended to provide a platform for both countries to explore and discuss matters of mutual interest.

South Asia & Southeast Asia Business Leaders Summit (27-29 June 2023)

South Asia & Southeast Asia Business Leaders Summit was held from 27 - 29 June 2023, on the theme of “Share the Opportunities of the Era, Create Prosperity of the Region”. The summit explored the potential of bilateral and multilateral economic and trade cooperation, focusing on major opportunities such as the Belt and Road Initiative, the Chengdu-Chongqing Twin City Economic Circle, the RCEP Agreement, and the New Western Land-sea Corridor construction. Cooperation between China and South and Southeast Asian countries has created traction for deepening economic and trade exchanges.

Investment, Trade and Tourism Forum in China (16 October 2023)

BOI Chairman and Executive Director, Investment Promotion attended a prominent investment, trade, and tourism forum in China on October 16, 2023 with a strong focus on fostering future business opportunities, encouraging Chinese investors to view Sri Lanka as a strategic hub for emerging green and digital economic ventures, highlighting the nation's significant advancements in this domain. This forum was graced by the presence of representatives from a multitude of Chinese companies, some of which have already invested in Sri Lanka, while others are exploring investment prospects.

Participation in International Forums

United Nations Asia Pacific Innovation Forum: Xiamen, China

United Nations Asia-Pacific Innovation Forum, Boosting FDI in the Digital Economy for Sustainable Development, was held on 9 September 2023 at the Xiamen International Conference & Exhibition Center in Xiamen, China, during the China International Fair for Investment and Trade.



The Forum was co-organized by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the World Association of Investment Promotion Agencies which was the second iteration of Asia-Pacific Innovation Forum, and both had been key deliverables of UNESCAP project “Building the capacity of Asia-Pacific countries to utilize science, technology and innovation policies to accelerate progress on the Sustainable Development Goals” which was funded by the Government of China.

Director General, BOI participated in session 3 on promoting FDI from digital businesses, followed by a discussion / Q & A session with the audience. This session focused on how FDI can be used to promote digital businesses, the strategies Sri Lanka is using to attract FDI in this area, investment opportunities in Sri Lanka to attract Digital FDI and how to overcome challenges encountered in this regard.

Committee on Trade, Investment, Enterprise and Business Innovation- UNESCAP

The inaugural session of the Committee on Trade, Investment, Enterprise, and Business Innovation took place at the United Nations Conference Centre in Bangkok from 22-24 February 2023. UNESCAP collaborated with the World Association of Investment Promotion Agencies (WAIPA) during this period to coordinate various events aimed at promoting investment and facilitating sustainable development. These events encompassed a range of activities, including a gathering of regional investment promotion agencies, two workshops focusing on enhancing investment promotion for sustainable development and digital economy investment, and the unveiling of UNESCAP Policy Guidebook on Promoting FDI in the Digital Economy in Asia and the Pacific.



Subsequently, a session of the Trade, Investment, and Business Innovation Intergovernmental Committee concentrated on mobilizing investment for the SDGs. The collaboration between UNESCAP and WAIPA aimed to foster dialogue among investment promotion agencies across the Asia Pacific, facilitating the exchange of insights on promoting FDI for sustainable development and enhancing capabilities to address climate change and promote FDI in the digital economy. During this international gathering Executive Director (Research & Policy Advocacy) from the BOI delivered a Country statement focusing on mobilizing impact investment and foreign direct investment for sustainable development and the implementation of the 2030 Agenda for Sustainable Development.

Participation in International Treaty Negotiations



SLTFTA
Sri Lanka-Thailand
Free Trade Agreement

The negotiations on the Sri Lanka Thailand Free Trade Agreement (SLTFTA) resumed in January 2023 after a four year hiatus since September 2018, and seven rounds of negotiations were held in 2023 with the FTA being concluded in December 2023, and signed between the countries on 3 February 2024. The SLTFTA marks the second comprehensive FTA signed by Sri Lanka covering all aspects of trade and investment including Trade in Goods, Trade in Services, Customs and Economic Cooperation, Intellectual Property, Rules of Origin and Sanitary & Phytosanitary Measures.

Appointed by the Cabinet, the Director General of the BOI acts as a member of the National Trade Negotiations Committee and is the chairperson of the Working Group on Investment. In addition, BOI had its representations in the working groups on Trade in Services and Rules of Origin.



SL - India ETCA
Sri Lanka India Economic and
Technical Cooperation
Agreement / Sri Lanka
India Bilateral Investment Treaty

In October 2023, the 12th Round of negotiations of the Sri Lanka India Economic and Technical Cooperation Agreement (SL - India ETCA) was held in Colombo, Sri Lanka, resuming discussions from the 11th Round held in 2018. BOI has official representation in the negotiations on the Working Groups on Trade in Services and Rules of Origin.

In parallel, preliminary discussions on the Bilateral Investment Treaty (BIT) between the two countries resumed in December 2023, with the Director General leading the negotiation team.



TIFA
14th USA - Sri Lanka Trade and
Investment Framework
Agreement (TIFA) Council Meeting

The United States and Sri Lanka convened the 14th Trade and Investment Framework Agreement (TIFA) Council Meeting in September 2023, in Colombo. The technical-level meeting featured delegations from both countries, including officials specializing in trade, investment, customs, labor, intellectual property, agriculture, and other pertinent sectors. During the meeting, both nations revisited a wide array of bilateral trade and investment-related topics. These included policies affecting the investment climate, recent labor reforms, intellectual property protection and enforcement, customs and trade facilitation, technical barriers to trade, and market access for apparel, gemstones, jewelry, and agricultural products.

Both parties emphasized the importance of enhancing transparency and efficiency in approving Foreign Direct Investment (FDI) in Sri Lanka and implementing strong anti-corruption measures, recognizing these actions as crucial for supporting domestic economic growth and attracting FDI. The Director General and Executive Director (Research & Policy Advocacy) represented the Board of Investment (BOI) at the event and contributed to the bilateral discussions.

Working with International Partners

Collaboration with USAID



The U.S. Agency for International Development (USAID) collaborates with the PARTNER project (Partnership for Accelerating Results in Trade, National Expenditure, and Revenue) to foster prosperity, advance inclusive economic growth, bolster Foreign Direct Investment (FDI), and strengthen the country’s resource resilience against shocks and stresses through diverse strategies. Deloitte Consultancy LLC oversees the implementation of this initiative in Sri Lanka. As part of this endeavor, USAID has committed to providing the Board of Investment (BOI) with technical assistance and capacity building in areas such as Investment Promotion, Investment Facilitation and Investment-Related Research, and Policy Advocacy.

Engagement with UNDP



Recognizing the necessity for expeditiously facilitating investment and improving the ease of doing business, the Board of Investment (BOI) has sought the support of the United Nations Development Programme (UNDP). The aim is to streamline investor operations by enhancing regulatory processes for quicker service delivery. Collaboratively, BOI and UNDP are working on compiling template agreements to facilitate investors and legal professionals on par with global standards, while other efforts include digitalizing the BOI approval process, including the issuance of Letters of Approval, to expedite investment activities. Additionally, capacity building initiatives are underway to train BOI officers on international investment practices and dispute resolution mechanisms, including Alternate Dispute Resolution (ADR) Mechanisms.

Collaboration with UNESCAP



UNESCAP has committed to supporting Sri Lanka and the BOI by offering specialized technical knowledge and capacity-building initiatives aimed at improving the efficiency of BOI operations and enhancing institutional capabilities. As part of this collaboration, UNESCAP is providing technical assistance to develop a Promotional Strategy for BOI, which includes initiatives to promote digital Foreign Direct Investment (FDI). This support encompasses strategies for attracting digital FDI and technical assistance to digitize investment promotion processes. Additionally, UNESCAP is facilitating skill-building sessions on negotiating International Investment Agreements to further strengthen BOI's competencies in this area.

Hear from our Investors

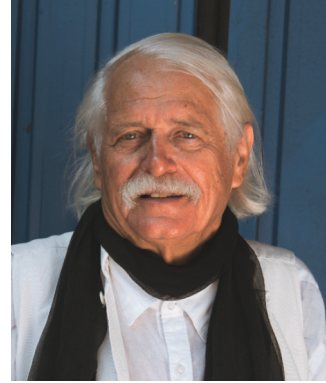


Mr. Roland Karl Scheube
Chairman / Managing Director
RKS Lanka Pvt. Ltd.

Mr. Kramski of Kramski Lanka, engaged in operations in Sri Lanka from Germany, encouraged me to establish a silver jewelry manufacturing plant in the country. I arrived in 1998 and swiftly identified a suitable land in Katunayaka EPZ within two weeks. The entire process, from finding the land to starting the factory within six weeks, was remarkably efficient. The procedures were straightforward, and the support I received from everyone involved was commendable in achieving my goal of establishing and streamlining the manufacturing process.

Our factory specializes in creating silver jewelry infused with the ashes of loved ones, offered at globally competitive prices. The local workforce demonstrated a high level of learning and training ability. I would like to extend my appreciation to the qualified individuals from Sri Lanka who often seek opportunities abroad, urging them to consider staying here and contributing to companies like ours for the continued success of the country.

Sri Lanka is a wonderful country to explore I suggest.



Mr. Pierre Pringiers
Chairman
Ocean Voyager International Pvt Ltd.

My journey as a successful entrepreneur and investor through the BOI in Sri Lanka started in the early 1980s with two highly successful startup projects in industrial tyre manufacturing that I initiated. These projects put Sri Lanka on the world map as the leading place for industrial tyre manufacturing, thanks to the continued strong support from the BOI, which acted as a facilitator in dealing with all other institutions in Sri Lanka and prioritized the interests and needs of foreign investors to achieve success and growth. Today, several of my projects have drawn interest and attention from large multinational players such as Michelin and Yokohama, who acquired the projects and thereby showed their trust and confidence in Sri Lanka, as well as in the efficiency, flexibility, and service provided by the BOI as a governmental agency.

The BOI has lived up to our expectations by providing reliable support to foreign investors and entrepreneurs since its creation 45 years ago, and it continues to move forward on the same path, always respecting the conditions agreed upon in the original agreements and any subsequent expansions.

Since retiring from the tyre business and starting investing through our next-generation family holding company in a new company, Ocean Voyager International, part of the Sea Leisure Yachting Group, in a new sector for manufacturing and exporting sailing catamarans, yachts, and boutique coastal cruise boats for export and use in the Sri Lankan and international markets to develop nautical tourism and coastal day and multi-day cruises, I have still chosen Sri Lanka as the place to be and the BOI as the agency to propel things forward speedily.



Mr. Sandro Veronesi
Founder and President
Oniverse - Italy

Oniverse is an Italian multi-brand company founded in 1986. Today the Group has an international retail presence, owning the fashion brands Calzedonia, Intimissimi, Intimissimi Uomo, Tezenis, Tezenis Kids, Falconeri, Atelier Emé, and Antonio Marras. The Group is also active in the food & wine industry - through the Signorvino, Tenimenti Leone, La Giuva, and Podere Guardia Grande brands - and, following the recent acquisition of Cantiere del Pardo, in the nautical industry - with the Grand Soleil Yachts, Pardo Yachts and VanDutch Yachts brand.

Our first brand "Calzedonia" was to sell hosiery, socks, beachwear and underwear, mainly brassieres and lady briefs. While hosiery and socks were produced in Italy by our company, we had to depend on small European factories for the supply of underwear. With the introduction of our 2nd brand "Intimissimi" in mid 1990's, our sales started to grow, and we felt the need to have our own production facility for better control the quality, price, on-time delivery and directly managing the working conditions and benefits supplied to employees.

In 1998 Sri Lanka was identified as the right destination for us to start our own production and we started Omega Line in 1999, as part of the Group. By now, we have invested in 4 legal entities, i.e. Omega Line, Sirio, Alpha Apparels and Benji Ltd with 7 factories. Currently we have nearly 15,500 employees and Sri Lanka produces over 60% of the total garments produced in our factories.

Our Sri Lankan operations were the driving force behind our overall growth; their support has been crucial in enabling the Group to open more than 5,600 stores over the years.

We have already invested nearly US\$ 350 Mn and still keep on investing in Sri Lanka. The Sri Lankan employees, with the help from Italian Technical staff, were quick to learn and are giving their best for the growth of Sri Lanka companies.

Unfortunately, the country had to go through a rough 2-3 years, but the investment climate has started changing and I wish BOI and Sri Lanka to become one of the most sought-after investment destinations.



Mr. Joachim Vets
CEO
Lydies Diamonds Pvt Ltd

As the CEO of Lydies Diamonds Pvt Ltd, I am honoured to present this statement for the BOI Annual Report. For nearly 30 years, our company has been a proud BOI-approved entity, dedicated to the art and craft of diamond cutting and polishing within this beautiful country.

Throughout our journey, the unwavering support from the Board of Investment has been instrumental to our success. This support was particularly evident during the challenging period of the COVID-19 pandemic, where the BOI's initiatives and assistance played a crucial role in ensuring our operations could continue smoothly.

Our company, owned and operated by Belgian nationals, has consistently upheld the highest standards of quality and excellence. We have not only contributed to the local economy but have also fostered a cultural exchange between Belgium and this country through our business practices and community engagement.

The BOI's commitment to fostering a conducive business environment has allowed us to thrive and expand our operations. We look forward to continuing this strong partnership and further contributing to the economic growth and development of the diamond industry here.

Thank you for your continued support and collaboration.



Mr. Mark Moffati
CEO
IFS

Sri Lanka is integral to IFS's global success. IFS helps businesses operate smoothly and efficiently by providing AI-powered enterprise application technology solutions in ERP, EAM and FSM for companies that make, service and power our planet. We are now one of the fastest-growing enterprise software companies in the world, having achieved six consecutive years of strong double-digit growth and a market valuation exceeding US\$ 10 Bn. The exceptional talent, work ethic, and culture of the Sri Lankan people have played a key role in the development of our solutions and our company growth.

From humble beginnings here in 1997 with just 26 employees, IFS Sri Lanka has grown into a powerhouse. We are now the largest and destination technology employer in the country with over 2,600 employees. A substantial proportion of our worldwide product support and global R&D operations are conducted from Colombo, highlighting the remarkable software engineering talent and resilience found here. All those years ago, IFS saw immense potential in the impressive software and engineering training at Sri Lanka's universities, as well as graduates' strong linguistic skills. Unsurprisingly, the quality and contribution of Sri Lankan software engineers is now recognised the world over. By 2030 we are proud that we will have contributed over US\$ 1 Bn to the Sri Lankan economy.

We are committed to continuing our investment in Sri Lanka and planning to increase our headcount by an additional 1,000 employees in the near term. Sri Lanka and its people will always be a vital part of our company's DNA.



Achievements of our Investors

Hayleys Fabric PLC

Leading textile manufacturer and member of Hayleys Group, Hayleys Fabric PLC achieved yet another key milestone in its sustainability journey when it was honoured with the “Best SDG Impact Award” at the esteemed ESG World Summit and Growth, Resilience, Innovation and Talent (GRIT) Awards held in Thailand recently.

Organised by Corpstage, a premier sustainability consultancy in the region, and the ESG Research Foundation, the Awards aim to advance responsible capitalism and green initiatives while recognising outstanding companies making strides towards a sustainable world through impactful environmental, social and governance (ESG) practices.



Tikiri Toys

Green Brand of the Year - SLIM Brand Excellence Awards

"Green Brand of the Year" award is presented to a brand that has incorporated sustainable marketing practices which has directly aided to lessen the carbon footprints in the world. This award aspired to recognize how Tikiri change their missions and practices from reclusively revenue-driven to balancing commercial aspirations whilst being environmentally aware through business processed that have the least impact on the environment as possible.



Export Brand of the Year - SLIM Brand Excellence Awards

This award recognizes Tikiri as the most promising export brand of the year, celebrating its impressive global presence and strategic market focus. Tikiri's brand-building activities in targeted markets have showcased its ability to adapt and thrive in diverse regions, setting a benchmark in the industry. Each focus market highlights Tikiri's proficiency in penetrating and establishing a robust foothold within various categories, demonstrating its potential to continue expanding its international influence and success.



MAS Holdings

MAS: Ocean Strainer

MAS Holdings Ocean Strainer named finalist in the “Water Category of Fast Company's 2022 World Changing Ideas Awards”. The winners of Fast Company's 2022 World Changing Ideas Awards were announced, honoring clean technology, innovative corporate initiatives, brand new designs for cities and buildings, and other creative works that are supporting the growth of positive social innovation, tackling social inequality, climate change, and public health crises. The 'Ocean Strainer' is a pilot floating trash trap installed in the Dehiwala canal in Colombo, Sri Lanka and has expanded to eight other locations through open-source partnerships across the country since its inception in August 2020.



Noyon Lanka: Sustainability

Established in 2004, Noyon Lanka is a subsidiary of South Asia's largest apparel manufacturer MAS Holdings. The company's engineered warp-knitted collections range from high-quality fabric for athleisure as well as intimate wear, sleepwear, and fem tech. Various types of lace range from luxurious Chantilly and multiway stretch to high-tenacity and engineered lace fabric. This dyeing innovation brings the industry closer to having a lace garment made purely from natural dye.

Noyon Lanka's natural dye solution is the latest development to the company's ongoing Green Mission or sustainability roadmap, and its existing suite of eco offerings includes biodegradable and recycled material and material made using recycled polyethylene terephthalate (PET) bottles.

Compared with a synthetic dye, Noyon Lanka's solution saves approximately 30 and 15 percent on water and energy, respectively, with a significant chemical load reduction on effluent, and ensures zero toxic chemicals.



Notable Highlights of the Year



Digitization to Improve Business Engagement

BOI Information Technology Department launched several new computer applications in the year 2023 under the organization's digitalization plan to improve service delivery to the BOI enterprises, Investors and for the internal processes as well.

One of the key initiatives was introducing an online platform for the enterprises to get their duty free item approvals and process the import/export transactions in a very efficient manner. Enterprises are not required to visit BOI premises to get these approvals after implementing this web application thus would save their time and money as well.

Further, BOI implemented an automated system to reconcile import and export ratios of the enterprises to assess whether the enterprises perform their transaction within the approved levels. If the enterprises do not perform as required, the system is intelligent to suspend their services automatically without any human involvement.

In 2023, the Board of Investment (BOI) launched an online web portal to streamline the recruitment process, marking a significant milestone in their digital transformation strategy and setting a precedent for government departments. This innovative platform allows job seekers to register and apply for BOI vacancies directly through the BOI website. The system efficiently processes applications and facilitates seamless online communication between applicants and BOI throughout the recruitment process. This initiative has successfully digitized several HR processes that were previously handled manually, enhancing efficiency and user experience.

Additionally, BOI introduced an online automated system to manage the employee loan granting process, streamlining yet another previously manual operation. Building on these advancements, BOI implemented new technologies to connect BOI zones with the central data center at the head office. This initiative has significantly enhanced network speed and reduced costs associated with internet links, further supporting the organization's commitment to digital transformation and operational efficiency.

Green Channel Facility

In a move towards efficiency and sustainability, the Board of Investment of Sri Lanka (BOI) awarded the Green Channel Facility to a selected group of export-oriented enterprises in 2023.

As a key player in attracting investments, BOI's Green Channel Facility aims to expedite services and minimize lead times for the import and export activities of export-oriented Enterprises. The Green Channel Facility offers export oriented enterprises to clear import cargo and forward to the export cargo without physical verification (Only 10% of the cargo will be physically verified).

A total of 116 applications from BOI registered enterprises were received, fulfilling a minimum operational tenure of five years.

Accordingly, 35 Enterprises from various sectors have been selected to benefit from the Green Channel Facility after obtaining clearance from Sri Lanka Customs.

As the BOI continues to lead in facilitating investments, the Green Channel Facility acts as a guiding light, directing enterprises towards smooth operations and environmental responsibility. This blend of efficiency and sustainability stands as proof of BOI's dedication to creating a business-friendly environment in Sri Lanka.



Improved Facilities in BOI Zones

Continuing the efforts of provisioning better service for the BOI companies, during 2023 also, BOI spent a considerable capital budget to continue the infrastructure developments within BOI Zones in various aspects such as augmentation of waste water treatment plants, augmentation of water treatment plants and water supply systems, improvement of access roads and constructions of new roads, installation of CCTV and improvements to perimeter fences, refurbishment of administrative complexes, and improvements to street lights. The allocated budget for this program was Rs 2.3Bn in 2023 and will be continuing to 2024 with another allocation of Rs 2.8 Bn.

Further, developments of the two new zones at Eravur and Hambantota were continued throughout 2023. After the developments, Eravur Zone will continued to be opened as a dedicated zone for textile manufacturing and Hambantota Zone as a dedicated zone for pharmaceuticals.

Bingiriya Export Processing Zone

Planned activity for year 2023 was development of the access road to Bingiriya EPZ. Total length of the access road is 6.05 km and divided into two sections such as Thuntota to Wathuwatte (4.85 km) and Wathuwatte to Hettiyakotuwa (1.2 km). Construction works were entrusted to the Road Development Authority (RDA) through a MoU signed between the line ministry and RDA.

Within the 4.85 km section, six culverts have been constructed partially and acquisition of private lands for road widening is in progress. Remaining 1.2 km section is running through the buffer zone of the EPZ and asphalt paving completed in the same section. Construction work in rest 0.2 km section is in progress. Overall yearly progress is 45%.

Wagawatte Industrial Zone

The construction of the access road and a grid substation was planned to be completed. Construction works were entrusted to the Road Development Authority (RDA) and the Ceylon Electricity Board (CEB) respectively, through Memorandums of Understanding (MoUs) signed between the line ministry and the relevant stakeholder agencies.

Critical sections of the access road have been completed by the RDA, and the control protection panels and communication equipment in the grid substation have been installed by the CEB. Overall yearly progress is at 70%.

Arabokka & Mirijjawila EPZ

The enhancement of existing water and power supply was planned to be completed by the end of 2023, and this work was handled by the Ministry of Health. Overall progress by the end of 2023 is 10%.

Textile Manufacturing Zone, Eravur

The activities of constructing an access road (6 km) and providing initial water and power supply were planned to be completed by the end of 2023. This work was handled by the Ministry of Industries. Overall progress by the end of 2023 is 15%.

Establishment of New Zones

In order to initiate these activities, lands have been identified in the Northern, Eastern, Western, North Western, and Southern provinces. The respective locations are Kankasanthurai, Paranthan, Mankulam, Kappalthurai, Bingiriya, Iranawila and Hambantota.

Human Capital

Our People

Our people are our greatest asset and are of vital importance in the BOI's journey of driving the nation towards economic and social development. In order to fulfill this national responsibility, our people are constantly provided with the required support both in professional and personal spheres.

BOI as one of the most recognised Institutions in the Government Sector has provided employment to people with diverse backgrounds since its inception in 1978. As a result, BOI comprises of talented teams having varying viewpoints which is also the strength of the BOI in taking the country forward to the international arena. The management systems and processes ensure a safe working environment with equal opportunity provided to our diverse pool of talent.

Our Approach to Managing People

Our strong people centric approach in attracting, retaining, talent, and motivating talent whilst providing development opportunities has enabled a workforce that is both enthusiastic and happy. This in turn ensures that our national responsibility is fulfilled by creating value for the organization. Our human resources management functions include recruitment and selection, leave and attendance management, human resource development, performance management, compensation and welfare benefits and disciplinary management. These functions implemented and overseen centrally enhance the professional lives of our employees and ensure that they are well supported. Moreover, we follow a fair, ethical and inclusive approach to practicing these functions.

Public service being the shared vision and the driving force of the BOI, our practices align with government rules, regulations and policy decisions. As the apex Institution for the FDI attraction and facilitation we do not undermine the responsibility the BOI has towards our nation and therefore any action that is taken is done so keeping in mind this national responsibility. It is noteworthy that all of the people functions are guided by the policies that are in place to safeguard Government Institutions in relation to credibility and consistency.

The BOI continues to recognise that recruiting the right fit at the right time is crucial to business success and ensures the same through a transparent process while the human resource development function is committed to increasing the employee learning and development initiatives. The time and attendance function is managed digitally while the compensation and benefits and employee welfare functions ensure our people are rewarded equitably for their commitment and excellence.

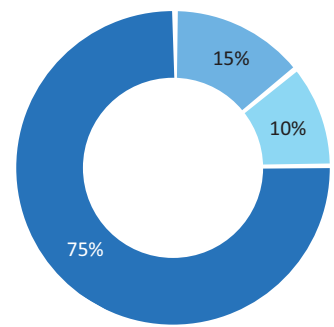
With all of these systems in place to guide and support our employees it is expected that they conduct themselves responsibly. The disciplinary management function ensures that employee misconduct is promptly addressed and mitigated to prevent potential disruption to work.

Composition of Our People

The BOI team in its entirety consists of 379 number of people attached to the Head Office in Colombo and 733 number of people in various other locations around the country. There are three employee categories in our cadre, 47% of our team includes executive level employees located in the Head Office as well as in Export Processing Zones and Parks. The balance 53% of our team includes non-executive grade employees comprising of Management Assistants and Primary Level (PL) Staff of which 21% are Management Assistants and 32% are PL grade staff.

At BOI we embrace diversity and uniqueness of each individual and believe it is one of our greatest strengths. We provide opportunities to male and female alike to progress through their career within the Board. Male and female representation is visible throughout all employee cadres.

Our team comprises employees with different educational and professional backgrounds. Out of 1112 employees, 516 are in executive categories. Among those, 280 are graduates, including 167 who hold Masters’ degrees and 33 who are members of professional bodies. Additionally, 23 employees hold both a Masters degree and professional memberships. The Board continues to benefit immensely from the diversity of the educational backgrounds of our employees with different disciplines such as Business Administration, Science, Economics, Engineering, Public Management, Accounting, Social Science, Law, and Customs Administration.



- Masters’ Degree holders
- Membership holder
- Masters’ + Membership holder

Having set a conducive environment for learning and professional development, we believe continuous development of our employees is paramount to the organizational success particularly in the challenging operating conditions. Hence, the BOI has introduced comprehensive policies for studies, promotion and leave that reflect the BOI’s commitment to support employees to pursue their professional development goals.

Training and Development

At BOI we provide support to employees for their professional and personal development. As such we have conducted 24 in-house training programs and over 45 external training programs for executive, non-executive grades and primary level employees. Around 570 employees in executive grades and 160 employees in non-executive and primary level grades have been trained through internal and external training programmes.



Social Impact

Establishment of Day Care Centers (crèches)

The establishment of Day Care Centers and Pre-schools within Export Processing Zones (EPZs) offers a practical solution for employees who wish to continue their jobs while ensuring their kids are in a secure environment within the zones. This initiative also helps to reduce high labour turnover and creates a favorable impression of the zone for potential new recruits.

By the end of 2023, the Day Care Center at the Katunayake Export Processing Zone had facilitated a total of 45 kids. The Day Care Centers at the Biyagama and Mawathagama Export Processing Zones had facilitated 25 and 37 kids, respectively.



Establishment of Workers Facilitation Centers

In 2023, there are five Facilitation Centers in operation at Katunayake, Biyagama, Koggala, Wathupitiwala Export Processing Zones, and in Kandy Industrial Park. These Facilitation Centers have been established primarily to enable Trade Union Officials to meet with their members working within the respective zone enterprises, ensuring that these interactions can occur freely and privately as needed. Out of all these centers, only the Facilitation Center located at the Katunayake Export Processing Zone (KEPZ) was utilized by Trade Unions in 2023, with a total of nine meetings held with their branch union members.



Organizing Awareness Programme

The Board of Investment (BOI) conducts awareness programs, workshops, and seminars for factory employees and management officials through the Industrial Relations Department, with assistance from relevant government agencies. These programs primarily cover several subject areas, including social dialogue, health and safety, decent work practices, workplace cooperation, and workplace preparedness. During 2023, a total of 392 awareness programs on the aforementioned subject areas were conducted for factory employees and management officials of enterprises located both within and outside the Export Processing Zones.



Career Exploration Programme for School Children

The new educational reforms by the government provide vocational education opportunities to school children, encompassing both theoretical and practical knowledge. In line with these reforms, the Department of Education of the Western Province launched a career exploration program for school children in collaboration with the BOI and Jetwing Group of Hotels during 2023.



Department Functions & Performance

Investment Promotion

The Investment Promotion Department is the first point of contact for the new investors. The key function of the Investment Promotion Department is image building which consists of fostering the positive image of Sri Lanka and branding it as a profitable investment destination. It involves several coordinated activities designed to attract, grow and retain foreign and domestic investment.

The department is responsible for branding the country and guiding potential investors to existing opportunities through the Investment Map. It involves systematically conducting investor outreach and targeting activities to attract high-quality investments by focusing on specific sectors, markets, projects, and activities aligned with national priorities to support sustainable and inclusive development.

Stakeholder management is yet another illustration of departmental activities. It deals with extending the relationship with missions, ministries, line agencies and regulatory bodies for smooth investment promotion and facilitation.

Research and Policy Advocacy

The Research and Policy Advocacy Department at BOI is committed to proposing and advocating for enhancements in relevant FDI policies, serving as a pivotal force in driving investment-related policy reforms. The Research & Policy Advocacy Department of the BOI is responsible for conducting research on investment-related matters and advocating for policy improvements aimed at enhancing the business environment.

Within this framework, BOI's Research and Policy Advocacy Department shoulders the responsibility of assessing the policy environment and recommending improvements to various policies, laws, and procedures. These efforts are aimed at assisting the government in enhancing Sri Lanka's business environment, thereby attracting essential foreign and domestic investments.

The responsibilities of the department also encompass conducting business research to develop investment opportunity profiles, undertaking country-specific and sector-specific research to identify priority sectors for investment, creating informative brochures, devising investment promotion strategies based on competitive and comparative advantages, compiling, analyzing, and disseminating investment-related data, identifying barriers to investment and proposing remedial measures, and contributing to investment and trade negotiations. The Research & Policy Advocacy Department engages in these tasks, leveraging the collaborative efforts of supportive departments to advance the organization's shared objectives.

Investment Appraisal

The Investment Appraisal Department has been charged with the responsibility of facilitating investments and expediting the approval process within a minimal timeframe. Its role encompasses a seamless facilitation process, spanning from the initial stage of accepting applications to the ongoing presence of projects in Sri Lanka.

Since its inception, the Investment Appraisal Department has played a pivotal role in identifying investment areas and prioritizing inputs for formulation of industrial policies based on the knowledge and practical experiences accumulated by its personnel. Operating directly under the supervision and leadership of the Director General, the department ensures strategic guidance and oversight in its endeavors.

Functions of the Investment Appraisal Department include: Evaluating investment proposals; Making recommendations for project proposals; Facilitating projects granting customs duty and other exemptions ; Granting

approval for the change of scope of the business; Granting approval for expansions in terms of location, product, activity etc.; Resolving and intervening in operational issues; Preparation of FDI forecast; Recommendation of visa for expatriates; Participating in various investor forums, Participating in policy making committees; Preparation of Cabinet Memorandum; Communicating and co-ordinating with all Line Agencies and Line Ministries; Attending and responding to inquiries made by various State Agencies; and Updating the MIS with the project details.

Screening Committee

The Screening Committee, comprising relevant department representatives, is established to make investment-related decisions collectively and efficiently for both existing and potential investors. This structure aims to expedite the approval process. The committee is chaired by the Director General of the BOI, with participation from other permanent committee members. The Screening Committee convenes weekly or as needed.

All department heads involved in the approval process participate in decision-making to minimize unnecessary delays. The committee determines the required level of approval, whether by the screening committee, the Chairman, Board of Directors, or the relevant line agency. The exchange of expertise and knowledge of each other in decision-making creates a synergistic impact, making the process more effective and easier to execute.

Investor Facilitation Coordinating Committee (IFCC)

The Investor Facilitation Coordinating Committee (IFCC) of BOI, established in 2022, holds monthly meetings with key representatives of relevant line agencies under the auspices of the Honorable State Minister of Investment Promotion. The primary goal of these meetings is to reduce processing time for investment approvals and resolve bottlenecks faced by current and potential investors through enhanced inter-agency coordination. The IFCC serves as a common platform where officials from relevant agencies can convene and make swift decisions, allowing investors to obtain necessary approvals without repeatedly visiting multiple agencies. By streamlining and improving the investment process, the IFCC plays a crucial role in creating a favorable investment climate and promoting sustainable economic growth.

Investor Services

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

The Investor Services Department is in charge of processing Import/Export CusDecs, verifying import/export cargo, issuing certificates of origin, approval for clearance of goods from bonded warehouses, approval for sub contracts, transfers, local sales & providing approvals to obtain raw material and machinery on loan basis and approving of re-import & re-export of items. Moreover, liaising with government organizations with regards to issues faced by BOI enterprises, processing and approving of GRNs for Indirect Exports, processing of web submission for IT / BPO projects, recommendation to the Controller General of Immigration & Emigration for issue of expatriate visas (Only for the zonal enterprises) are other exclusive functions offered by the department.

Project Monitoring

The main function of the Project Monitoring Department is to examine the performance of projects that have commenced commercial operations in terms of fulfillment of conditions set out in the BOI Agreement. This procedure remains a regular and constant activity of the department covering the lifetime of BOI approved projects that are in commercial operation. Companies approved under both Section 16 and Section 17 of the BOI Law are examined through the collection of periodical information based on Audited Financial Statements, Bi-Annual Performance Statements and employment statistics in respect of such projects.

Other key areas handled by the department include issuance of Tax certification to Companies eligible for tax holiday, formal termination of project agreements that have reached the end of their life cycle as well as those that have been non-compliant with conditions in the BOI Agreement, inspection of projects both under Section 16 and Section 17 of the BOI Law to provide performance reports for decision making by relevant departments and quarterly submission of a list of agreement terminated projects to relevant Commercial Banks for withdrawal of FCBU facility granted to such companies.

Project Implementation

Main objective of the Project Implementation (PI) Department is to ensure the successful facilitation of projects, consistent with the implementation programme stipulated in the Agreement signed with the BOI. The primary function of the department is to facilitate investors after signing of an Agreement, so that a project reaches the commercialization stage expeditiously. When an Agreement is signed, the PI Department issues basic guidelines to investors to inform them of the reports to be submitted by investors on a regular basis to ensure the project remains viable and feasible.

Furthermore, the PI Department identifies other line agencies issues/bottlenecks for delays in implementing the projects and assists the investors to overcome such issues, ascertains the actual status of the project by inquiring and engage in inspections, conducts initial investor awareness programmes for new projects, grants approvals to extend the Project Implementation period, updates changes of status of the projects in Management Information System (MIS) maintain by the BOI, identifies the commencement of commercial operations of the projects, and identifies the projects which has failed the implementation process or has abandoned and transfer the relevant files to the Project Monitoring Department for termination of the Agreements.

Legal

The main role of the Legal Department is providing investor related services on legal regime which is applicable for investment and facilitating investment agreements for project approval under Section 17 of BOI Law. The department attends to the duties in respect of its role in corporate legal affairs in the organizational litigation against the BOI and initiates legal action on behalf of the BOI in order to protect its legal interest.

The investor facilitation legal services are of advisory nature, which include: the dissemination of information on legal regime of Sri Lanka which is applicable in the establishment of projects under the auspices of Section 17 of the BOI Law; Strategic Development Projects Act and Hub Regulations under the Finance Act; and Perusal and approval of the Articles of Association of venture permitted to establish projects in Sri Lanka. Apart from the above, the Legal Department involves in extending its investor related services by the provisions of lands owned by BOI to investors in setting up of their industries.

Technical Services

The Technical Services Department is mainly responsible for the overall control of the Action Plan for infrastructure development pertaining to Export Processing Zones and Industrial Parks managed by BOI. The other key responsibilities of the department include identifying sites for new investment zones, planning and developing of new investment zones and undertaking initial development work, providing Technical support for operation and maintaining services such as water supply, wastewater disposal systems of zones, and solid waste disposal, identifying vacant lands and advertising for establishment of new projects, and implementing new projects in the lands acquired by the Government due to underperforming enterprises.

Furthermore, the department undertakes the duty of inspecting and making recommendations on technical aspects for industrial zones which have encountered environmental issues and conditions in respect of public concern.

Engineering Approvals & Special Projects

Engineering Approvals & Special Projects (EA & SP) Department is primarily engaged in two key aspects of investor facilitation: Engineering Approvals and Land & Related Facilitation.

Engineering Approvals section of the department functions as the regulatory arm of the BOI for providing four key services: issuing site approvals, building plan approvals and quantity certification for importing construction related materials on duty free basis, and issuing the Certificate of Conformity for projects approved by the BOI under Section 17 of BOI Law.

Lands and Related Facilitation section of the Department is responsible for providing number of services which includes acquiring and alienating of State/Private Lands for the establishment of Investment Zones, facilitating Investors to obtain lands to establish investment projects, maintaining a database of lands owned by BOI which are located outside BOI Zones, assisting the Legal Department and other departments of BOI in the matters pertaining to lands, and coordinating with relevant Line Agencies & Ministries with regard to land related matters.

Facilitating Development of BOI Zones

The proposed investment zones will be implemented in line with the Government Policy Decisions and upon the Government Directives. Accordingly, obtaining approval of the Cabinet of Ministers in establishment of proposed new zones is another key function handled by the EA & SP Department, subsequent to the acquisition of lands for the zones proceeds.

In addition, coordinating with Line Ministries and stakeholder agencies such as National Water Supply and Drainage Board, Road Development Authority, Ceylon Electricity Board, on providing infrastructure up to the boundaries of zones when establishing new zones, including obtaining approvals, providing progress reports, etc. is currently handled by the EA & SP Department.

Environment Management

The functions with regard to the environment protection and management pertaining to the projects within the purview of the BOI, are being executed by the Environment Management Department. The responsibilities of the department encompass various critical tasks aimed at ensuring environmental protection and compliance of the BOI projects.

Firstly, for new projects, the department is tasked with granting environmental clearance in collaboration with the Central Environmental Authority (CEA), ensuring that proposed ventures meet environmental standards. Additionally, for operational projects, the issuance of Environmental Protection Licenses (EPL) in consultation with the CEA is mandated by the department to uphold environmental safeguards. Furthermore, the department provides Environmental Recommendations (ERR) to the Telecommunication Regulatory Commission (TRC) for the establishment of telecommunication towers.

Other key responsibilities of the department include playing a pivotal role in addressing environmental grievances, investigating complaints of pollution, facilitating resolution by enforcing necessary pollution control measures, monitoring industrial effluent discharge in Export Processing Zones, and safeguarding against environmental degradation by ensuring adherence to established standards.

The department also contributes to national committees dedicated to international environmental conventions and chemical regulations, representing Sri Lanka's commitment as a signatory to these agreements. Furthermore, the Environment Management Department is committed to provide technical assistance to BOI industries on management and design of proper wastewater treatment and solid waste disposal and assisting BOI industries/projects in conducting EIA/IEE studies.

Information Technology

The Information Technology Department has been entrusted to strategize, create, construct, assess, and execute IT solutions for BOI. In addition to overseeing the procurement, deployment, and maintenance of the organization's ICT resources, the department administers the corporate network to furnish IT infrastructure comprising hardware and software for communication, catering to all IT needs of its users to ensure round-the-clock service delivery.

The department's primary responsibilities encompass managing the BOI's ICT infrastructure through established, repeatable processes to ensure a stable technological environment for all users. This includes the design, development, implementation, and upkeep of various computer systems, including the BOI's official website, online approval platforms for enterprises, payment systems, Management Information System, automation tools, mobile applications, and interfaces with external entities. Additionally, the department provides comprehensive IT services to the organization, covering email management, internet access, CCTV surveillance, video conferencing capabilities, user support for both internal and external stakeholders, SMS gateways, and resource monitoring.

Furthermore, it prioritizes the security of the network, systems, corporate databases, employing standard security measures such as firewalls, antivirus software, OTP authentication, user access controls, management of login credentials, and conducting security assessments through SLCERT to safeguard sensitive information.

Media & Publicity

The scope of the Media Department is to implement the key strategic communication objectives of the Board of Investment of Sri Lanka. The core responsibility is to build a positive image of Sri Lanka and play a vital role in dissemination of information about Sri Lanka in the context of Investment opportunities and promotion of Sri Lanka as the first choice in investments.

The functions of the department includes communicating the Vision and Mission of the BOI and establish Brand positioning of Sri Lanka, establishing Brand BOI in the context of Nation Branding, providing a media strategic Plan based upon the Marketing Promotion Plans of the BOI and tactical strategies when necessary, providing internal communication strategies and implementation, working as an official media communicator of the BOI and being responsible for all media communication of the BOI.

Zone Management

Aiming for greater investor facilitation, the Board of Investment of Sri Lanka has established 15 Export Processing Zones / Industrial Parks around Sri Lanka which are administrated by Zone Management department of BOI.

In order to facilitate a conducive environment, Zone Management provides variety of services to the investors including the provision of reliable infrastructure (electricity, water treatment, wastewater treatment, access roads etc.), engineering approvals and guidance, export/ import documentation processing and cargo verification, advisory services and guidance on maintaining healthy industrial relations, 24 x 7 fire protection service including firefighting, monitoring and advisory services, 24 x 7 overall security coverage, environmental monitoring, advisory and laboratory services, Import and Export clearances with verifications.

Going beyond simply providing services to the companies, Zone Management of BOI has made plans to convert BOI zones into green zones aligning with the national policy and strategy of sustainable development. By attaining green status for the Export Processing zones, the BOI aims to increase the attractiveness of these zones, improve compliance to attract more orders, and promote the use of sustainable energy. This initiative aligns with the Nationally Determined Contributions (NDC) and the Sustainable Development Goals (SDG), demonstrating the commitment to environmental sustainability and responsible development.

Industrial Relations

The Industrial Relations Department of the BOI plays a vital role in maintaining a well-organized industrial relations climate conducive for higher efficiency and productivity within the BOI Enterprises. In order to achieve this goal, the Industrial Relations Department handles the number of functions.

These functions include: promoting and facilitating the maintenance of labour management co-operation, industrial peace & harmony and higher productivity in the enterprises coming under the purview of the BOI; providing advisory services and guidance on Labour Laws / regulations and IR practices to managements and employees of BOI enterprises where necessary; assisting investors to meet their manpower requirement through the BOI Employment Service Units functioning in EPZs, the Online Job Bank Portal and by organizing recruitment assistance programmes; facilitating to maintain a productive labour force by promoting labour management cooperation; and promoting social dialogue mainly by harmonizing and mediating trade union actions.

Internal Audit

Internal Auditing functions as an independent, objective assurance and consulting activity in the Board of Investment of Sri Lanka while adding value and improving organization's operations through the systematic, disciplined evaluations. The Internal Audit Department being part of the overall control system of the BOI provides important control functions serving as detective and preventive control mechanisms, and proposes potential improvements based on the results of the audit.

Internal Audit Department carries out variety of functions which includes verifying the existence of assets and availability of proper safeguards for those assets, evaluating the adequacy of internal controls of the operations, recommending improvements to internal controls of the operations, assessing compliance with laws, rules regulations, policies, procedures, contractual obligations etc., and investigating the reported occurrences of fraud, misappropriation, waste, misconduct etc.

Moreover, the department includes other functions such as ensuring reliability of financial and management reporting, reporting to Audit Committee and convening Audit Committee meeting maintaining continuous coordination with the Auditor General and conducting on-time Statutory Reporting (Auditor General, COPE, Treasury, and Line Ministry etc.). Internal Audit extensively involved in resolving significant issues reported by the Auditor General which amounted to qualify the audit opinion and was successful in assisting the management to obtain an unqualified audit opinion for year 2023.

In addition to above functions, Internal Audit is responsible in carrying out special investigations / inquiries as per the directives of the management and reported on the lapses/faults with a view of protecting public interest/property by taking suitable disciplinary and remedial actions. While carrying out the above activities, Internal Audit maintains independency by directly reporting to the Chairman/ Director General and continuous coordination with the Audit Committee for reviewing its activities.

Human Resources

The main responsibility of the Human Resource Affairs Department is to support the employees to bring out the best in them as they steer through the challenging economic and social conditions. Furthermore, HR continues to explore its role in terms of creating an even more empowering organizational culture and ways of supporting employees and the business particularly in the areas of adaptation of technology, creating agile work environments and capability building all of which are geared to mold employees to become the best versions of themselves.

Administration

The Administration Department plays a vital role in the BOI and provides logistical support for the smooth functioning of departments in order to achieve the goals and objectives of the organization. Five subunits operating under the Administration Department are Stores & Supplies Unit, Transport Unit, Maintenance Unit, Mail Unit and General Administration.

The key functions performed by the subunits consist of: Handling the Internal and External mail which will expedite the connectivity within and outside the BOI; Maintenance of an uninterrupted process for providing office infrastructure facilities at the Head office; Attending the repairs and maintenance, general up-keep of the BOI office floors at the Head Office; Procurement of insurance coverage for fixed assets, lease in/out office spaces; Preparation of documents for the payment of electricity, water, telecommunication, transport and other service providers; Procurement and disposal of vehicles, managing the vehicle fleet, providing transport facilities for project monitoring activities, assisting Zones for maintenance of vehicles; Procurement of goods and services required to the organization (stationery, office furniture & equipment, support services etc.); and Maintaining the general stores of the Head Office.

Security & Fire

Security and Fire Department of Board of Investment of Sri Lanka bears a fundamental role in safety and security of property and human Lives of BOI Zones including enterprises located therein. It facilitates the existing investors of BOI by deploying security and fire staff, strengthening them as and when required.

Services rendered by the department includes; providing all round protection 24x7 basis by establishing statistical security points and coordinating with the security officers of the enterprises; coordinating with the Police and other law enforcement authorities if any need arises such as theft, fire, misconduct etc.; responding to fire calls and emergency situations within and outside the zones; conducting fire prevention, inspections and fire risk assessments in the enterprises, providing consultation on security and the installation of fire equipment to the enterprises, conducting training on fire equipment handling and first-aid to the staff & enterprises employees, and issuing Fire Compliance, Training and Evacuation Certificates to the enterprises.

Financial Review - 2023

Financial Performance For the Year Ended 31st December	2023 (Rs. Mn)	2022 (Rs. Mn)	Change (%)
Revenue	8,171	5,973	37
Total Operating Expenses	4,385	4,075	7
Operating Profit	3,786	1,898	99
Finance Income	2,693	1,402	92
Finance Expense	4	7	(43)
Surplus Before Taxation	6,475	3,293	97
Tax Expenses	808	372	117
Surplus After Taxation	5,667	2,921	94

Financial Position at the year End (Rs.Mn)			
Assets	73,911	68,362	8
Equity	55,250	50,698	9

Surplus

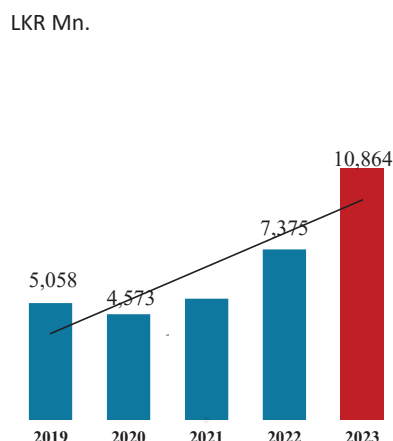
The Surplus before Income Tax for the year under review is Rs.6,475 Mn. Net Surplus after Tax has increased to Rs. 5,667 Mn from Rs.2,922 Mn in year 2022. This is an increase of 94% compared to the previous year.



Revenue

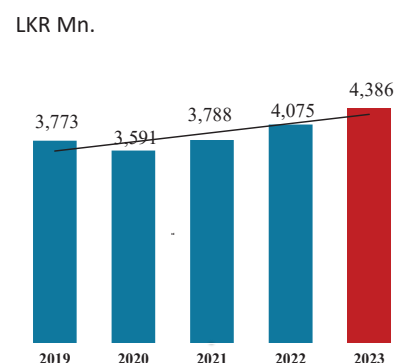
Total Operating Revenue has increased from Rs.5,973 Mn in 2022 to Rs.8,171 Mn recording an increase of 37%. This increase in Revenue has recorded mainly due to the depreciation of Rupees against the US Dollar. The components of gross revenue consist of items that are "Operating Based" and Non-Operating Based". Operating based revenue consists of Ground Rent, Annual Fees, Import / Export Services Charges, Water Income, License Fees, Agreement Processing Fees & Miscellaneous Income. Non-operating based income

is mainly from Interest Income. Interest income for the period has increased by Rs.1,292 Mn which is an increase of 92% compared to year 2022. This favourable variance has been recorded mainly due to increase in the interest rates of government securities against the investment portfolio. Interest income for the period is Rs 2,694 Mn.



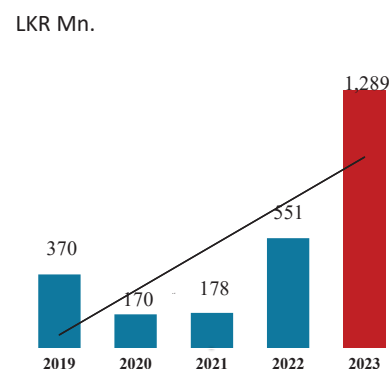
Expenditure

Total Operating Expenditure has increased by 8% from Rs. 4,075 Mn in 2022 to Rs.4,386 Mn in 2023. Administrative Expenses have decreased by 2% compared to the previous year. This reduction has been recorded despite an increase in expenditure related to the building maintenance, staff welfare and transport related costs.



Government Levies

The Government Levies for the year 2023 increased by 168% from Rs. 551 Mn in year 2022 to Rs.1,289Mn in year 2023. This is mainly due to the revision of Corporate Income Tax rate from 24% to 30% in 2023. In addition, the increase in interest income too has directly impacted on the increase in Income Tax of the Board.



BOARD OF INVESTMENT OF SRI LANKA
ANALYSIS OF INCOME STATEMENTS FROM 2014 TO 2023

FINANCIAL YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	3,100,162,918.00	3,213,557,727.00	3,605,145,347.00	3,711,862,608.00	3,889,614,384.00	4,646,091,668.00	4,251,299,069.00	4,911,181,363.00	5,973,226,716.00	8,171,423,461.00
Less : Expenses										
Operating Expenses	299,383,652.00	276,739,350.00	265,978,777.00	265,378,860.00	267,056,012.00	322,000,510.00	273,552,379.00	286,687,112.00	327,676,479.00	420,429,286.00
Administrative Expenses	2,301,683,057.00	2,488,716,775.00	2,639,675,029.00	2,724,737,397.00	2,846,961,666.00	3,165,507,063.00	3,192,487,029.00	3,344,826,022.00	3,536,143,256.00	3,451,664,100.00
Government Levies	161,676,718.00	121,148,196.00	116,511,263.00	190,599,853.00	230,591,904.00	254,568,577.00	88,787,598.00	98,955,130.00	179,015,723.00	480,738,154.00
Other Expenses	25,419,143.00	26,390,038.00	26,528,404.00	29,943,193.00	30,301,326.00	31,290,987.00	36,038,612.00	57,713,652.00	31,799,404.00	32,930,685.00
Total Expenditure	2,788,162,570.00	2,912,994,359.00	3,048,693,473.00	3,210,659,303.00	3,374,910,907.00	3,773,367,137.00	3,590,865,618.00	3,788,181,916.00	4,074,634,862.00	4,385,762,225.00
Results from Operating Activities	312,000,348.00	300,563,368.00	556,451,874.00	501,203,305.00	514,703,477.00	872,724,531.00	660,433,450.00	1,122,999,447.00	1,898,591,854.00	3,785,661,236.00
Finance Income	135,105,411.00	118,628,543.00	222,265,759.00	336,920,319.00	344,450,042.00	411,444,914.00	321,579,138.00	329,766,108.00	1,402,022,856.00	2,693,563,207.00
Finance Expenses	14,534,281.00	12,025,173.00	10,588,937.00	10,940,559.00	7,737,398.00	10,657,560.00	13,873,362.00	10,216,636.00	6,900,963.00	4,562,509.00
Net Finance Income	120,571,130.00	106,603,370.00	211,676,822.00	325,979,760.00	336,712,644.00	400,787,354.00	307,705,775.00	319,549,472.00	1,395,121,893.00	2,689,000,698.00
Surplus Before Taxation	432,571,478.00	407,166,738.00	768,128,696.00	827,183,067.00	851,416,121.00	1,273,511,885.00	968,139,226.00	1,442,548,919.00	3,293,713,748.00	6,474,661,936.00
Tax Expenses	30,786,759.00	26,031,646.00	47,342,329.00	70,759,017.00	92,323,030.00	115,204,576.00	81,246,467.00	79,143,866.00	372,056,361.00	808,068,962.00
Surplus for the Year	401,784,719.00	381,135,092.00	720,786,367.00	756,424,050.00	759,093,091.00	1,158,307,309.00	886,892,759.00	1,363,405,053.00	2,921,657,387.00	5,666,592,974.00
Other Comprehensive Income										
Actuarial (Gain)/Loss on obligation	28,339,987.00	(29,335,586.00)	(14,247,556.00)	25,054,316.00	10,973,058.00	51,499,585.00	75,380,123.00	(81,555,310.00)	(5,809,848.00)	(127,437,109.00)
Total Comprehensive Income	373,444,732.00	410,470,678.00	735,033,923.00	731,369,734.00	748,120,033.00	1,106,807,724.00	811,512,636.00	1,444,960,363.00	2,915,847,539.00	5,539,155,865.00

Corporate Governance Report

The Board of Investment of Sri Lanka (BOI) was incorporated as a statutory body under the Parliament Act No: 49 of 1992 and BOI is the successors to Greater Colombo Economic Commission (GCEC) that was originally established under the Act No: 04 of 1978 with the following main objectives.

- a) To foster and generate the economic development of the Republic;
- b) To widen and strengthen the base of the economy of the Republic;
- c) To encourage and promote foreign investment within the Republic;
- d) To diversify the sources of foreign exchange earnings and to increase the export earnings;
- e) To encourage and foster the establishment and development of industrial and commercial enterprises within the Republic;
- f) To administer the affairs of the Area of Authority referred to in section 4; and
- g) To do all such other acts as may be necessary or conducive to the attainment of any or all of the above objects.

BOI is the apex body of the government of attracting foreign direct investment (FDI) to the country entrusted with the responsibility of serving investors, including promoting and facilitating investments, fostering industrial development, and streamlining access to supportive services.

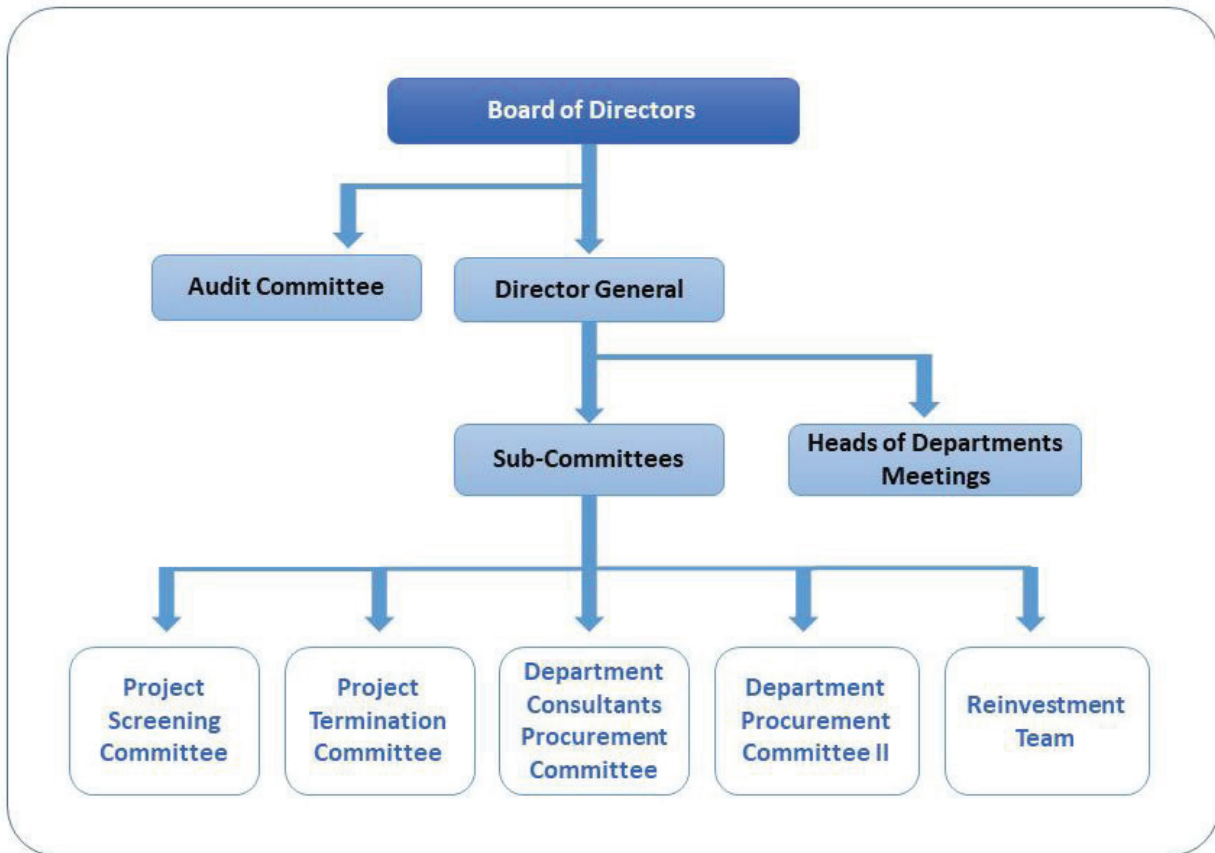
Governing Structure

Corporate Governance is the total system by which organizations establish a mechanism for the effective utilization of resources, direction and control of the organization in the best interest of its stakeholders ensuring greater transparency, better and timely financial reporting. The primary responsibility for Good Governance of the BOI lies with the Chairman and the Board of Directors.

The Board of Directors ensures that the governance framework is aligned with evolving regulations and best practices, thereby supporting the achievement of the BOI's strategic objectives while safeguarding its corporate values.

Governance Framework and Structure

The Board of Directors maintains a governance framework in all areas of its operations.



Board of Directors

Board of Directors comprises independent, non-executive directors who collectively oversee the BOI's affairs. The Board meets regularly to review the organization's performance, set strategic direction, and provide guidance to the management. The Board is directly accountable to the Government. The Government and its officials are therefore entrusted with the supervision, governance and management of BOI and have a duty to ensure that BOI is governed and operated in the best interest of the stakeholders and in full compliance within the regulatory framework.

The Board meets monthly intervals and in addition special meetings are also arranged as required.

The main responsibilities of the Members of the Board of Directors are:

- Setting strategic directions through the establishment of objectives in line with the national policies and priorities, policies, goals and targets.
- Formulating Guidelines and ensuring their effectiveness to achieve objectives.
- Monitor performance against goals and objectives.
- Ensure that adequate internal controls and the highest ethical standards are maintained.
- Ensure that all key business areas are focused and appropriate and adequate controls, monitoring and reporting mechanisms are in place to address them promptly.

Board Meetings - 2023

The Board meetings are scheduled by providing adequate notice to enable the Directors and Management to prepare all the key and strategic information required for deliberation in the meetings. The Directors are provided with the Agenda and Board papers at least seven days before each meeting giving them adequate time to study the contents. Heads of the Divisions attend the Board meetings by invitation as and when required to present additional information and provide further clarity to the Board. During the year under review the Board met on twelve (12) occasions including Routine and Special Board Meetings.

Details of director attendance at board meetings in 2023 are set out below.

Name of the Director	Position	Participated Meetings
Mr. Dinesh Weerakkody	Chairman & Board Member	12
Mr. Jayamin Pelpola	Board Member	08
Dr. Dushni Weerakoon	Board Member	11
Mr. Eraj De Silva	Board Member	11
Mr. H Manil Jayasinghe	Board Member	04
Mrs. Chandani Wijayawardhana	Board Member	07

Management

The Director General serves as the Chief Executive Officer (CEO) of the BOI, responsible for managing all operations and executing the directives issued by the Board of Directors. Several internal committees comprising Heads of Departments meetings, such as the Project Screening Committee, Project Termination Committee, Department Consultants Procurement Committee, Department Procurement Committee II, and the Reinvestment Team, are chaired by the Director General, providing support and facilitating the decision-making process of the Director General. The internal committees play a critical role in supporting the day-to-day operations of the BOI. These committees support the implementation of strategic objectives and policy decisions, and provide recommendations as needed, thereby facilitating Board of Directors to take policy decisions.

The management team of BOI is responsible for implementing the Board decisions and managing the organization's operations in an effective, efficient and transparent manner. The team is accountable for the organization's performance and to deliver sustainable growth.

Information Flow

Board of Directors is provided with detailed information in advance of the Board meetings to support informed decision-making. The management and the staff participate in meetings as needed. Board of Directors is responsible for ensuring that the procedures are in order and advising on corporate governance matters. Board materials are shared via a secure electronic platform for timely access and environmental efficiency. Minutes of board meetings are regularly submitted to the Board.

Audit Committee

Audit Committee is constituted in accordance with the provisions in the ‘Guidelines on Corporate Governance for State Owned Enterprises’ which was issued in the year 2021 [Public Enterprises Circular No. 01/2021].

The Audit Committee is appointed by the Board and comprises three non – executive Directors of the Board. The committee reviews the organization’s overall framework for internal control over financial reporting, and review of external and internal audit functions. The Audit Committee provides assistance to the Board of Directors in fulfilling its responsibilities and independently examines and evaluates the activities of the Board. Internal Audit function carried out in accordance with “Internal Audit Plan” is approved by the Audit Committee. The Committee adopted the Annual Action Plan of the Internal Audit, ensuring alignment with its defined scope, responsibilities, and formulation process.

Five (05) Audit Committee meetings were held for the year 2023 complying with the guidelines stipulated in the above mentioned circular.

Progress in Audit Committee Meetings

Number of Committees Held	15.02.2023	21.06.2023	16.11.2023	21.11.2023	28.11.2023
Composition of the Audit Committee					
Mr. Jayamin Pelpola (Ex-Chairman)	Present	Present	Not Applicable		
Mr. Manil Jayesinghe (New Chairman)	Not Applicable		Present	Present	Present
Dr. Dushni Weerakoon (Member)	Present	Excused	Excused	Excused	Present
Ms. Chandanie Wijayawardhana (Member)	Present	Present	Present	Present	Present
Dr. M K C Senanayake (Former Observer / Treasury Representative)	Present	Absent	Not Applicable		
Mr. K A Vimalenthirajah (New Observer / Treasury Representative)	Not Applicable		Absent	Absent	Absent
Mr. Ruwan Perera (Voluntary Consultant of ICASL)	Present	Present	Not appointed for the new committee		

Internal Control

The Board has responsibility to ensure that BOI maintains a system of Internal Control, which is designed to provide reasonable assurance that all transaction entered into by the Board are properly authorized, recorded & reported. Functional Organization Structure is in operation as the Head Office and Zones. Head of each department and zones directly report to the Director General who is the Chief Executive Officer (CEO) of BOI. Director General reports to the Chairman & the Board of Directors. The Internal Auditor reports directly to the Chairman of the BOI and Audit Committee, thereby strengthening the independence of the Internal Auditor. National Procurement Guidelines are followed by BOI in order to maintain the transparency of the transactions and thereby giving equal opportunities to interested parties. The Annual Budget which includes the capital budget, master procurement plan, progress reports are approved by the Board of Directors and forwarded to the Ministry of Finance.

Accountability and Audit

Public Enterprises are established, owned and operated by the Government on behalf of the Public. Therefore, Board of Directors and Management of the BOI are responsible for managing the organization to the Ministry of Finance, as Line Ministry. Annual Report comprising audited financial statements and current performance, Annual Budgets, Quarterly Performance Reports are forwarded to the same authorities, fulfilling the above responsibility. The financial statements of the Board of Investment (BOI) are prepared and presented in accordance with the Sri Lanka Accounting Standards. In compliance with Article 154(6) of the Constitution, the National Audit Act No. 19 of 2018, and the Finance Act No. 38 of 1971, the Auditor General serves as the statutory auditor of the BOI. Annual Report which embodies the performance of the BOI, Financial Statements, and Auditor General's Report is tabled in parliament for review by the Members of Parliament. Being a Public Enterprise, BOI is also accountable for the "Committee for Public Enterprises" (COPE) of Parliament.



Financial Statements
(For the year ended 31 December 2023)

BOARD OF INVESTMENT OF SRI LANKA**INCOME STATEMENT****FOR THE YEAR ENDED 31ST DECEMBER**

		2023	2022
		Rs.	Rs.
	Note	<u> </u>	<u> </u>
Revenue	4	8,171,423,461	5,973,226,716
Less : Expenses			
Operating Expenses	6	420,429,286	327,676,479
Administrative Expenses	7	3,451,664,100	3,536,143,256
Government Levies	8	480,738,154	179,015,723
Other Expenses	9	32,930,685	31,799,404
Total Operating Expenses		<u>4,385,762,224</u>	<u>4,074,634,862</u>
Surplus from Operating Activities		3,785,661,237	1,898,591,854
Finance Income		2,693,563,207	1,402,022,856
Finance Expenses		4,562,509	6,900,963
Net Finance Income	10	<u>2,689,000,698</u>	<u>1,395,121,893</u>
Surplus Before Income Tax Expense		6,474,661,936	3,293,713,748
Tax Expenses		808,068,962	372,056,361
Surplus for the year		<u>5,666,592,974</u>	<u>2,921,657,387</u>

BOARD OF INVESTMENT OF SRI LANKA
COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER

	Note	<u>2023 Rs.</u>	<u>2022 Rs.</u>
Surplus for the year		5,666,592,974	2,921,657,387
Other Comprehensive Income			
Less : Defined benefit plan Actuarial Gain/(Loss)	21.2	(127,437,109)	(5,809,848)
Total Comprehensive Income for the year		<u><u>5,539,155,865</u></u>	<u><u>2,915,847,539</u></u>

“Notes to the Financial Statements” set out on pages 56 to 79 form an integral part of the Financial Statements.

BOARD OF INVESTMENT OF SRI LANKA
STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER


	Note	2023 Rs.	2022 Rs. (Restated)
ASSETS			
Non- Current Assets			
Property Plant and Equipment	11.1	16,288,025,757	16,531,843,296
Right of Use Assets	11.2	22,677,164	58,990,148
Investment Property	12	39,485,378,579	39,509,893,878
Intangible Assets-Software		1,137,500	1,202,500
Capital Work-in-Progress	13	1,020,617,559	663,949,641
Financial Assets	14	1,296,871,768	1,384,805,836
Net Defined Benefit Assets	21	47,964,636	151,364,473
Total Non- Current Assets		58,162,672,964	58,302,049,772
Current Assets			
Inventories		27,806,717	19,624,040
Financial Assets	15	5,244,577,206	6,642,855,587
Receivables from Enterprises	16	1,050,808,582	514,554,207
Payments in Advance and Other Receivables	17	664,827,531	713,888,827
Cash and Cash Equivalents	18	8,760,852,396	2,169,387,636
Total Current Assets		15,748,872,432	10,060,310,297
Total Assets		73,911,545,397	68,362,360,070
EQUITY AND LIABILITIES			
Equity			
Accumulated Fund		39,909,170,216	35,357,128,174
Reserves		15,340,693,234	15,340,693,234
		55,249,863,450	50,697,821,408
Deferred Revenue	20	16,917,566,079	16,281,302,053
Deferred Expenditure	19	(450,308,755)	(485,280,787)
		16,467,257,324	15,796,021,266
Total Equity		71,717,120,774	66,493,842,674
Non Current Liabilities			
Non Current Financial Lease Liabilities	22	372,679	13,375,247
Total Non Current Liabilities		372,679	13,375,247
Current Liabilities			
Current Financial Lease Liabilities	22	13,002,568	21,137,648
Accrued Expenses and Other Payables	23	2,005,221,657	1,647,784,849
Tax Payable		175,827,720	186,219,651
Total Current Liabilities		2,194,051,945	1,855,142,149
Total Equity and Liabilities		73,911,545,397	68,362,360,070

“Notes to the Financial Statements” set out on pages 56 to 79 form an integral part of the Financial Statements.

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



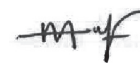
Dinesh Weerakkody
Chairman



Manil Jayasinghe
Board Member



Renuka M. Weerakone
Director General (Actg.)



C.P. Panadura
Director - Finance

06/09/2024

BOARD OF INVESTMENT OF SRI LANKA
STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER 2023

	Accumulated Fund Rs.	Revaluation Reserves Rs.	Total Equity Rs.
Balance as at 01st January 2022	32,050,723,378	15,340,693,234	47,391,416,612
Total Comprehensive Income for the year	2,915,847,539	-	2,915,847,539
Contribution to the Consolidated Fund/Dividend Payable	(500,000,000)	-	(500,000,000)
Recognition of Assets directly through Equity	599,057,567	-	599,057,567
Derecognition of Assets directly through Equity	(486,100)	-	(486,100)
Recognition of Land premium of cancelled projects as income through Equity.	156,751,776	-	156,751,776
Revenue recognition of Ground Rent directly recognized through Equity .	23,684,671	-	23,684,671
Land reservation fee directly recognized through Equity.	105,014,515	-	105,014,515
Recognition of expenditure for the year 2015 directly through Equity.	(155,947)	-	(155,947)
Impact on early recognition expenditure directly through Equity.	162,916	-	162,916
Recognition of Interest Income at Amortized Cost	6,527,860	-	6,527,860
Restated Balance as at 31st December 2022	35,357,128,174	15,340,693,234	50,697,821,408
Restated Balance as at 01st January 2023	35,357,128,174	15,340,693,234	50,697,821,408
Total Comprehensive Income for the year	5,539,155,865	-	5,539,155,865
Revenue Adjustment directly recognized through equity ¹	(388,197)	-	(388,197)
Unclaimed ETF/FPF written back ²	86,613	-	86,613
Adjustment for BgEPZ Zonal office building value directly through Equity ³	5,805,011	-	5,805,011
Adjustment for Land Value recognized through Equity ⁴	(2,000,000)	-	(2,000,000)
Recognition of Land Premium of cancelled projects as income through Equity ⁵	2,995,105	-	2,995,105
Contribution to the Consolidated Fund/Dividend Payable ⁶	(1,000,000,000)	-	(1,000,000,000)
Recognition of Assets Directly through Equity ⁷	6,387,645	-	6,387,645
Balance as at 31st December 2023	39,909,170,216	15,340,693,234	55,249,863,450

“Notes to the Financial Statements” set out on pages 56 to 79 form an integral part of the Financial Statements.

1. Revenue impact on cancellation of Annual Fee Invoice for the year 2022 directly recognized through Equity.
2. Unclaimed EPF/ETF written back for the previous years -Former Chairman of the BOI.
3. Impact of recognition of correct value of the BgEPZ Zonal office Building.
4. Impact of recognition of the correct value of the Land at Rambukkana .
5. Revenue impact of on recognition of Land Premium Income on cancelled projects.
6. The Board has allocated Rs.1,000 Mn as Dividend to the Treasury.
7. Assets which were not included in the Fixed Assets Register have been directly recognized through Equity.

BOARD OF INVESTMENT OF SRI LANKA

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER

	2023	2022
	Rs (Mn.)	Rs (Mn.)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations (Note 24)	3,066.97	2,454.24
Income tax paid	(818.46)	(210.12)
Payment of retirement benefit obligation	(58.16)	(69.41)
Deferred revenue received	919.20	945.06
Cash refund	-	(29.68)
Land resevation received	49.75	-
ETF Refund	0.09	-
Net cash inflows/(out flows) from operating activities	3,159.38	3,090.09
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	2,717.79	1,131.72
Investment in Government Securities	1,458.36	(7,141.42)
Purchase of fixed assets	(71.86)	(35.64)
Proceeds from sale of fixed assets	9.96	2.20
Capital work in progress	(655.87)	(376.24)
Deferred expenditure	(1.88)	(3.17)
Net cash inflows/(outflows) from investing activities	3,456.50	(6,422.55)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease installments paid	(24.42)	(30.53)
Fund transfer to the Treasury	-	(415.95)
Net cash flows/(outflows) from financing activities	(24.42)	(446.47)
Net Increase/ (Decrease) in Cash & Cash Equivalents	6,591.46	(3,778.93)
Cash & Cash Equivalents at beginning of the year	2,169.39	5,948.32
Cash & Cash Equivalents at end of the year	8,760.85	2,169.39

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

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

2. Basis of Preparation

2.1 *Statement of Compliance*

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

2.2 *Use of Estimates, Judgements and Assumptions*

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

2.3 *Approval of Financial Statements*

The Financial Statements of the Board for the year ended 31st December 2023 were approved and authorized for issue by the Board of Directors in accordance with the Minutes of the Board Meeting held on 06th September 2024.

2.4 *Comparative Information*

Comparative information is disclosed in respect of the previous year in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2.5 *Going Concern*

The Board of Investment of Sri Lanka Law, No. 04 of 1978 is to be repealed by subsection (1) of section 193 of the Economic Transformation Act, No. 45 of 2024 which has been certified by the Hon. Speaker on 09th August 2024.

However, in terms of subsection (2) of section 1 of the Economic Transformation Act, No. 45 of 2024, the provisions other than the provisions of Part II, Part III and Section 193 come into operation on the date on which the certificate of the Hon. Speaker is endorsed in respect of this Act, and in terms of subsection (3) of section 1, the provisions of Part II, Part III and Section 193 shall come into operation only after the date on which the Minister may appoint by Order published in Gazette (the “appointed date”), which shall be a date within three months from the date of the certificate of the Speaker, referred to in subsection (2) of section 1.

In preparing the Financial Statements, the Management has assessed the ability of the Board of Investment of Sri Lanka (BOI) to continue as a going concern and the Management has a reasonable expectation that the BOI shall continue its operational existence in the foreseeable future utilizing its existing resources.

Accordingly, notwithstanding the intended repeal of the Board of Investment of Sri Lanka Law, No. 04 of 1978, operations of the BOI will be absorbed by the Economic Commission of Sri Lanka. (ECSL)

Hence, the Board of Investment of Sri Lanka does not foresee a need for liquidation or cessation of operations, taking into account all available information about the foreseeable future. As such, the BOI continued to adopt the going concern basis in preparing the Financial Statements for the year ended 31st December 2023.

2.6 *Functional and Presentation Currency*

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

3 **Significant Accounting Policies**

3.1 *Financial Assets*

- (a) The Classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Board classifies financial assets as measured at amortized cost. Financial assets are initially recognized at fair value plus directly attributable transaction costs. Subsequent re measurement of financial assets is determined by their categorization, which is reassessed at each reporting date.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

All financial assets not classified as measured at amortized cost are measured at Fair Value through Other Comprehensive Income (FVOCI), or at Fair Value through Profit or Loss (FVTPL). On initial recognition, the Board may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost as at FVOCI, or FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Loans that are not held for trading, the Board may irrevocably elect to classify them as measured at Fair Value through Profit or Loss. This election is made at initial recognition of the Loans by considering the nature of financial assets. Investments in Treasury Bond within Plan Assets are not classified as measured at amortized cost as per SLFRS 9.

(b) Recognition and De-recognition

The settlement date is used for initial recognition and de-recognition of financial assets. As these transactions are generally under contracts whose terms require that the Board has transferred substantially all the risks and rewards of ownership.

(c) Impairment

Financial Assets are reviewed at each Statement of Financial Position date to determine whether there are any expected credit losses. If any such indication exists, the asset's recoverable amount is estimated. The Board measures the Expected Credit Losses based on an evaluation across all categories of Financial Assets. These estimates are driven by several factors such as the time value of money, breach of contract conditions, customer situation analysis, sub-group of receivables, payment profiles of debtors, collateral values, the assessment of a significant increase in credit risk, financial difficulties of customers, legal issues, reasonable and supportable information and forecast of future economic conditions.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating units exceeds its recoverable amount. Impairment losses are recognized in the Income Statement.

(d) De-recognition of Impairment Losses

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

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3.2 *Property, Plant and Equipment*

(a) *Recognition and Measurement*

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items, and restoring the site on which they are located.

Value of property plant and equipment carried at valuation less accumulated depreciation as at 01st January 2011 have been considered being the deemed cost as at 01st January 2011 as per SLFRS 1 for the Revalued Assets.

(b) *Depreciation*

Depreciation is calculated on the straight-line basis on the cost / valuation of all items of Property, Plant and Equipment and is recognized in the Income Statement. Depreciation is charged on fixed assets from the date of purchase / construction up to the date of disposal when it is available for use. Property Plant and Equipment have been depreciated annually over the useful lives. Freehold Land is not depreciated.

<u><i>Class of Assets</i></u>	<u><i>Depreciation percentage per annum</i></u>	<u><i>Period (years)</i></u>
Buildings & Structures	5 - 10	10 -20
Plant and Machinery	10	10
Fixtures & Fittings	10	10
Office Furniture & Equipment	10	10
Computers	33.33	3
Motor Vehicles	20	5

(c) *De-recognition*

The carrying amount of items of property, plant and equipment are de-recognised upon disposal or when no future economic benefits are expected from its use. Gain or loss arising on de-recognition of an item of Property, Plant and Equipment is determined as the difference between the sales proceed and the carrying amount of the asset and is recognized in the Income Statement. (within "Other Operating (Miscellaneous) / Income / Expense.

(d) *Subsequent Expenditure*

The cost of replacing, developing, and constructing part of an item of Property, Plant, and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Board and its cost can be measured reliably. The costs of repairs and maintenance of Property, Plant and Equipment are recognized in the Statement of Income and Other Comprehensive Income as incurred

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(e) Gain / Loss from Sale of Property, Plant and Equipment

Any gains or losses on retirement or disposal of Property, Plant and Equipment are recognized in the period in which the sale occurs and is classified as Other Operating Income or Expense.

(f) Capital Work in Progress

Capital expenditure incurred during the year on projects which are not completed as at the Statement of Financial Position date, are shown as Capital Work in Progress. These are stated at cost less any accumulated impairment losses. Capital Work in Progress is transferred to the relevant asset categories, such as Property, Plant and Equipment, Differed Expenditure and Expenditure incurred for Mega Projects, when it is in the location and in a condition necessary for it to be capable of operating in the manner intended by the Management.

(g) Leases – (Right use Assets)

Assets acquired under financial liabilities are capitalized & included under the category of lease motor vehicles with recognition of a corresponding financial liability. Assets held under financial liabilities are depreciated over their period of use. Lease Assets are included in the heading Property, Plant and Equipment and the lease liabilities are included in the headings Current and Non-Current Financial Liabilities.

(h) Structures

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

3.3

(a) Investment Properties

Investment Properties are stated at cost prevailed (cost model) as of the date of classifying the said assets under Investment Properties.

Investment Property is recognized if it is probable, that future economic benefits that are associated with the Investment Property will flow to the Board and cost of the Investment Property can be reliably measured. Properties held to earn rental income have been classified as Investment Property. Subsequently, the fair value of the investment properties is not measured and no valuation has been carried out by an independent valuer who holds a recognized professional qualification in investment property, except for few properties.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(b) *Depreciation (Amortization)*

Depreciation is calculated on the straight-line basis on the cost/valuation of the Investment Property other than land. Investment Property have been depreciated annually over the useful lives as follows.

<u>Class of Assets</u>	<u>Depreciation Percentage</u> <u>per annum</u>	<u>Period</u> <u>(years)</u>
Buildings	5	20

3.4 *Intangible Assets*

(a) *Recognition and Measurement*

Intangible assets that are acquired by the Board, which have finite useful lives are recognized and carried at cost less accumulated amortization and impairment losses.

(b) *Amortization*

Amortization is recognized in the Statement of Income and Other Comprehensive Income on a straight-line basis, over the estimated useful lives of intangible assets from the date that they are available for use.

<u>Class of Assets</u>	<u>Depreciation Percentage</u> <u>per annum</u>	<u>Period</u> <u>(years)</u>
Software License- Kiosk	5	20

(c) *Subsequent Expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Income and Other Comprehensive Income as incurred.

(d) *Retirement and Disposal*

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses on disposal of an item of intangible asset are determined by comparing the proceeds from disposal (net of any directly attributable expenses) with the carrying amount and are recognised on net basis within "Other Operating Income / (Expenses)" in the Statement of Income and Other Comprehensive Income.

3.5 *Inventories*

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

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3.6 *Other Assets*

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

(a) *Advances, Deposits, Prepaid Expenditure*

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

(b) *Other Debtors*

Other debtors are recognized at cost less impairment loss.

3.7 *Cash and Cash Equivalents*

Cash and Cash Equivalents comprise cash in hand and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are held for the purpose of meeting short-term cash commitments.

3.8 *Cash Flow Statement*

The Cash Flow Statement has been prepared by using indirect method in accordance with the Sri Lanka Accounting Standard No. 7 (LKAS) on Cash Flow Statements.

3.9 *Employee Benefits*

(a) *Defined Contribution Plans*

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

(b) *Defined benefit plans*

Defined benefit plans are post-employment plans other than defined contribution plans. Board is liable to pay Gratuity in terms of the Payment of Gratuity Act No. 12 of 1983. A provision for the obligations under the Act is determined based on an actuarial valuation. The calculation is performed annually by an independent Actuary using the "Projected Unit Credit Method"

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

3.10 *Liabilities & Provision*

Liabilities & Provisions are recognized in the Statement of Financial Position when there is a legal /constructive obligation at present, as a result of past events where the settlement is expected to result in an outflow of resources embodying economic benefits.

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

Other Liabilities

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

3.11 *Income Recognition*

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

- **Ground Rent**
Lease Agreements are signed with Investors to lease land belonging to the BOI for periods ranging from 30 years to 99 years. According to the provisions in the Lease Agreements the Investors are bound to pay a Ground Rent annually, in respect of the demised premises over the lease period or until the Agreement is terminated.
- **Annual Fees**
All BOI Enterprises which come under Section 17 of the BOI Law shall enter into an Agreement with the BOI and those Enterprises which operate outside BOI Zones are liable to pay an annual subscription in terms of the agreement until its closure, suspension of operations or cancellation of the Agreement.
- **Land Premium**
All Investors who enter into Lease Agreements to lease BOI land are required to make an upfront payment as Land Premium at the time of signing the Agreement. The above income is recognized over the lease period specified in the Agreement.

(a) *Interest Income*

Interest income for all interest-bearing financial instruments, including those measured at amortized cost, are recognized within 'Finance Income' in the Income Statement.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(b) Other Income / Miscellaneous Income

(i) Other Income

Other income is recognized on an accrual basis.

(ii) Gain (Loss) from Sale of Property, Plant and Equipment

Any gains or losses on retirement or disposal of Property, Plant and Equipment are recognised in the period in which the sale occurs and is recognized under Miscellaneous Income or Expenses.

3.12 Expenses

Expenses Recognition

(a) Revenue Expenditure

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

(b) Capital Expenditure

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

(c) Finance Income and Finance Expenses

Net Finance Income comprise of interest income on funds invested/deposited, staff loans and interest expense on financial liabilities that are recognised in the Statement of Income and Other Comprehensive Income.

All interest and other costs incurred in connection with borrowings/finance leases are expensed as incurred, as part of Net Finance Income, except to the extent which is eligible for capitalization.

3.13 Statement of Cash Flows

The Cash Flow Statement has been prepared using the indirect method in accordance with the Sri Lanka Accounting Standard No. 7 – Statement of Cash Flows (LKAS 7).

3.14 Related Party Transactions

The relevant details are disclosed in the respective Notes to the Financial Statements.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

3.15 *Taxation*

Income tax on interest income is determined based on the figures reported in the financial statements and is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its subsequent amendments. The Board of Investment (BOI) is currently exempt from corporate income tax under Section 32 of the BOI Act No. 4 of 1978. However, with the enactment of the new Inland Revenue Act No. 24 of 2017, effective from April 1, 2018, general exemptions have been removed. The Board has sought an opinion from the Attorney General to clarify whether the BOI is now liable to pay taxes under the new legislation.

3.16 *Changes in Accounting Policies*

The management of the Board has made a policy decision in compliance with LKAS 16 on Property, Plant and Equipment, to depreciate Buildings & Structures over a period of 10 to 20 years considering the wear and tear and the useful life of the asset.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

	2023	2022
	Rs.	Rs.
4 Revenue		
Ground Rent	2,978,282,884	1,628,251,344
Annual Fees	1,593,856,352	950,325,686
Import/Export Service Charges	1,367,900,974	1,537,532,580
Net Income from Supply of Water (Note 4.1)	1,006,971,158	585,207,683
Land Premium	308,720,994	263,356,926
Rent Income	166,388,011	148,095,314
License Fee Sec.-16 Enterprises	63,736,930	43,612,860
Sale of Entry Permits	334,593,127	306,679,471
Agreement Processing Fees	129,433,379	118,988,413
Income from Housing & Other Projects	19,525,504	41,415,774
Miscellaneous Income	202,014,149	349,760,665
	8,171,423,461	5,973,226,716
4.1 Net Income from Supply of Water for Enterprises		
Income from Water Supply	2,970,814,691	1,911,708,384
Related Cost on Water Supply	(1,963,843,533)	(1,326,500,701)
Net Income from Supply of Water	1,006,971,158	585,207,683
5 Surplus before Income Tax Expense		
Surplus before income tax expenses is stated after charging/(crediting) all expenses including the followings.		
Operating Expenses (Note 6)	420,429,286	327,676,479
Administrative Expenses (Note 7)	3,451,664,100	3,536,143,256
Government Levies (Note 8)	480,738,154	179,015,723
Other Expenses (Note 9)	32,930,685	31,799,404
6 Operating Expenses		
Investment Promotion Expenses	18,732,832	791,993
Maintenance of Zones	233,249,150	199,481,814
Light & Power	77,592,060	44,673,249
Security Services	90,855,244	82,028,560
Welfare Expenses to Zone Employees	-	700,862
	420,429,286	327,676,479

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

	2023 Rs.	2022 Rs.
7 Administrative Expenses		
Personnel Cost (Note 7.1)	1,660,655,636	1,873,669,471
Staff Welfare Expenses	429,702,715	346,472,764
Printing & Stationery	45,250,527	43,032,085
Maintenance of P/M Computer & Office Equipment's.	77,589,866	67,769,992
Building Maintenance	110,618,059	87,977,506
Transport Related Expenses	179,670,197	167,821,694
Office Rent & Verification Unit Rent	78,135,981	72,656,804
Press Notifications	6,030,720	4,769,949
Water Consumption	13,169,324	6,886,277
Communication Expenses	39,244,870	34,887,320
Municipality Rates	19,921,817	15,907,708
Staff Training	15,316,595	6,755,427
Legal & Professional Charges	18,117,844	75,270,656
Compensation for Legal Obligations	-	894,245
Travelling & Subsistence	4,127,525	3,944,317
Audit Fees	2,832,000	3,000,000
Impairment on Debtors	90,400,907	58,196,711
Depreciation	660,879,516	666,230,331
	3,451,664,100	3,536,143,256
7.1 Personnel Cost		
Board Members Fee	90,000	130,000
Chairman / Director General	855,000	3,882,258
Salaries & Wages - Executive Staff	568,273,307	632,360,638
Salaries & Wages - Clerical & Allied Staff	105,487,569	116,276,046
Salaries & Wages - Security Staff	77,923,880	81,320,722
Salaries & Wages - Minor Staff	132,754,802	144,112,204
Overtime Expense	93,705,374	82,913,486
Provision for Leave Encashment	72,048,797	81,800,635
Provision for Bonus	52,633,287	68,039,960
Provision for Retirement Benefit Obligation	(9,576,449)	47,222,351
Contribution to Employee's Provident Fund	114,037,778	126,036,651
Contribution to Employee's Trust Fund	22,807,557	25,207,332
Key Performance Payment Allowance	407,248,977	445,363,083
Professional Allowance	17,104,450	17,100,105
Other Staff Cost	5,261,307	1,904,000
	1,660,655,636	1,873,669,471

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER

	2023	2022
	Rs.	Rs.
8 Government Levies		
Stamp Duty	489,276	392,900
Social Security Contribution Levy	197,001,934	17,597,147
Value Added Tax - Disallowed VAT Input	283,246,944	161,025,676
	480,738,154	179,015,723
9 Other Expenses		
Expenses on Issuing Identity Cards	2,848,088	3,469,762
Sundry Expenses	14,786,619	20,790,295
Loss on Disposals of Property Plant & Equipment	4,395,962	-
Container Key Locks	2,679,900	3,110,930
Insurance	2,772,202	2,880,229
Environment Control Expenses	793,564	313,358
Corporate Social Responsibility Expenses	3,000,000	-
Entertainment	1,654,350	1,234,830
	32,930,685	31,799,404
10 Net Finance Income		
Finance Income		
Interest Income on Call Deposits/Others	2,661,150,973	1,369,905,342
Interest Income on Staff Loans	32,412,234	32,117,515
Total Finance Income	2,693,563,207	1,402,022,856
Finance Expenses		
Interest Expenses on Lease Liabilities	3,283,061	6,069,768
Bank Charges	1,279,448	831,195
Total Finance Expenses	4,562,509	6,900,963
Net Finance Income	2,689,000,698	1,395,121,893
11 Property, Plant and Equipment/Right of Use Assets		
Property, Plant and Equipment Owned (Note 11.1)	16,288,025,757	16,531,843,296
Right of Use Assets (Note 11.2)	22,677,164	58,990,148
Written Down Value of the Property Plant & Equipment	16,310,702,921	16,590,833,444

**BOARD OF INVESTMENT OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2023**

11.1 Property, Plant and Equipment

	Land		Buildings		Structures		Plant & Machinery		Fixtures & Fittings		Furniture, & Office Equipment		Computers		Motor Vehicles		Total			
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.			
Freehold Assets at Cost																				
Balance as at 01 st January	11,333,047,295	1,958,034,127	8,290,640,711	120,982,513	1,249,820	223,318,136	296,862,081	460,068,553	22,684,203,236	21,719,304,872										
Additions during the year	-	5,805,011	8,485,992	1,856,778	172,830	14,107,343	47,201,024	2,034,160	79,663,138	35,866,506										
Transferred from Capital Work in Progress	-	9,344,717	257,839,084	378,000	-	10,410,260	-	-	277,972,061	810,638,274										
Transferred from Right of Use Assets	-	2,193,000	-	-	-	2,013,080	2,442,604	-	51,720,000	212,256,071										
Disposal during the year	-	-	-	-	-	-	-	-	6,648,684	21,870,639										
Transferred to Investment Property	-	2,753,268	-	-	-	-	-	-	2,753,268	71,991,849										
Transferred from Investment Property	-	977,000	-	-	-	-	-	-	977,000	-										
Balance as at 31st December	11,333,047,295	1,969,214,587	8,556,965,787	123,217,291	1,422,650	245,822,659	341,620,501	513,822,713	23,085,133,482	22,684,203,233										
Depreciation																				
Balance as at 01 st January	-	1,241,244,878	4,012,863,552	56,526,399	724,050	144,822,581	261,058,134	435,120,344	6,152,359,938	5,384,046,849										
Dep of disposed AC machine erroneously in 2020	-	-	-	-	-	-	-	-	-	-										
Charge for the year	-	97,884,432	440,914,959	9,670,915	89,563	14,403,339	25,892,284	11,767,744	600,623,236	588,955,446										
Transferred from Right of Use Assets	-	-	-	-	-	-	-	-	-	-										
On Disposals	-	1,644,750	-	-	-	1,852,932	2,442,604	-	5,940,286	21,256,071										
Dep.trnf to Investment Property	-	1,850,930	-	-	-	-	-	-	1,850,930	11,612,237										
Dep.trnf fm Investment Property	-	732,750	-	-	-	-	-	-	732,750	-										
Balance as at 31st December	-	1,336,366,380	4,453,778,511	66,197,314	813,613	157,372,988	284,507,815	498,071,104	6,797,107,724	6,152,359,938										

Written Down Value of Freehold Assets

As at 31 st December	2023	2022
	Rs.	Rs.
11,333,047,295	632,848,207	4,103,187,276
	57,019,977	57,019,977
	609,037	88,449,671
	16,288,025,757	16,531,843,296

Property, Plant and Equipment includes fully depreciated assets which are in use, the cost of which as at the reporting date amounted to Rs. 781,164,937.00 (Note No 11.3)

11.2 Right of Use Assets-Motor Vehicles

	2023	2022
	Rs.	Rs.
Balance as at 01 st January - Cost	178,880,000	391,136,071
Transferred to Property Plant & Equipment	(51,720,000)	(212,256,071)
Balance as at 31st December	127,160,000	178,880,000
Depreciation		
Balance as at 01 st January	119,889,852	278,436,923
Charge for the year	35,776,000	53,709,000
Transferred to Property Plant & Equipment	(51,183,016)	(212,256,071)
Balance as at 31st December	104,482,836	119,889,852
Written Down Value of Right of Use Assets as at 31st December	22,677,164	58,990,148

Lease Motor Vehicles are mainly related to Property use in administration purposes. The liability relating to these assets are shown under Note 22 "Non Current Financial Liabilities".

BOARD OF INVESTMENT OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2023

11.3 Property, Plant and Equipment (Contd.)

The initial cost of fully-depreciated Property, Plant and Equipment as at 31 December which are still in use is as follows:

AS AT 31ST DECEMBER	No of Items	2023 Rs.	2022 Rs.
Plant & Machinery	180	28,266,464	25,139,879
Fixtures & Fittings	94	418,599	366,099
Furniture, & Office Equipment	11,719	95,540,777	85,221,403
Computers	4,799	248,780,946	253,567,818
Motor Vehicles	126	408,158,151	401,465,278
Total Fully Depreciated Property, Plant & Equipments	16,918	781,164,937	765,760,477

12 Investment Property

Balance as at 1 st January	39,736,425,003	39,066,087,887
Transferred from Property Plant & Equipment - Land & Building	2,753,268	60,379,611
Additions during the year	6,387,645	598,831,267
Transferred to Property Plant & Equipment-Land	977,000	-
Adjustments to the Land Value	(2,000,000)	-
Disposals during the year	20,583,000	486,000
Less -Accumulated Amortization as at 31 st December	236,627,336	214,918,887
Balance as at 31st December	39,485,378,579	39,509,893,878

13 Capital Work-in-Progress

General Projects

Balance as at 1 st January	414,951,849	892,466,954
Additions during the year	678,179,341	436,701,068
Capitalized during the year	(299,197,506)	(925,460,023)
Refunds & Adjustments	(22,441,339)	11,243,850
Balance as at 31st December	771,492,346	414,951,850

Special Projects

Balance as at 1 st January	228,956,908	251,628,207
Additions during the year	127,422	7,288,509
Transferred to General Projects under Capital Work-In-Progress	-	(29,959,807)
Balance as at 31st December	229,084,330	228,956,909

Software Assets -IT Enablement Project

	20,040,883	20,040,883
Total Capital Work-in-Progress	1,020,617,559	663,949,641

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

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

	2023	2022
	Rs.	(Restated)
	Rs.	Rs.
14 Non Current Financial Assets		
Staff Loans & Advances (Note 14.1) ¹	541,723,558	647,631,930
Financial Assets measured at Amortized Cost (Note 14.2)		
Investment in Government Securities - Treasury Bond ²	755,148,210	737,173,906
Total Non Current Financial Assets (Note 14.3)	1,296,871,768	1,384,805,836

1. Rs.226,220,840.52 the part less than one year of other non current financial assets is included under other current financial assets.

2. The Board has invested Rs.730,646,046 in Treasury Bonds with a maturity period of 03 years and 3 months on 10.02.2022 at the Coupon Rate of 9%.Maturity date is 01.05.2025.

	2023	2022
	Rs.	Rs.
14.1 Staff Loans & Advances		
Staff Loans & Advances-Maturity part more than one year (Note 14.3)	541,723,558	647,631,930
Staff Loans & Advances - Maturity part less than one year (Note 15)	226,220,841	234,728,053
Total Staff Loans & Advances	767,944,399	882,359,983

	(Restated)
	2022
	Rs.
14.2 Financial Assets measured at Amortized Cost	
Investment in Government Securities as at 31.12.2022 before restating	730,646,046
Impact of Adoption of New Accounting Policy (As measured at Amortized Cost)	6,527,860
Investment in Government Securities at Amortized Cost as at 31.12.2022 -Restated	737,173,906

BOARD OF INVESTMENT OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2023

14.3 Non Current Financial Assets

Financial Assets (Loans and receivables) measured at amortized cost break down by maturity date is as follows.

	31.12.2023	Maturity	
		Rs.	Between 1 and 05 years
Staff Loans & Advances	541,723,558	418,223,351	123,500,207
Total Non Current Financial Assets	541,723,558	418,223,351	123,500,207

	31.12.2022	Maturity	
		Rs.	Between 1 and 05 years
Staff Loans & Advances	647,631,930	501,301,622	146,330,307
Total Non Current Financial Assets	647,631,930	501,301,622	146,330,307

AS AT 31ST DECEMBER

15 Current Financial Assets

Measured at amortized cost maturity part less than one year

	2023	2022
	Rs.	Rs.
Staff Loans	213,439,803	220,946,242
Staff Advances	12,781,038	13,781,812
Total Staff Loans & Advances as at 31 st December	226,220,841	234,728,053
Less-Provision for Impairment on Staff loan (Note 15.1)	(3,441,657)	(2,660,506)
	222,779,183	232,067,548

Financial Assets measured at Fair Value

Investment in Government Securities -Treasury Bills	5,021,778,023	6,410,768,039
Fixed Deposit - Safe Custodian Vault	20,000	20,000
Total Current Financial Assets	5,244,577,206	6,642,855,587

15.1 Provision for Impairment on Receivables - Staff Loans & Advances

Balance as at 1 st January	2,660,506	2,944,099
Provision made during the year	781,151	(283,593)
Balance as at 31 st December	3,441,657	2,660,506

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

	2023	2022
	Rs.	Rs.
16 Receivables from Enterprises		
Receivables from Enterprises	1,480,032,535	873,876,132
Less-Provision for Impairment on Receivables - (Note 16.1)	(429,223,953)	(359,321,925)
	<u>1,050,808,582</u>	<u>514,554,207</u>
16.1 Provision for Impairment on Receivables		
Balance as at 1 st January	359,321,925	418,846,474
Provision made during the year	69,902,028	(59,524,549)
Balance as at 31 st December	<u>429,223,953</u>	<u>359,321,925</u>
17 Payments in Advance and Other Receivables		
Advance Payments	702,608	798,493
Advance Payments Foreign Travel	569,999	569,999
Sri Lanka Mission Abroad	554,964	598,142
Mobilization Advances	239,365,623	155,208,309
Prepaid Expenses	26,072,822	21,474,384
Interest Income - Receivables	298,205,036	328,793,761
Deposit Receivables	14,070,966	14,858,572
Deposit Against Pending Litigation	106,119,518	106,119,518
Other Receivables	40,563,952	169,242,658
Less-Provision for Impairment on Receivables (17.1)	(61,397,957)	(83,775,009)
	<u>664,827,531</u>	<u>713,888,827</u>
17.1 Provision for Impairment on Other Receivables		
Balance as at 1 st January	83,775,009	147,454,444
Provision made during the year	(22,377,052)	(63,679,435)
Balance as at 31 st December	<u>61,397,958</u>	<u>83,775,009</u>

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

	2023 Rs.	2022 Rs.
18 Favourable Cash & Cash Equivalents		
Bank of Ceylon - Personal Branch	1,152,240,658	265,848,217
Bank of Ceylon - Personal Branch	3,058,504	2,109,419
Bank of Ceylon -Katunayake	35,469,234	28,688,529
Bank of Ceylon -Biyagama	225,835,646	119,783,174
Bank of Ceylon - Koggala	6,917,224	3,683,897
Bank of Ceylon - Digana	21,157,605	16,793,989
Bank of Ceylon -Avissawella	40,134,742	51,472,691
Bank of Ceylon -Ingiriya	17,840,071	49,315,151
Bank of Ceylon - Mirigama	155,624	148,694
Bank of Ceylon - Nittambuwa	28,331,633	15,843,419
Bank of Ceylon - Kurunegala	8,575,318	27,250,694
Gold Sovereign	44,800	44,800
Balance in Franking Machine	55,841	650,264
National Savings Bank - Staff Security Deposits	216,925	201,511
Repurchase Agreements	7,220,818,571	1,587,553,188
Total Cash and Cash Equivalents	8,760,852,396	2,169,387,636

19 Deferred Expenditure

Expenditure incurred on interior decorations ,carpeting and partitions are recognized in the income statement on a straight line basis over the estimated useful life of 10 years. Amortization of Cost of Zone Development is recognized over 20 years.

	2023 Rs.	2022 Rs.
Balance as at 1 st January	485,280,787	428,295,356
Expenditure Deferred during the year	23,104,445	116,528,346
Less - Current year expenditure	(58,076,477)	(59,542,915)
Balance as at 31 st December	450,308,755	485,280,787

BOARD OF INVESTMENT OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

		2023	2022
		Rs.	Rs.
20	Deferred Revenue		
	Land Premium	16,875,110,312	16,234,430,556
	Grant	6,391,045	9,450,108
	Upfront Payment on Leased Buildings	36,064,722	37,421,389
		16,917,566,079	16,281,302,053

20.1 Deferred Revenue - Land Premium

Balance as at 1 st January	16,234,430,556	15,771,364,881
Received during the year	919,195,452	944,165,309
Trf from reservation account	33,200,403	17,896,016
Recognized income through Income Statements	(292,570,573)	(261,612,689)
Charge - Cancelled Project	(16,150,421)	(178,432,237)
Previous year cancellation-Amended to Accumulated Fund	(2,995,105)	-
Refunded of Land Premium	-	(29,677,790)
Dues Recovery	-	(29,272,935)
Balance as at 31 st December (Note 20.1.1)	16,875,110,312	16,234,430,556

20.1.1 Deferred Revenue

	31.12.2023	Maturity		
		Within 01 year	Between 1 and 05 years	After 5 years
Land Premium	16,875,110,313	292,717,077	1,463,585,385	15,118,807,851
	16,875,110,313	292,717,077	1,463,585,385	15,118,807,851

	31.12.2022	Maturity		
		Within 01 year	Between 1 and 05 years	After 5 years
Land Premium	16,234,430,557	263,356,926	1,316,784,628	14,654,289,003
	16,234,430,557	263,356,926	1,316,784,628	14,654,289,003

Deferred income liabilities principally relate to Land Premium Income received from Enterprises, for which revenue is recognised over the period of time throughout the agreement period. The revenue recognition in the agreement is applied separately to each agreement and that amount is recognised as revenue over the period.

AS AT 31ST DECEMBER
20.2 Deferred Revenue - Grant

		2023	2022
		Rs.	Rs.
	Balance as at 1 st January	9,450,108	11,594,181
	<u>Additions during the year</u>		
	Enterprise Grant	-	895,511
	Recognized income through Income Statements	(3,059,064)	(3,039,584)
	Balance as at 31 st December	6,391,045	9,450,108

Grant from the Japanese Government is recognized as Non Current Assets at their fair value. Grant is recognized as income over the period to match with the depreciation expenses on those assets.

20.3 Upfront Payment on Leased Buildings

The Board has leased out factory buildings on long term basis and the value of the buildings collected upfront have been shown under the Deferred Revenue. The revenue recognition in the agreement is applied separately to each agreement and that amount is recognised as rent revenue over the lease period.

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

	2023	2022
	Rs.	Rs.
21 Retirement Benefit Obligations		
Total Fair Value of Plan Assets (Note 21.2)	457,935,021	457,935,021
Total Present Value of Defined Benefit Obligations (Note 21.1)	409,970,385	306,570,548
Excess (Liabilities)/Assets over Defined Benefit Obligations	47,964,636	151,364,473
21.1 Movement in the Present Value of Defined Benefit Obligations		
Present Value of Defined Benefit Obligations as at 01 st January	306,570,548	278,808,543
Interest Cost	45,985,582	32,341,791
Current Service Cost	13,128,222	13,800,878
Past Service Cost	-	54,640,409
Actuarial (Gain) / Loss on obligations	102,447,555	(3,609,915)
Less - Payments made/payable during the year	(58,161,522)	(69,411,158)
Total Present Value of Defined Benefit Obligations	409,970,385	306,570,548
21.2 Movement in the Present Value of Plan Assets		
Fair Value of Plan Assets	457,935,021	457,935,021
Expected Return on Plan Assets for the period	68,690,253	53,120,462
Benefits Paid /Payable by the Plan	(43,700,699)	(43,700,699)
Actuarial Loss on Plan Assets	(24,989,554)	(9,419,763)
Fair Value of Plan Assets	457,935,021	457,935,021
Plan Assets consists of the following		
Treasury Bonds	457,935,021	457,935,021
Total of Gratuity Plan Assets	457,935,021	457,935,021
21.3 Expenses Recognized in the Income Statement		
Interest Costs	45,985,582	32,341,791
Expected Return on Plan Assets	(68,690,253)	(53,120,462)
Current Service Cost	13,128,222	13,800,878
Past Service Cost	-	54,640,409
Actuarial Loss Recognized in the Other Comprehensive Income	(127,437,109)	(5,809,848)
Total Amount Recognised in Income Statement	117,860,660	53,472,464

An independent actuarial valuation of the Retirement Benefit Obligation was carried out as at 31st December 2023 by professional Actuary M/S Actuarial & Management Consultants (Pvt) Limited. The valuation method used by the Actuary to value the Retirement Benefit Obligation is "Projected Unit Credit Method". Board maintains separate plan assets consisting of investments in Treasury Bonds. The contributions to the Plan Assets by the Board are based on Actuarial Valuation

The Key Assumptions used by Actuary includes the following.

	2023	2022
(i) Discount Rate	12%	15%
(ii) Salary Increment Rate	3 p.a.	1.5 p.a.
(iii) Assumption regarding Future Mortality	A1967/70	A1967/70
(iv) Retirement Age	60 Years	60 Years
(v) Salary increment rate : 3% in 2024 and 2025 and thereafter 7% per annum .		

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

	2023	2022
	Rs.	Rs.
22 Non Current Financial Liabilities - Lease Liability		
Balance as at 1 st January	38,654,241	69,180,322
Adjustment to the Lease Liability	32,782	-
Repayment during the year/Including Interest Expense	(24,420,709)	(30,526,081)
Total Undiscounted Lease Liabilities as at 31st December	14,266,314	38,654,241

Discounted Contractual Lease Liabilities included in the Statement of Financial Position

Current Financial Lease Liabilities (Less than one year)	13,002,568	21,137,648
Non Current Financial Lease Liabilities (More than one year)	372,679	13,375,247
Total Payable Finance Liabilities - Lease	13,375,247	34,512,895

Amount Recognised in the Income Statement - Interest on Lease Liabilities

Interest on Lease Liabilities	3,283,061	6,069,768
Total Interest on Lease Liabilities	3,283,061	6,069,768

23

Accrued Expenses and Other Payables

Sundry Creditors	141,922,258	77,832,007
Accrued Expenses	310,683,228	302,599,728
Dividend Payable to Treasury	1,000,000,000	500,000,000
Gratuity Payable	536,792	53,446,952
Funds received for Commonwealth FDI Promotion	917,160	917,160
Dialog - Subsidy	642,849	47,849
Receipts in Advance	190,730,001	384,856,075
Refundable Deposits	150,927,762	135,771,104
Land Reservation Fees	73,153,404	56,605,771
Deposit Payable	135,708,204	135,708,204
Total Operating and Other Payables	2,005,221,657	1,647,784,849

BOARD OF INVESTMENT OF SRI LANKA

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

	2023	2022
	Rs (Mn.)	Rs (Mn.)
24 CASH GENERATED FROM OPERATIONS		
Surplus after income tax	5,539.16	2,915.85
Depreciation	660.81	666.17
Amortization on intangible asset	0.07	0.07
Income tax expense	808.07	372.06
Provision for retirement benefit obligation	59.11	100.78
Actuarial (Gain) / Loss on obligation	102.45	(3.61)
Provision for impairment of debtors	48.31	(123.49)
Deferred revenue - Land premium	(292.72)	(261.61)
Deferred Revenue - Grant	(3.06)	(3.04)
Deferred Revenue - Building premium	(1.36)	(1.36)
Income recognised in Equity	-	23.68
(Profit)/Loss on sale of fixed assets	(4.11)	(1.61)
Investment income	(2,684.06)	(1,402.02)
Interest on lease	3.28	6.07
Cancelled projects	(19.00)	-
Provision to Fund transfer to the Treasury	(1,000.00)	-
Revenue adjustment	2.61	-
Correction of over valuation	(2.00)	-
Amortization of deferred expenditure	58.08	59.54
Amortization of Interest Income	(87.34)	-
Operating surplus before working capital changes	3,188.30	2,347.49
Working capital changes		
Stocks	(8.18)	(3.12)
Receivables from enterprises	(606.16)	(187.52)
Payment in advance & other receivables	37.71	128.99
Financial assets (Staff Loan & Advances)	114.42	(105.56)
Accrued expenses & other payables	340.89	273.97
Operating surplus after working capital changes	3,066.97	2,454.26

BOARD OF INVESTMENT OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

25. *Related Party Disclosures*

Board of Directors

1. Mr. Dinesh Weerakkody, Chairman –He is a non-Executive Director of the Lanka Aluminium Industries PLC with which business transactions have been entered into with the BOI in 2023 and disclosed.
2. Mr. H Manil Jayasinghe, Board Member –He is a non-Executive Director of the Lanka Hospitals Corporation PLC with which business transactions have been entered into with the BOI in 2023 and disclosed.
3. Dr. Dushni Weerakoon, Board Member - No business transactions have been entered into with the BOI in 2023.
4. Mr. Eraj De Silva, Board Member - No business transactions have been entered into with the BOI in 2023.
5. Mrs. Chandanie Wijayawardhana, Board Member - No business transactions have been entered into with the BOI in 2023.

26. **Contingent Liabilities**

- 26.1. The list of pending litigations is attached (Annexure I) and the actual liability of such litigations cannot be ascertained accurately or measured reliably. Therefore, Contingent Liabilities are not recognized in the Statements of Financial Position but are disclosed.
- 26.2. Court has seized a sum of Rs.102,135,350.00 on 01.01.2015 in relation to the case filed by Million Garments (Pvt) Ltd against the BOI. The Board has assessed impairment for seized deposit and impaired based on related judgments.

27. **Economic Transformation Act No. 45 of 2024**

Economic Transformation Act No. 45 of 2024 was certified by the Hon. Speaker on 09th August 2024. The Board of Investment of Sri Lanka Law, No 04 of 1978 will be repealed by the Section 193 of the above Act. The provision of Section 193 shall come into operation on such dates as the Minister may appoint by Order publish in Gazette, which shall be date with in three months from date of the certificates of the Speaker referred above.

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
1	S.C. Appeal 104/2020 - S.C. (H.C) L.A. 24/18	Supreme Court	BOI -Vs- Haikawa Industries (Pvt) Ltd & 06 Others	Propack Shreiner (Pvt) Ltd made an application for the winding up by court of Haikawa Industries (Pvt) Ltd in terms of the Companies Act No 07 of 2007. The winding up order was made on 05.04.2013 to wind up the said Haikawa Industries (Pvt) Ltd and the liquidator was appointed by the court. The Hon. High Court Judge by his Order dated 14.02.2018 has decided that the liquidator not required to give priority to BOI dues, EPF, ETF, and other statutory dues prior to settling the dues owing and payable to State Bank of India and Indian Overseas Bank. The BOI has filed this Application against the above Order made by the Commercial High Court.	Payment of BOI dues	9,071,283
2	S.C. (SPL) LA 118/2018	Supreme Court	Logwiz Ltd -Vs- BOI & 03 Others	This application was filed against the Notice to Quit issued by the DS/Katana to Logwiz Ltd under the State Lands (Recovery of Possession) Act in respect of a portion of land of which both the State and Petitioner are claiming ownership. This case was dismissed by the Court of Appeal and now the Petitioner has filed this Application to set aside the above Order.	No relief sought from BOI	-
3	S.C. Appeal 111/2020 [S.C. (SPL) LA 126/2019]	Supreme Court	Conservator General of Forests & 04 Others -Vs- BOI & 01 Other	An appeal filed by the Conservator of Forests against the Court of Appeal decision in CA/Writ/49/2016	No relief sought from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
4	S.C. (SPL) L.A. 232/2019	Supreme Court	Upali Ananda Gunasinghe -VS- B O I & 06 Others	Appeal to the Supreme Court, seeking inter-alia to set aside the judgement dated 22.05.2019 of the Court of Appeal in Case No. CA/WRIT/455/2015 against the withdrawal of the approval granted to construct a cafeteria at KgEPZ on the ground no tenders had been called.	To execute lease Agreement in respect of Lot 7 containing in extent of 20 Perches situated in the service area of Koggala	-
5	S.C. (SPL) L.A. 297/2019	Supreme Court	H.V.A. Farms (Pvt) Ltd - Vs- BOI & 08 Others	Special Leave to Appeal to the Supreme Court to set aside the Judgement dated 02.07.2019 of the Court of Appeal in the Case No. CA (Writ) 469/2015 and to grant and issue Writ of Mandamus, Writ of Certiorari, Writ of Prohibition and an interim order for the reliefs prayed for in the amended Petition filed in the CA (Writ) 469/2015	No relief sought from BOI	-
6	S.C. (Writ) 06/2021 (Connected with S.C. Writ 07-2021)	Supreme Court	A M S Fernando & 13 Others -Vs- BOI & 14 Others	Writ - to quash the decisions contained in gazette bearing No. 2248/44 and other reliefs contained therein. BOI has named as a party only because of BOI has an Agreement with Asian Logistics Park (Pvt) Ltd.	No relief sought from BOI	-
7	S.C. (FRA) 346/2021 (Connected with S.C. Writ 07-2021)	Supreme Court	A M S Fernando & 13 Others -Vs- BOI & 14 Others	FR - to quash the decisions contained in gazette bearing No. 2248/44 and other reliefs contained therein. BOI has named as a party only because of BOI has an Agreement with Asian Logistics Park (Pvt) Ltd.	No relief sought from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
8	S.C. (FRA) 71/2022	Supreme Court	B.A. Mamilal -Vs- BOI & 03 Others	FR - filed by a former employee of BOI under Article 126(2) of the constitution stating that there is a violation of the Fundamental Rights under Article 12(1) and 14(1)(g)	Reinstatement of an employment of BOI as a Deputy Director (Investment) and compansation in a reasonable sum.	Compansation in a reasonable sum
9	SC (FRA) No. 236/2022	Supreme Court	Thushara Sisira Kumara - Vs- BOI & 05 Others	This is a Fundamental Right case filed by a BOI employee namely, Mr. T.S. Kumara, a Fire Fighter (Grade II) ('the Petitioner'), against BOI and 5 others including the Chairman, Director General and Executive Director (HR & Administration) alleging that at the recruitment of Fire officers to the next Promotion Level was happened in a discriminatory manner and in violation of the Fundamental rights guaranteed to the Petitioner under Articles 12(1), 12(2) and (14)(1)(g) of the constitution.	The Petitioner has sought the following reliefs, inter-alia, against the Respondents: 1. Grant the Petitioner leave to proceed with the FR Application 2. Issue order directing all Respondents to promote the Petitioner to Grade II JM 1-Fire Officer Grade with effect from 04/06/2022 3. Issue order directing respondents to pay back wages pertaining to the Grade II JM 1-Fire Officer Grade with effect from 04/06/2022	Back wages.
10	S.C. (CHC) No. 20/2021	Supreme Court	Star Clothing International (Pvt) Ltd - Vs- BOI & 02 Others	An appeal filed by Star Clothing International (Pvt) Ltd in the Supreme Court against the Judgement of the Commercial High Court Case bearing No. CHC 36/2012 CO dated 18.09.2020.	No relief sought from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/ NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
11	SC (SPL) LA No. 146/2023	Supreme Court	BOI -Vs- Million Garments (Pvt) Ltd	An appeal filed by the BOI in the Supreme Court against the Order of the Court of Appeal Case bearing No. RII 08/2016 dated 18.05.2023 which states that the said RII case could be heard without waiting for the final determinations of the Criminal Appeal.	Relief sought under item No. 27	Relief sought under item No. 27
12	SC Appeal 59/2017	Supreme Court	Sinharaja Plantation Organic (Pvt) Ltd -Vs- BOI & 04 Others	An Appeal filed by the Petitioner from the Judgement of the Court of Appeal, which dismissed the application of the Petitioner-Petitioner above-named by which Writs of Certiorari were sought, to quash the decisions and / or determinations of the 1st and 2nd Respondents to refund the advance payments collected from the Petitioner for the alienation of the land, which is the subject matter of this Application, inter-alia in violation of the Petitioner's legitimate expectation to have the said land alienated, and also to quash the Certificate of Title which had been purportedly issued to the Sri Bodhiraja Foundation, in respect of a substantial portion of the same land, contrary and ultra vires the applicable provisions of the Land Reform Law No. 1 of 1972, and the applicable circulars.	No relief sought from BOI	
13	S.C. (SPL) LA 188/2023	Supreme Court	Ace Healthcare (Pvt) Ltd Vs- BOI & 07 Others	An appeal filed by the BOI in the Supreme Court against the Judgement of the Court of Appeal Case bearing No. WRT 171/2022 dated 30.05.2023.	No relief sought from BOI	—

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
14	C.A. (RII) 08/2016	Court of Appeal	BOI - Vs - Million Garments (Pvt) Ltd	Seeking a Restitutio-in-Integrum of the position before the pronouncement of judgment in HC/ARB/1254/02 to recover approx Rs. 102 Million Board owned money seized from BOI account.	This is a case filed by the BOI and BOI is seeking to regain a sum of Rs. 102,138,350 seized by the Commercial High Court from a BOI account for the enforcement of a forged arbitral award pronounced against the BOI.	Relief sought under item No. 27
15	C.A (Writ) 465/2015	Court of Appeal	Edna Cocoa Products (Pvt) Ltd - VS - BOI & 02 Others	To obtain a Writ against the Sri Lanka Customs on an issue arising from disposal of its goods in the local market.	No relief sought from BOI	-
16	C.A. (Writ) 386/2016	Court of Appeal	Asiri Surgical Hospitals PLC - Vs - BOI & 02 Others	Asiri Surgical Hospitals (Private) Limited filed an action against the BOI and Two others seeking for reliefs against the several decisions taken by the Commissioner General of Inland Revenue (01st Respondent) and for an Interim Order preventing from recovering from the Petitioner any sums on the basis that the Petitioner has defaulted in paying income tax for the years of assessment from 2005/2006 to 2013/2014.	No relief sought from BOI	-
17	C.A. (Writ) 307/2008	Court of Appeal	MTV Channel (Pvt) Ltd - vs- Director General of Customs & 03 Others	The writ application with regard to the purported Customs Inquiry No. CIB/INV/25/2007/CIB/1523	No relief sought from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
18	C.A. (Writ) 95/2021	Court of Appeal	Simmet (Pvt) Ltd - Vs- BOI & 13 Others	This matter is basically filed by the Petitioners to obtain the permit or annual license to export value added copper wires, copper plates from the Ministry of Industries and other Respondents.	Petitioners are seeking permission from MOI, BOI AND Import and Export Control Department to export the remaining quantity of already manufactured Copper Sheets.	-
19	C.A. (Writ) 349/2020	Court of Appeal	Cener for Environmental Justice (Guarantee Limited) & another - Vs- BOI & 07 others	To grant writs mandamus, certiorari against the decisions taken by 1st to 7th Respondents and to grant writ of certiorari quashing the approval issued by the BOI to the Teejay Lanka PLC. Teejay Lanka PLC made and application in the Court of Appeal to Intervien the petition and matter is fixed for support by the Intervient Petitioner.	No relief sought from BOI	-
20	C.A. (Writ) 269/2021	Court of Appeal	Eco Homes Lanka (Pvt) Ltd - Vs- BOI & 03 Others	Eco Homes Lanka (Pvt) Ltd has filed a Writ Application against BOI and 03 others inter-alia challenging the cancellation of the Deed of Transfer by the National Housing & Development Authority and cancellation of the Development Permit issued by the Sri Jayawardenepura Kotte Municipal Council of their Project Site at Kirimandala Mawatha, Narahempita.	No relief sought from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
21	C.A. (Writ) 274/2021	Court of Appeal	CEAT Kelani Holdings (Pvt) Ltd -Vs- BOI & 08 others	This writ application was filed by the Petitioner against the BOI regarding the concession given/ attempting to give to Ferrentino Tyre Corporation (Pvt) Ltd	The Petitioner in its Writ Application pleaded the court to issue a Writ of Mandamus directing the BOI to direct the company in writing that the company is entitled to sell only 20% of the total quantity exported in the local market and to export 80% of its production as stipulated in the Agreement and Writ of Prohibition restraining the BOI from alerting or waiving in any manner whatsoever the mandatory requirement of export of 80% of the total production and if they failed to do so, withdraw all the concessions granted.	-
22	C.A. (Writ) 642/2021	Court of Appeal	WMPH Holdings Inc. & 02 Others - Vs- BOI & 04 Others	Writ application has been filed by WMPH Holdings (Pvt) Ltd against the State and BOI has been made a Respondent as BOI has issued a Letter of Approval to the Project. No Agreement has been signed between the Company and BOI.	Writs of certiorari and writ of mandamus against the Respondents.	-
23	C.A. (Writ) 239/2022	Court of Appeal	Ace Healthcare (Pvt) Ltd vs- BOI & 07 others	Ace Healthcare (Pvt) Ltd filed this case in the Court of Appeal against the Director General of Customs, BOI & 06 Others on the ground that the Customs Department has maliciously wrongfully and illegally detained its consignment of goods	No claim from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/ NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
24	C.A. (Writ) 39/2023	Court of Appeal	W T U Priyantha -Vs- BOI & 12 Others	The Petitioner to this Writ Application has filed this Application against a Quit Notice issued by the Divisional Secretary (1st Respondent) on the ground that the subject land was sub-let to him by Tariq Quraishy (5th Petitioner) to commence his potato seed cultivation by suppressing and misrepresenting the true title of the Land and that the 5th Respondent had obtained the possession of the Land under a permit issued by the State for the purpose of 2 BOI Projects namely Forest Glen Hotel & Spa (Pvt) Ltd and Elk Plain Farm (Pvt) Ltd (now terminated by the BOI).	No relief sought from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
25	C.A. (Writ) 428/2022	Court of Appeal	Horana Plantation PLC - Vs- BOI & 03 Others	Petitioner is entitled in law to obtain a Mandate in the nature of Writ of Prohibition, prohibiting the (1st Respondent) Land Reform Commission (LRC), the 2nd Respondent (BOI), from claiming and/or from receiving any compensation payable in respect of the acquisition of any part of the Neuchatel Estate and also to obtain a Writ of Prohibition, prohibiting the 2nd Respondent (BOI) and/or 3rd Respondent, Divisional Secretary Millaniya from paying any compensation payable in respect of any acquisition of any portion of Neuchatel Estate to the 1st Respondent (LRC) since according to the Petitioner is with the vesting of the said estate under section 27(1) of the Land Reform Law in the Sri Lanka State Plantation Corporation (SLPC), the Land Reform Commission (LRC) ceased to be the owner thereof and the Land Reform Commission since then has no right or title to any part of Neuchatel Estate whatsoever, the title of which now stands vested in the State Plant Corporation.	1. To grant and issue a Mandate in the nature of a Writ of Prohibition, prohibiting the 1st Respondent (LRC) and all officers of the 1st Respondent, from claiming and/or receiving any compensation payable in respect of any acquisition of any portion of the Neuchatel Estate from the 2nd Respondent (BOI) and/or 3rd Respondent (Divisional Secretary Millaniya). 2. To grant and issue a mandate in the nature of the Writ of Prohibition, prohibiting the 2nd Respondent (BOI) and/or 3rd Respondent (Divisional Secretary Millaniya), from paying any compensation in respect of any acquisition of any part of the Neuchatel Estate, to the 1st Respondent (LRC).	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
26	C.A. (Writ) 655/2023	Court of Appeal	K.W. Gunawardena & 03 Others -Vs- BOI & 08 Others	The Petitioners to the above Application who are engaged in the trade of providing scrap handling services to various companies including the Industries located in the Zones instituted the above Writ Application alleging the legality of the Circulars/Letters dated 07.07.2023, 26.07.2023 and 26.09.2023 attached to the Petition dated 30th October 2023 marked as "P21", "P22" and "P23" issued by Y. A. Nayana Udayapriya Kumara, Private Secretary to the State Minister of Investment Promotion (06th Respondent) with regard to the Registration of Service Providers under a new mechanism.	No relief sought from BOI	-
27	H.C. (ARB) 1254/2002	Commercial High Court	Million Garments (Pvt) Ltd -vs- BOI	Million Garments (Pvt) Ltd filed an enforcement action against the BOI to enforce an arbitral award for a payment of Rs. 37,200,000	Rs. 37,200,000+ interest	102,138,350
28	HC Civil 54/2014 CO	Commercial High Court	Rusirumal (Pvt) Ltd. (Liquidation)	The company which is in liquidation has paid the dues owed to BOI amounting Rs.3,115,865.32 as per the claim lodged with the Liquidator dated 27.03.2018. The further amount of water bill which is at Rs 6,101,702.00 lodged with the Liquidator is still pending.	Dues owed to BOI for water bills	6,101,702
29	CHC 73/2021 CO	Commercial High Court	Paul Andrew Dwyer -Vs- BOI & 06 others	Case against to the Second Director of the Company	No Claim	-
30	CHC 664/2019 MR	Commercial High Court	I.P. Sirithilake -Vs-	This has filed by person who was in the EPZ, Wathupitiwala before the Ejection stating he has lost 50 Mn. Since BOI.	Rs. 50,000,000/- as compensation for so-called lost.	50,000,000

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/ NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
31	D.C. Colombo DMR 02244/2015	District Court	Stirling Group Lanka (Pvt) Ltd	Stirling Group Lanka (Pvt) Ltd has instituted this action against BOI praying inter alia to direct the BOI to release the sum of Rs. 18,285,800 which was withheld by the BOI, and the said amount is the outstanding worker terminal benefits (compensation) due to the employees as determined by the Commissioner General of Labour	For an Order directing the BOI to release the sum of Rs. 18,285,800/- which was withheld by the BOI, and the said amount is the outstanding worker terminal benefits (compensation) due to the employees as determined by the Commissioner General of Labour.	18,285,800
32	D.C. Gampaha 2165/L	District Court	M.M.M. Smyle -vs- BOI	For a declaration that the ownership of the disputed land is vested with the Plaintiff and that the State has not acquired the land under Section 44 of the Land Acquisition Act. BOI has taken the defence that the lands were acquired by the State and then granted to BOI.	Claim of BOI owned Land in extent 11 Acres and 2 Roods at the BEPZ.	-
33	D.C. Colombo 5153/SPL	District Court	Dimo International Ltd - Winding up case.	Case filed by the liquidators of Dimo International Ltd.	No claim from BOI	-

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/ NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
34	D.C. Attanagalla 4200/M	District Court	D.S. Kithsiri Bandara -Vs- BOI & 02 Others	As BOI owned Double Cab (WP PH-3080) met with an accident on 15th June, 2021 at Meerigama-Pasyala Road, during the Covid-19 pandemic. A motocylist has hit the rear side of the cab and it was a fatal accident. After two years BOI received the summons of this case filed by the Family Members of the Victim (the death) to obtain Rs. 10,000,000/- as compensation. BOI have handed over this matter to Sri Lanka Insurance Corporation on behalf of BOI, 2nd Respondent and proxy has signed with Ms. Dilhara Kabulumulla, Attorney-at-Law.	Rs. 10,000,000/- as compensation.	10,000,000
35	L.T. Nuwara Eliya 9/NE/28/2023	Labour Tribunal	Jeyaraman Puwansundaram - Vs- BOI and Another	L.T. matter which is filed by the former Caretaker of the BOI circuit bungalow, Nuwara Eliya stating that there is a termination of employment.	Reinstatement with back wages.	Back wages.
36	ICC Arbitration 18656/CYK	ICC Arbitration Centre	Sevanagala Sugar Industries Ltd -vs- BOI	It is alleged that a dispute has arisen as: 1. the business and/or the capital and/or the assets employed and/or used in the business and/or improvements and/or returns belonging to the Claimant enterprise were acquired and/or expropriated and/or nationalized; 2. whether as a result the Respondent is obliged to pay the Claimant damages & 3. the quantum of the damages and costs. [It is a claim for compensation for loss or damage purportedly suffered by the Claimant as a result of the leasehold rights of the Claimant reverting back to the State pursuant to the enactment of the Revival of Underperforming or Underutilised Assets Act No. 43 of 2011]	Rs. 4 Bn	400,000,000

BOARD OF INVESTMENT OF SRI LANKA PENDING LEGAL CASES AS AT 31ST DECEMBER 2023.						
SR/ NO	CASE NO.	COURT	PARTIES	CASE DESCRIPTION	CLAIM DESCRIPTION	CLAIM AMOUNT RS.
37	LCIA Arbitration No. 204816	LCIA Arbitration Centre	Housing and Construction Lanka (Pvt) Ltd -Vs- BOI	Arbitration filed by the Company against the BOI on grounds of BOI's non compliance with the terms and conditions of the agreement entered into between the BOI and the company	for all losses and damages caused to the company due to the breach of the agreement by the BOI (not quantified yet) , which at least US\$ 100 Million.	27,083.6 Mn.

Board of Investment Of Sri Lanka
Related Party Disclosures :- Mr. Dinesh Weerakkody (Transaction history 2023)

Agreement No	Customer Name	Mode	STATUS	Annual Fee	Ground Rent	Dues	Import		Export
							Rs (Mn)		
0070/1981	Lanka Aluminium PLC	ANL (Sec.16)	Active	193,641.60	-	-	-	-	-
				193,641.60	-	-	-	-	-

Related Party Disclosures :- Mr. Manil Jayasinghe (Transaction history 2023)

Agreement No	Customer Name	Mode	STATUS	Annual Fee	Ground Rent	Dues	Import		Export
							Rs (Mn)		
002037	Lanka Hospitals Corporation PLC	ANL	Active	1,341,794.06	-	-	-	-	-
				1,341,794.06	-	-	-	-	-



**Report of the Auditor General
2023**



ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல. }
My No. }

TIP/B/BOI/FA/2023/07

ඔබේ අංකය
உமது இல. }
Your No. }


දිනය
திகதி }
Date }

11 November 2024

Chairman
Board of Investment of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Board of Investment of Sri Lanka for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

The above mentioned report together with the Audited Financial Statements is sent herewith


W.P.C Wickramarathna
Auditor General

Copy to: The Secretary, Ministry of Finance, Economics Development, Policy Formulation,
Planning and Tourism



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

TIP/B/BOI/ 2023 /FA//07

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

11 November 2024

Chairman
Board of Investment of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Board of Investment of Sri Lanka for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Board of Investment of Sri Lanka ("Board") for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023, the income statement loss and comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No.38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Emphasis of Matters

Without qualifying my opinion, I draw attention to Note 2.5 and Note 3.15 in the Financial Statements.

- (a) I draw your attention to Note 2.5 which indicate the Board of Investment Law, No. 04 of 1978 is to be repealed by Section (1) of Section 193 of the Economic Transformation Act,

No.45 of 2024 which has been certified by the Hon. Speaker on 09 August 2024. However, in terms of Section (2) of Section 1 of the Economic Transformation Act, No. 45 of 2024, the provisions of part II, Part III and Section 193 come into operation on the date which the certificate of the Hon. Speaker is endorsed in respect of this Act, and in terms of Section (3) of Section 1, the provisions of part II, part III and Section 193 shall come into operation only after the date on which the Minister may appoint by Order published in Gazette (the “appointed date”), which shall be a date within three months from the date of the certificate of the Speaker, referred to in Subsection (2) of Section 1.

In preparing the Financial Statements, the Management has assessed the ability of the Board of Investment of Sri Lanka (BOI) to continue as a going concern and the Management has reasonable expectation the BOI shall continue its operational existence in the foreseeable future utilizing its existing resources. Accordingly, notwithstanding the intended repeal of the Board of Investment of Sri Lanka Law, No. 04 of 1978, operations of the BOI will be absorbed by the Economic Commission of Sri Lanka (ECSL). Hence, Board of Investment of Sri Lanka does not foresee a need for liquidation or cessation of operations, taking into account all available information about the foreseeable future. As such, the BOI continued to adopt the going concern basis in preparing the Financial Statements for the year ended 31 December 2023.

However, the provisions of this act concerning the Board of Investment of Sri Lanka have not been implemented as of the date of this report.

- (b) I draw attention to Note 3.15 and as stated in the note the Board of Investment is currently exempt from corporate income tax under the Section 32 of the Board of Investment Act No. 04 of 1978. However, with the enactment of the Inland Revenue Act No.24 of 2017, effective from 01 April 2018, general exemptions had been removed. The Board has sought an opinion from the Attorney General to clarify whether the Board of Investment is now liable to pay under the new legislation. The resolution of this matter may have significant impact on the financial statements.

1.2 Basis for Opinion

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 opinion.

1.3 Other information included in the Board's 2023 Annual Report.

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

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 Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

2. Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

Reference to Laws, Rules and Regulations or Directions Issued by the Governing Body

Non-compliance

(a) Section 3(c) of Board of Investment Act No.4 of 1978

Although one of the key objectives of the Board is to encourage and promote foreign investment, it was noted that only one investor contributed an investment of USD 7.004 million to the Kandy Industrial Park during the period from 2018 to August 31, 2023.

- | | |
|---|---|
| <p>(b) National Environment Act No.47 of 1980</p> | <p>Eight enterprises in the Kandy Industrial Park and three enterprises in the Biyagama Export Processing Zone had not renewed their Environmental Protection Licenses as mandated by the relevant legislation.</p> |
| <p>(c) Cabinet Decision No.13/1599/561/022 and dated 12 November 2013</p> | <p>As of September 18, 2023, the ownership of 5.646 hectares of land (KTI land) had not been transferred to the Board for the expansion of the Kandy Industrial Park. Consequently, this land has remained vacant since 2013, without any investment activities taking place.</p> |
| <p>(d) Public Enterprises Circular 01/2021 dated 16 November 2021</p> | |
| <p>(i) Guidelines on Corporate Governance</p> | |
| <ul style="list-style-type: none"> • Section 2.6 | <p>Although the Chief Executive Officer or any other employee already engaged in a different role within the institute should not be appointed as the Secretary to the Board of Directors, the Executive Director of Human Resources and Administration had been appointed as the Board Secretary.</p> |
| <ul style="list-style-type: none"> • Section 3.2 | <p>Annual Performance Review Meetings (APRM) for the years 2021, 2022, and 2023 had not been conducted as of the date of this audit report, despite the requirement for these meetings to be held within five months following the balance sheet date and prior to the submission of the Annual Report to Parliament.</p> |
| <p>(ii) Operational Manual for State Owned Enterprises</p> | |
| <ul style="list-style-type: none"> • Section 3.1 & 3.2 | <p>While State-Owned Enterprises (SOEs) are required to obtain approval from the General Treasury for their personnel and remuneration, the Board disbursed allowances amounting to Rs. 462,463,188 without securing the necessary approval from the General Treasury."</p> |
| <ul style="list-style-type: none"> • Section 6.11 | <p>The procurement plan and project execution plan for the Board for the year 2023 have not been uploaded to the Board's website.</p> |
| <p>(e) Public Enterprises Circular No.01/2015 dated 14 January 2022.</p> | |



- (i) Section 3.1 Fuel allowances were granted to six Executive Directors, exceeding the allowable limits by 1,440 liters, resulting in a total amount of Rs. 511,800.
- (ii) Section 3.2 Contrary to this provision, additional fuel allowances amounting to Rs. 1,269,800 were disbursed without proper approval.
- (f) Public Enterprise Circular – PED No. 04/2022 dated 08 August 2022
Section 2.7 The Board disbursed an amount of Rs. 3,000,000 to the Media & Special Projects Bureau at Sri Dalada Maligawa for the Kandy Asala Perahera, despite the suspension of all forms of sponsorships, donations, CSR expenses, and non-business-related promotional expenditures. Any such essential expenditure may only be authorized with the approval of the relevant Minister and the concurrence of the Honorable Minister of Finance.
- (g) Letter from Director General of Department of Public Enterprises No. PED/P/BOI/3/6/(i) and dated 15 December 2023 Although the Treasury approved the payment of Rs. 50,000 as an annual bonus for each employee of the Board for the year 2023, contingent upon the remittance of Rs. 1,000,000,000 to the Consolidated Fund by 31 December 2023, the Board had disbursed Rs. 52,633,287 as an annual bonus without making the requisite payment to the Consolidated Fund.
- (h) National Procurement Guidelines – 2006 Section 4.2.1 The Master procurement plan had not been reviewed and regularly updated in accordance with this Section.
- 2.2.3 to state that the Board has not performed according to its powers, functions and duties as per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018.
- 2.2.4 to state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of Section 12 (h) of the National Audit Act, No.19 of 2018.

3. Other Matters

- (a) Although 23 applications were received for registration under Section 16 between 01 January 2022 and 31 August 2023, only 7 applications were approved, and commercial operations were initiated by just one investor.
- (b) According to Board policy, approval for project proposals should be granted within 60 days for the period from 2020 to 2022. However, it was noted that 53 project applications submitted for registration under Section 17 of the BOI Law 1978 were approved by the Board, taking between 185 and 882 days, in contrast to this policy.

- (c) It was observed that 45 investment projects approved by the Board under Section 17 of the BOI Law 1978 were still pending agreements as of the audit date. Additionally, the Board had not taken action to finalize agreements with 34 investors who have been awaiting agreements for more than one year from the date of their project approval. Furthermore, delays were noted in the process of signing extension agreements with tenants in the Biyagama Export Processing Zone.
- (d) According to the project status report provided by the Board for the audit, there were 16 project applications submitted for registration under Section 17 of the BOI Law 1978 during the periods of 2021 and 2022 that had not yet been approved. These applications are still awaiting approval as of the audit date, 31 August 2023.
- (e) As of 31 December 2023, a total of 989 acres across 14 zones were vacant, with four of those zones exhibiting vacancy rates exceeding 40 percent. Additionally, 785.1055 acres relating to 09 non-zonal lands were vacant as at 31 December 2023 with no investment.
- (f) According to the progress of the revised procurement plan for 2023, 37 activities have been completed out of a total of 129 planned activities. Consequently, the execution progress of the procurement plan is only 29 percent.
- (g) The dues from BOI approved enterprises as at 31 December 2023 amounted to Rs.1,480,032,535 and it is 69 percent higher than the corresponding amount in the preceding year.
- (h) A provision for impairment amounting to Rs. 276,287,243 was recorded during the year under review for the annual fee, representing 87 percent of the total dues from the annual fee as of 31 December 2023.


W.P.C. Wickramaratne

Auditor General

**Reply of the BOI on
AG's Report - 2023**

BOARD OF INVESTMENT OF SRI LANKA

Reply for Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Board of Investment of Sri Lanka for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018

2. Report on Other Legal and Regulatory Requirements

2.2.2 Non-compliances with any applicable written law, general and special directions issued by the governing body of the Board

	Reference to Laws, Rules and Regulations or Directions Issued by the Governing Body	Reply for Non-compliance
(a)	Section 3 (c) of Board of Investment Act No. 4 of 1978	During this period, COVID-19 pandemic spread all over the world and Sri Lanka is facing its worst economic crises. However, action will be taken to promote existing investors for re-investments.
(b)	National Environment Act No. 47 of 1980	Environment Protection Licenses (EPL) of 07 enterprises out of the 08 in Kandy Industrial Park have been issued, and the remaining EPL of Delux Roofing (Pvt) Ltd has been temporarily suspended due to financial dues. All the enterprises in Biyagama Export Processing Zone have obtained EPLs upto date.
(c)	Cabinet Decision No. 13/1599/561/022 and dated 12 November 2013	The ownership of the land was handed over to BOI by the AGA-Kundasale on 10/03/2023. Further AGA granted permission to develop the access road to this land by her letter dated 22/02/2024. However, legally handing over process of the land to BOI through the Land Commissioner is still pending.
(d)	Public Enterprises Circular 01/2021 dated 16 November 2021	
(i)	Guidelines on Corporate Governance	
	<ul style="list-style-type: none"> • Section 2.6 	The Executive Director (HR & Administration) who functioned as Acting Director (HR) in 2017 was appointed as the Secretary to the Board of Directors in addition to his regular duties effective from 28.07.2017. The Public Enterprises Circular No. 01/2021 comprised with relevant provisions of appointing a Board Secretary has been issued on 16.11.2021. However, the Board of Directors at its meeting held on 04.05.2022 has granted approval to permit Executive Director (HR & Administration) to continue in the capacity of Secretary to the Board.

	Reference to Laws, Rules and Regulations or Directions Issued by the Governing Body	Reply for Non-compliance
	<ul style="list-style-type: none"> Section 3.2 	<p>The performance in respect of every year has been discussed at the Board Meetings as appropriate in the following year, though there were no separate meetings to review the performance.</p>
	(ii) Operational Manual for State Owned Enterprises	
	<ul style="list-style-type: none"> Section 3.1 & 3.2 	<p>The Greater Colombo Economic Commission [Re-structured in 1992 as the Board of Investment of Sri Lanka (BOI)] was constituted under the Act No. 4 of 1978 to foster economic development of the country through foreign investments. In order to achieve its objectives, the BOI should have highly qualified and motivated staff having professionalism, efficiency and customer orientation. To motivate & retain the existing staff in the organization as well as to attract highly qualified staff to the organization by giving them an attractive package in par with the market conditions, BOI salary scales were set higher when compared to those in the public service and other state owned organizations at the time of its establishment. In addition, various allowances, payments and benefit schemes were approved for BOI employees time to time as a part and parcel of their benefit package by H.E the President, Ministry of Policy Planning & Implementation, Board of Directors and various other Authorities giving due recognition for the distinct service rendered by the organization.</p> <p>However, as the above allowances, payments and employee benefit schemes were queried by the National Audit Office, approval of the Department of Public Enterprises was sought for the same through the Secretary, Ministry of Investment Promotion by letter dated 11.10.2023. Further, a reminder too in this regard has been sent through the Secretary, Ministry of Investment Promotion on 19.07.2024.</p>
	<ul style="list-style-type: none"> Section 6.11 	<p>Procurement plan 2024 will be uploaded to the web site with immediate effect.</p>
(e)	<p>Public Enterprises Circular No.01/2015 dated 14 January 2022.</p>	
	(i) Section 3.1	<p>The Board of Directors at its meeting held on 30th August 2016 has granted approval for reimbursement of fuel cost of senior officers of the BOI. The Board accepted the fact that the senior offices of the BOI have to travel extensively to export processing zones and have to attend meetings, project inspections, investor forums, and activities entrusted by the</p>
	(ii) Section 3.2	

	Reference to Laws, Rules and Regulations or Directions Issued by the Governing Body	Reply for Non-compliance
		<p>government. If the officers are not attending for the above activities that may adversely affect the seamless operation of zonal activities and other investment related matters. These practical aspects are also considered in making decisions on monthly fuel allocation.</p> <p>Further, Senior Officers are informed to obtain approval/concurrence of the Director General / Executive Director (HR & Administration) / Executive Director (Zones) / Head of Department for their travel related to the extra fuel reimbursement.</p>
(f)	Public Enterprise Circular – PED No. 04/2022 dated 08 August 2022	
	<ul style="list-style-type: none"> Section 2.7 	The Board has granted the approval to donate Rs. 3,000,000.00 to Sri Dalada Maligawa. Based on the approval of the Board and the request of the then Minister of Investment Promotion, donation was given to Sri Dalada Maligawa.
(g)	Letter from Director General of Department of Public Enterprises No. PED/P/BOI/3/6/(i) and dated 15 December 2023	The Board has granted approval to make a provision of Rs. 1,000 million as a contribution to the Consolidated Fund. The provision has been made accordingly.
(h)	National Procurement Guidelines - 2006 <ul style="list-style-type: none"> Section 4.2.1 	Procurement Plan 2023 & Master Procurement Plan 2023-25 was approved on 29/03/2023, thereafter the Procurement Plan was revised parallel with the revision of capital budget 2023 and the approval of Board was obtained on 01/09/2023 without alterations to years 2024/25. Action will be taken to submit the revised Master Procurement Plan, bi-annually, for the approval of the Board.

3. Other Audit Observations

- (a) BOI received 23 applications to register under section 16 of the BOI Law, during the period specified, ten (10) applications were rejected due to various reasons such as incomplete submission of required details, line agency rejection, non-recommendation of relevant line agencies, etc. Further, twelve (12) applications were approved under section 16 of the BOI Law whereas one (01) application remains pending approval as the project proponent has not submitted the requested details to the BOI.

(b) Although BOI intends to approve within 60 days, during the year 2020 to 2022, the time taken for granting approval for certain projects was extended drastically amidst the COVID-19 pandemic, and the economic crisis prevailed at that time. In addition, due to delays in line agency approvals required for certain projects, land issues, and lack of interest of investors due to the financial crisis affected the reported delays in project approvals.

(c) Out of the 34 projects, agreements of 05 projects have been signed, approvals of 06 projects have been withdrawn and 02 projects are dormant. Agreements of other projects have not been signed mainly due to issues relating to investors which are beyond the control of the BOI.

When a company requests an extension of the existing agreement, the Zone Management department issues an awarding letter bearing the signature of the Director (BEPZ). This letter is considered a temporary agreement between the tenant and the BOI until a formal agreement is signed. A copy of the awarding letter is forwarded to the BOI legal department for necessary actions. However, there have been delays in the finalization of some agreements with tenants due to various reasons.

(d) Please note that four (04) project applications have been approved after 31/08/2023 and five (05) project applications were cancelled and the balance applications (07) are awaiting for approval due to various reasons such as pending environmental clearance, pending UDA & CMC approval, land issues etc.

(e) The total vacant industrial area of 14 zones is around 989 acres. The process of allocation of lands by evaluation of applications received to IFC is continued.

Board at its meeting held on 29.11.2023, granted approval to invite bids for vacant lands owned by BOI which are located outside the BOI Zones as well some lands gazetted as Licensed Zones for prospective investment projects by advertising / publishing in public newspapers, BOI website, etc.

Accordingly, below lands have been advertised on 29.07.2024 & 03.08.2024 “Daily News” newspaper.

Location	Extent
Uda Palatha, 237, Nawalapitiya Rd, Jayampura, Gampola (Kandy District – Central Province)	2A 2R 26.59P
Chilaw (Puttlam District – North Western Province)	5 Acres
Devinuwara (Matara District – Southern Province)	0A 3R 33.02 P
Perth Estate, Horana (Kalutara District – Western Province)	13A 3R 15.70P

Location	Extent
Walpita Farm – Divulapitiya (Gampaha District – Western Province)	05A 0R 0P
Ganga Ihala Korale Ogastawatta, Kandy – Central Province	0A 1R 12.58P
Sevanagala Sooriyawewa Investment Zone – Southern Province	251A 0R 36.17P
Sooriyawewa Sooriyawewa Investment Zone – Southern Province	186A 3R 16.06P
Weliweyaya, Hambantota – Southern Province	180A 0R 17.95P

- (f) The Board approved the Capital budget on 29/03/2023 & the Treasury granted approval for the same on 18/05/2023. Subsequently the capital budget was revised for the second half of the year reducing the number of planned procurements considering the time loss for granting approval for the planned capital budget 2023. Revising completed estimates, delays in Procurement Committees, re-tendering, delays in designs & tender documents preparation by outside organizations, staff shortage, etc. has affected deliverables.
- (g) A major portion of the outstanding dues is from closed and cancelled projects. Action will be taken to write off the unrecoverable amounts with the approval of the Treasury.
- (h) Noted.
-

Report of the Audit Committee

The Audit Committee was constituted in accordance with the provisions in the 'Guidelines On Corporate Governance For State Owned Enterprises' which was issued in the year 2021 [Public Enterprises Circular No. 01/2021].

Member composition of the Audit Committee varied during the year 2023 with the change of the chairman, treasury representative and the voluntary consultant.

Accordingly, the members of the Audit Committee were as follows;

1. Chairman - Mr. Manil Jayasinghe (Member of the Board of Directors of BOI)
2. Ex-chairman - Mr. Jayamin Pelpola (Ex-member of the Board of Directors of BOI)
3. Member - Ms. Chandanie Wijayawardhana (Member of the Board of Directors of BOI)
4. Member - Dr. Dushni Weerakoon (Member of the Board of Directors of BOI)
5. Observer - Mr. K. A. Vimalenthirarajah (Representative of Treasury)
6. Ex-observer - Dr. M. K. C. Senanayake (Ex-representative of Treasury)
7. Ex-consultant - Mr. Ruwan Perera (Voluntary Consultant to the Audit Committee)

The Superintendent of Audit represented the Auditor General at the Audit Committee meetings as an observer. Director (Internal Audit) convened the Audit Committee meetings and the Board Secretary maintained the minutes of the meetings complying with the public enterprises 'Guidelines on Corporate Governance for State Owned Enterprises'. The committee adopted the Annual Action Plan of the internal Audit ensuring the scope, responsibilities & formulation of the plan and also had continuous coordination with the Internal Auditor with regard to all matters under its purview.

Five (05) Audit Committee meetings were held for the year 2023 complying with the guidelines stipulated in the above mentioned circular.

The Audit Committee especially reviewed the following reports at its meetings;

- (a) Financial Statements for the year ended 31.12.2022
- (b) Draft report of the Auditor General for year 2022 with reply of BOI and its subsequent status
- (c) Detailed Management Audit Report of the Auditor General for year 2022
- (d) Internal Audit Report for year 2022
- (e) Capital Budget and Procurement Plan 2023 with Master Procurement Plan 2023-25
- (f) Recurrent & Capital Budgets 2024

The Audit Committee reviewed all significant financial involvements of the BOI as indicated above and made recommendations to the Board of Directors.

Reply to the draft report of the Auditor General for year 2022 was reviewed and subsequently ascertained the position of BOI with regard to reported matters.

The committee also reviewed the detailed Management Audit Report of the Auditor General for year 2022 and recommended means to resolve the issues reported therein.

Accordingly, the Audit Committee played a proactive role as a main sub-committee to the Board by extensively reviewing significant matters and making recommendations to the board of directors.

The Audit Committee was of the view that terms of references for the committee were compiled within all material aspects.

Key Contacts of BOI

Head Office

Board of Investment of Sri Lanka (BOI)

Level 24 & 26, West Tower,
World Trade Centre , Echelon Square,
Colombo 01, Sri Lanka
Tel: +9411 2434403-5
Fax: +9411 2447994
info@boi.lk
www.investsrilanka.com

Chairman

Board of Investment of Sri Lanka
Level 26, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2436697, +94 11 2427001
Fax: +94 11 244994

Director General

Board of Investment of Sri Lanka
Level 24, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2430511, +94 11 2427032
Fax: +94 11 2448105

Executive Director Investment Promotion

Board of Investment of Sri Lanka
Level 26, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2335394

Executive Director - Zones

Board of Investment of Sri Lanka
Level 05, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2336022

Executive Director HR & Administration

Board of Investment of Sri Lanka
Level 09, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2332202

Executive Director Research & Policy Advocacy

Board of Investment of Sri Lanka
Level 19, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2437137

Actg. Executive Director Technical Services

Board of Investment of Sri Lanka
Level 05, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2432549

Director

Administration

Board of Investment of Sri Lanka
Level 09, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2346199

Director

Finance

Board of Investment of Sri Lanka
Level 08, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2543044

Director

Investor Services

Board of Investment of Sri Lanka
Level 06, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2543042

Director

Investment Appraisal

Board of Investment of Sri Lanka
Level 24, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2434342

Director

Media & Publicity

Board of Investment of Sri Lanka
Level 27, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2346161

Director

Industrial Relations

Board of Investment of Sri Lanka
Level 19, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2473101

Director

Internal Audit

Board of Investment of Sri Lanka
Level 05, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2382185

Director

Legal

Board of Investment of Sri Lanka
Level 27, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2543045

Senior Deputy Director

Environment Management

Board of Investment of Sri Lanka
Level 19, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2320080

Senior Deputy Director

Security & Fire

Board of Investment of Sri Lanka
Level 08, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2346199

Officer Incharge

Project Implementation

Board of Investment of Sri Lanka
Level 26, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2339823

Officer Incharge

Information Technology

Board of Investment of Sri Lanka
Level 05, West Tower,
World Trade Center, Echelon Square,
Colombo 01, Sri Lanka
Tel : +94 11 2424381

Key Contacts of BOI

Zones

Director Zone Katunayake EPZ

Board of Investment of Sri Lanka
Katunayaka Export Processing Zone,
Katunayake.
Tel : +94 11 2251989

Director Zone Biyagama EPZ

Board of Investment of Sri Lanka
Biyagama Export Processing Zone,
Walgama, Malwana.
Tel : +94 11 2465212

Director Zone Koggala EPZ

Board of Investment of Sri Lanka
Koggala Export Processing Zone,
Koggala, Habaraduwa.
Tel: +94 91 2283372

Director Zone Seethawaka EPZ

Board of Investment of Sri Lanka
Seethawaka Export Processing
Zone, Seethawaka, Awissawella.
Tel : +94 36 2234785

Director North Western Regional Office

Board of Investment of Sri Lanka
MAS Fabric Park, Kurunegala Road,
Thuhiriya.
Tel : +94 37 2277035

Senior Deputy Director Zone Kandy IP

Board of Investment of Sri Lanka
Kandy Industrial Park, Kengalle,
Kandy.
Tel: +94 81 2423991

Senior Deputy Director Zone Mirigama EPZ

Board of Investment of Sri Lanka
Loluwagoda, Mirigama.
Tel : +94 33 2274657

Senior Deputy Director Zone Wathupitiwela EPZ

Board of Investment of Sri Lanka
Wathupitiwela.
Tel : +94 33 2281386

Senior Deputy Director Zone Malwatta EPP

Board of Investment of Sri Lanka
Malwatta, Nittambuwa.
Tel : +94 33 2296620

Senior Deputy Director Zone Mawathagama EPZ

Board of Investment of Sri Lanka
Kandy Road, Mawathagama.
Tel: +94 37 2298147

Senior Deputy Director Zone Horana EPZ

Board of Investment of Sri Lanka
Boralugoda, Poruwadanda, Horana.
Tel: +94 34 2269752

Senior Deputy Director Zone Polgahawela EPZ

Board of Investment of Sri Lanka
Kegalle Road, Polgahawela.
Tel: +94 37 2241526

Senior Deputy Director Zone Mirijjawila EPZ

Board of Investment of Sri Lanka
100 Feet Road, Mirijjawila,
Hambantota.
Tel: +94 47 2258800

Senior Deputy Director Trincomalee Regional Office

Board of Investment of Sri Lanka
Prima Factory Road, China Bay,
Trincomalee.
Tel: +94 26 2233003

Senior Deputy Director Jaffna Regional Office

Board of Investment of Sri Lanka
NHDA Building, Chundukuli, Jaffna.
Tel: +94 21 2221336

Bingiriya EPZ

Board of Investment of Sri Lanka
Wathuwatta, Dummalasooriya.
Tel: +94 32 2241376

Pharmaceutical Manufacturing Zone

Board of Investment of Sri Lanka
Arabokka, Hambantota
Tel : +94 47 2258800

Textile Manufacturing Zone

Board of Investment of Sri Lanka
Punnaikuda, Eravurpattu.
Tel: +94 77 3694111



BOARD OF INVESTMENT OF SRI LANKA

Investor Facilitation Centre (IFC)

Level 27, West Tower, World Trade Center,
Echelon Square, Colombo 01, Sri Lanka.

Tel: +94 11 2434403-5, +94 11 2346131-3 Fax: +94 11 2447994

ifc@boi.lk

www.investsrilanka.com