Ministry of Public Enterprise &
Kandy City Development

Performance Report
2018

Hon. Lakshman Kiriella

Minister of Public Enterprise and Kandy City Development

Mr. Ravindra Hewavitharana

Secretary to the Ministry of Public Enterprise and Kandy City Development

Hon. Minister's Message

It is my pleasure to give this message for the Performance Report 2018 which includes the Performance achieved by the Ministry and the institutes under the purview of it in the year 2018.

The Ministry of Public Enterprises Development was established as per the Gazette Extraordinary No. 1933/13 dated 21.09.2015 and Gazette Extraordinary No. 1942/10 dated 24.11.2015 as a new Ministry. As per the Gazette Extraordinary No. 2017/56 the subject of Kandy City development has also been assigned to the Ministry.

The main responsibility of this Ministry is to reform the loss making Public Enterprises through restructuring process. The ministry has performed many activities to achieve this objective. In this endeavor our special attention was focused on the plantation sector that experience huge losses. The Ministry explored the possibility for introducing new projects to bring these enterprises to the profitable status and made the relevant plantation Companies aware of such opportunities.

Further actions were taken to standardize the progress review of these institutions with the assistance of the Expert Panel. The liabilities in relevant to ETF and EPF were settled in significant level during the year.

Our intention is to safeguard the Sri Lankan Air Lines as a symbol to showcase Sri Lankan identity to the world. Actions were initiated to obtain the assistance of the strategic partnership to minimize operational losses to the airline and maintain proper service delivery through restructuring process.

State banks being the major segment in the public finance sector of the country has come under the scope of this ministry. We have provided necessary guidance and contribution for securing financial adequacy of the relevant banks as per the Basel III. We attempted to amalgamate banks with same objectives, secure the financial adequacy and to meet competitiveness thorough innovative processes.

Out special attention is focused on the new subject area assigned to this ministry, Kandy City Development. The Ministry engages in monitoring more than 30 large mega development projects carried out by other ministries, departments and project offices within the Kandy City. Our aim is to develop the Kandy City which has been declared as a world heritage site by the United Nations as a magnificent town securing its terrestrial, cultural and social environment.

Under my leadership actions were taken to implement many more development projects in future focusing the Kandy City.

I appreciate the joint effort given by the staff including the Secretary of the Ministry under my leadership to undertake all these functions successfully.

Lakshman Kiriella
Minister of Public Enterprise and Kandy City Development

Secretary’s Message

Ministry of Public Enterprise and Kandy City Development has been assigned the responsibility to bring reforms to the non-profitable enterprises identified among SOEs in Sri Lanka and coordination of Kandy City Development as well. As per the Gazette No: 2070/56 dated 12.05.2018, Sugar Companies, namely, Lanka Sugar Company, Pelwatta, Sevanagala, Kantale and Sugarcane Research Institute were added to this Ministry.

During the year, our consideration has been given towards the monitoring process of the public enterprises which have become an enormous burden to the entire economy of the country and undertaken policy related matters.

Ministry continued the restructuring of the plantations under this Ministry, in order to reduce losses and increase performance. Accordingly, these plantations were able to improve their performance, and reduce their losses. Also the Ministry coordinated the settlement of outstanding dues of the EPF, ETF and other statutory payments of the three Plantations which function under the purview of this Ministry.

New Board of Directors was appointed to the Sri Lankan Airlines and restructuring efforts continues with new Strategic Plan.

State Banks under the Ministry had significant improvement in their performance. In order to meet capital adequacy, General treasury has provided Rs 5 Bn to the Bank of Ceylon and also steps are been taken to provide capital requirements to RDB through ADB in order to strengthen its service to the gransraites for Regional Development Bank through Asian Development Bank’s loan Facility. Under the Enterprise Sri Lanka Programme the banks are providing financial assistance to the entrepreneurs those who are not properly catered by the formal sector. It is noteworthy to state that interest subsidy program by the general treasurer is a great relief for the startups.

As per the 19th Amendment to the Constitution of Sri Lanka, the Institutions having 51% of shares owned by the Government, should adhere Government Procurement guidelines and subject to Audit by Auditor Generals Department. Hence, the Ministry had undertaken efforts to make the institutions adherence to the newly introduced provisions in order to ensure transparency and bring economy and efficiency in the procurement processes.

Ministry has insufficient human resources with required skills to undertake vast area of responsibilities assigned. However, the Ministry was given approval for limited number of cadres only. In order to address the human resource gap, the Ministry was able to obtain approval from the Cabinet of Ministers at the end of August 2018, to appoint the Expert Panel to assist the restructuring efforts.

With such background, I am pleased to give this message for the Performance Report 2018 which includes the Performance of activities performed by the Ministry together with the Institutions.

The guidance and assistance of Hon. Minister and Hon. Deputy Minister in performing all these activities are highly appreciated.

I am grateful to all the Heads of Institutions as well, that support us by following our guidelines.

Further, my heart filled gratitude is extended to the staff members of the Ministry who assist me in undertaking all these functions.

Ravindra Hewavitharana
Secretary of Public Enterprise and Kandy City Development

Contact Details of the Institutions under the Ministry in 2018

Bank and Finance

- Bank of Ceylon
  Chairman - Mr. Ronald Perera
  Tel. No. - 011 2348877
  Fax No. - 011 2452033
  E mail - chairman@boc.lk

- People's Bank
  Chairman - Mr. Hemasiri Fernando
  Tel. No. - 011 2329822
  Fax No. - 011 2447473
  E mail - chairman@peoplesbank.lk

- National Savings Bank
  Chairman - Mr. Ashwin De Silva
  Tel. No. - 011 2573334
  Fax No. - 011 2574002
  E mail - chairman@nsb.lk

- State Mortgage and Investment Bank
  Chairman - Mr. Niroshana Perera
  Tel. No. - 011 2573563
  Fax No. - 011 2573346
  E mail - chairman@smib.lk

- Regional Development Bank
  Chairman - Mr. K. Anuradanayake
  Tel. No. - 011 2035460
  Fax No. - 011 2906877
  E mail - chairman@rdb.lk

- Lankaputhra Development Bank
  Chairman - Mr. J.T.S.P. Kariyawasam
  Tel. No. - 011 2821232
  Fax No. - 011 2821213
  E mail - chairman@lankaputhra.lk

- Sri Lanka Savings Bank
  Chairman - Mr. S. Dayananda
  Tel. No. - 011 2674700/ 11
  Fax No. - 011 2674705/ 6
  E mail - chairman@slsbl.lk

Civil Aviation Services

- Litro Gas Lanka Limited
  Chairman - Mr. Nissanka Nanayakkara
  Tel. No. - 011 2327676
  Fax No. - 011 2327674
  E mail - chairman@litrogas.com

- Litro Gas Terminal Lanka Company Limited
  Chairman - Mr. Rajabdeen
  Tel. No. - 011 2327676
  Fax No. - 0112327674
  E mail - chairman@litrogas.com

- SriLankan Airlines
  Chairman - Mr. Ranjith Fernando
  Tel. No. - 019 7331000
  Fax No. - 019 7335100
  E mail - chairman@srilankan.com

Plantation and Agro – Based

- Janatha Estates Development Board
  Chairman - Mr. M. R. M. Abdeen
  Tel. No. - 011 5733406
  Fax No. - 011 2446577
  E mail - raj.reliant@gmail.com

- Sri Lanka State Plantation Corporation
  Chairman - Mr. Thilak Mahanama
  Tel. No. - 011 2438530
  Fax No. - 011 2438635
  E mail - slspc@sltnet.lk

- Elkaduwa Plantations Limited
  Chairman - Mr.N. D. Madawala
  Tel. No. - 011 2698058/9
  Fax No. - 011 2698057
  E mail - elkaduwacmanepl@sltnet.lk

- Kurunegala Plantations Limited
  Chairman - Mr. A. M. Piyasoma Upali
  Tel. No. - 037 2229618
  Fax No. - 037 2223191
  E mail - ampupali0707@yahoo.com

- Chilaw Plantations Limited
  Chairman - Mr. Asiri Kumara Herath
  Tel. No. - 032 2223210
  Fax No. - 032 2222162
  E mail - cplhop@gmail.com

- Gal Oya Plantations Limited
  Chairman - Mr. Keerthi Bandara Kotagama
  Tel. No. - 063 5372828
  Fax No. - 063 2240199
  E mail - ceo@galoya.lk

- Sri Lanka Cashew Corporation
  Chairman - Mr. Dhamsiri Bandara Karunarathna
  Tel. No. - 011 2871005
  Fax No. - 011 2884906
  E mail - cashewco@dialogsl.net

- Hingurana Sugar Industries Ltd.
  Chairman - Mr.M.M Ifthikar
  Tel. No. - 011 2368259
  Fax No. - 011 2368259
  E mail - hsil@sltnet.lk

- Lanka Sugar Company (Pvt) Ltd
  Chairman - Prof. H.W. Cyrill
  Tel. No. - 011 2505558
  Fax No. - 011 2500674
  E mail - info@iscpl.lk

- Kantale Sugar Industries Ltd
  Managing Director - Mr. K. P. Nagarajah
  Tel. No. - 011 2699888
  E mail - kpn@mgsugars.net

- Sugarcane Research Institute
  Chairman - Mr. K.A.F. Karunasena
  Tel. No. - 011 4389150
  Fax No. - 011 2785796

Industries

- Ceylon Ceramic Corporation
  Competent Authority - Mr. Rienzie Perera
  Tel. No. - 011 4063617
  Fax No. - 011 4506415
  E mail - ceylonceramics.co@gmail.com

- BCC Lanka Limited
  Chairman - Mr. R.P.S. Pushpakumara
  Tel. No. - 011 2435195
  Fax No. - 011 2447139
  E mail - bcclankaltd@gmail.com

Contents

01.Introduction

01. Introduction

- The establishment of the Ministry of Public Enterprise Development was marked by the declaring of it as a new Ministry on 06th September 2015.
- In terms of the functions and role of this Ministry published in the Gazette Extraordinary No.1933/13 of 21st September 2015 and the Gazette Extraordinary No.1942/10 of 24th November 2015, the Ministry has been assigned with the responsibility of a large number of public enterprises and underutilized assets.
- By the Extra-Ordinary Gazette No. 2064/26 dated 28th March, 2018, the responsibility of monitoring and coordinating the economic and infrastructure development projects and programs in the Kandy region is assigned to this ministry. Further, the Hingurana Sugar Industries Limited, Lanka Sugar Company (Pvt) Ltd, Kantale Sugar Industries Ltd and Sugarcane Research Institute have been assigned to the Ministry by the Extra-Ordinary Gazette No. 2070/56 dated 12th May, 2018 while the Sri Lanka Insurance Corporation, its subsidiaries and affiliates (Except Litro Gas Lanka Ltd and Litro Gas Terminal Lanka (Pvt) Ltd) have been removed from the scope of the Ministry.
- The Ministry consists of 24 key institutions, 26 subsidiaries and 37 underutilized assets.
- The scope of this Ministry was varied with the cabinet reshuffle on 26.10.2018. Accordingly, the Ministry was named as the Ministry of Trade, Consumer, Cooperative and Christian Religious Affairs through the Gazette Extraordinary No. 2096/68 dated 09.11.2018.
- The Ministry was reestablished as the Ministry of Public Enterprise, Kandyan Heritage & Kandy Development through the Gazette Extraordinary No. 2103/33 dated 28.12.2018.
- Further, the duties assigned to the Inter Statutory Board for the Protection of Kandyan Heritage were delegated to the Ministry by the Gazette Extraordinary No. 2106/9 dated 16.01.2019.
- Hon. Lakshman Kiriella is the Minister in charge for the Ministry of Public Enterprise and Kandy City Development and Hon. H. M. M. Harees is the Deputy Minister. Mr. Ravindra Hewavitharana is the Secretary to the Ministry. The Ministry is located at the 07th Floor, West Tower while the Hon. Minister's Office is at 36th Floor of East Tower, World Trade Center, Echelon Square, Colombo 01.

1.1. Vision & Mission

Vision

Contributing to the prosperity of our nation through efficient & effective public enterprises

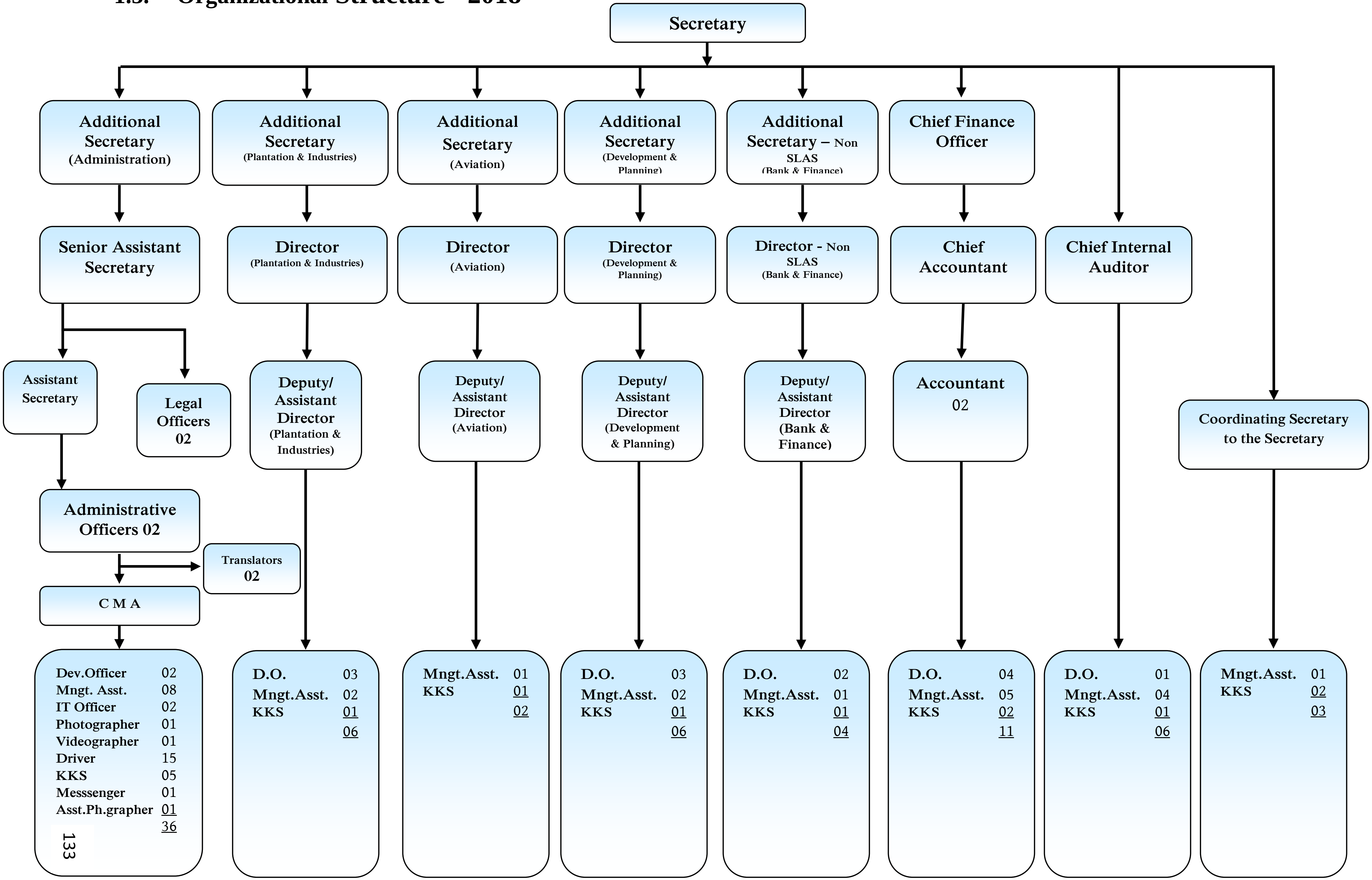
Mission

To build a network of profitable & successful public enterprises which are pillars of strength of Sri Lanka's Economy

1.2. Functions and Role of the Ministry

- Developing policies, programmes and projects relating to the scopes of the statutory bodies and public corporations listed in Column II under the Ministry of Public Enterprise Development published in the Gazettes Extraordinary No.1933/13 of 21.09.2015 and No.1942/10 of 24.11.2015 of the Democratic Socialist Republic of Sri Lanka relating to the subject of public enterprise development, and carrying out follow-up activities and evaluation of such policies, programmes and projects.
- Facilitating the introduction of new knowledge and technology into the field of public enterprises & Kandy City Development.
- Taking necessary steps to improve the standards and quality of the products of public enterprises.
- Developing strategies to integrate entrepreneurship into the stream of national economy.
- Taking necessary measures to make use of the local enterprises to strengthen the national economy through effective utilization of assets.
- Activities relating to general administration and operations of the state banks and financial agencies.
- Financial Management of State Corporations, Statutory Boards and State Owned Companies referred in column 11 of the Extraordinary Gazette Nos. 1933/13 of 21.09.2015, 1942/10 of 24.11.2015, 2064/26 of 28.03.2018 and 2070/56 of 12.05.2018 under the Ministry of Public Enterprise & Kandy City Development.
- Directing and monitoring the activities performed by the competent authorities appointed for the revival of the underperforming assets of the 37 institutes that are assigned to the Secretary to the Treasury under Act No.43 of 2011 and are listed under section 8 of Column II appearing under the Ministry of Public Enterprise Development published in the Gazette Extraordinary No.1933/13 of 21.09.2015 of the Democratic Socialist Republic of Sri Lanka.
- Establishing an institutional framework for the management of public enterprises.
- Activities related to the development of public enterprises.
- Activities with regard to all subjects assigned to the institutions referred in column 11 of the Extraordinary Gazette Nos. 1933/13 of 21.09.2015, 1942/10 of 24.11.2015, 2064/26 of 28.03.2018 and 2070/56 of 12.05.2018 under the Ministry of Public Enterprise & Kandy City Development.
- Supervision of the institutions spelled out in column 11 of the Extraordinary Gazette Nos. 1933/13 of 21.09.2015, 1942/10 of 24.11.2015, 2064/26 of 28.03.2018 and 2070/56 of 12.05.2018 under the Ministry of Public Enterprise & Kandy City Development.
- Monitoring and coordinating the economic and infrastructure development projects and programs in Kandy City.

1.3. Organizational Structure - 2018



2.Divisions of the Ministry

Ministry of Public Enterprise & Kandy City Development and its Divisions

Ministry of Public Enterprise & Kandy City Development

T. P - 011 2437828 / 011 2437805

Fax - 011 2437823

Email - minofpubenter@gmail.com

Administration Division	Accounts Division	Planning Division	Internal Audit Division	Bank and Finance Division	Plantations and Agro-Based Division	Civil Aviation Services Division
T. P. 011 2437812	T. P. 011 2437845	T. P. 011 2331356	T. P. 011 2331363	T. P. 011 2331381	T. P. 011 3020341	T. P. 011 7574269
Fax 011 2437823	Fax 011 2437845	Fax 011 2437823	Fax 011 2331373	Fax 011 2331391	Fax 011 2331367	Fax 011 2437823

3.Institutions came under the Ministry

Institutions Came Under the Ministry

➢ Bank and Finance

- Bank of Ceylon and its 10 subsidiaries and the 04 associated companies
- People's Bank and its 03 subsidiaries (05 sub-subsidiaries)
- National Savings Bank and its subsidiary
- State Mortgage and Investment Bank
- Regional Development Bank
- Lankaputhra Development Bank
- Sri Lanka Savings Bank

➢ Insurance, Civil Aviation Services and Hospitality

- Litro Gas Lanka Ltd.
- Litro Gas Terminal Lanka Company Ltd.
- SriLankan Airlines and its subsidiary

➢ Plantation and Agro-based

- Janatha Estate Development Board
- Sri Lanka State Plantation Corporation
- Elkaduwa Plantations Limited.
- Kurunegala Plantations Limited.
- Chilaw Plantations Limited.
- Galoya Plantations Limited.
- Sri Lanka Cashew Corporation
- Hingurana Sugar Industry Ltd.
- Lanka Sugar (Pvt) Ltd. and its 02 subsidiaries
- Kantale Sugar Company Ltd
- Sugarcane Research Institute
- State Resource Management Corporation

o Industries

- Ceylon Ceramics Corporation (Bricks and Tiles Division)
- BCC Lanka Limited

Institutions came under the Ministry having Subsidiaries

➢ Bank of Ceylon

- Property Development PLC
- Merchant Bank of Sri Lanka and Finance PLC
- BOC Travels Company (Pvt.) Ltd.
- BOC Management and Support Services (Pvt.) Ltd.
- BOC Property Development and Management (Pvt.) Ltd.
- Hotel Colombo (1963) Company Limited
- CeyBank Holiday Homes (Pvt.) Limited
- MBSL Insurance Company Limited
- Koladeniya Hydropower (Pvt) Limited
- Bank of Ceylon (UK) Company Ltd.

Associated Companies

- Lanka Securities (Pvt.) Ltd.
- Transnational Lanka Records Solutions (Pvt) Ltd.
- Mireka Capital Land (Pvt.) Ltd.
- CeyBank Asset Management Company Ltd.

➢ People's Bank

- People's Leasing and Finance PLC
    - People's Insurance PLC
    - People's Micro Finance Ltd.
    - People's Leasing Property Development Ltd.
    - People's Fleet Management Ltd.
    - People's Havelock Properties Limited
- People's Merchant Finance PLC
- People's Travels Private Ltd.

- **<u>National Savings Bank</u>**

    - NSB Fund Management Company Ltd.

- **<u>Sri Lankan Airlines</u>**

    - Sri Lankan Catering

- **<u>Ceylon Sugar (Pvt) Ltd.</u>**

    - Pelwatte Sugar Industries Ltd.
    - Sewanagala Sugar Industries Ltd.

Underutilized assets that are assigned to the Secretary to the Treasury under Act No.43 of 2011 and are listed under the Ministry of Public Enterprise Development in the Gazette Extraordinary No.1933/13 of 21.09.2015 of the Democratic Socialist Republic of Sri Lanka

i.	Property situated at Pettah - Chalmers Granaries	*
ii.	Properties situated at Pettah and Narahenpita - Lanka Tractors Limited	*
iii.	Former Cashew Corporation Land - Situated at Kollupitiya	*
iv.	Properties situated at Battaramulla – Suchir Neb Projects (Private) Limited	*
v.	Properties situated at Kollupitiya – Ceylinco Leisure Properties Limited	*
vi.	Pelwatta Sugar Company Limited	***
vii.	Sevanagala Sugar Company Limited	***
viii.	Properties situated at Badulla – Colombo Commercial Company	***
ix.	Sinotex (Lanka) Ltd.	**
x.	Jaqalanka Limited	**
xi.	Plymouth Industries (Private) Limited	**
xii.	Cosmos Macky Industries Limited	**
xiii.	Kabool Lace (Private) Limited	**
xiv.	Intertrade Lanka (Private) Limited	*
xv.	Seetha Fashion (Private) Limited	**
xvi.	D.C. Apparel (Private) Limited	**
xvii.	Needle Crafts (Private) Limited	**
xviii.	Hy Fashion Garments (Private) Limited	**
xix.	Collins Garments (Private) Limited	**
xx.	Ruhunu Putha Apparels (Private)Limited	**
xxi.	Sanjaya Garments (Private) Limited	**
xxii.	Macfa Apparel (Private) Limited	**
xxiii.	Yobeedha Associates (Private) Limited	**
xxiv.	Dynamic Clothing (Private) Limited	**
xxv.	609 Polymers Exports (Private) Limited	**
xxvi.	Cosco Polymer Lanka (Private) Limited	**
xxvii.	Great Wall Thread Manufacturing (Private) Limited	**
xxviii.	Adamjee Extractions (Private) Limited	**
xxix.	Data Food (Private) Limited	**
xxx.	Tandon Lanka (Private) Limited	**
xxxi.	Rican Lanka (Private) Limited	**
xxxii.	Composite Tower Solutions (Private) Limited	**
xxxiii.	Health Food Products (Private) Limited	**
xxxiv.	Sri Chirag (Private) Limited	**
xxxv.	Royale Exports (Private) Limited	**
xxxvi.	Continental Vanaspathi (Private) Limited	**

* - Institutions assigned to the Urban Development Authority
** - Institutions assigned to Investment Promotion Board
*** - Other

4. Performance of the Ministry

4. Performance of the Ministry for 2018

Introduction

- The Ministry is responsible for awakening the public enterprise sector by identifying the future risks and adverse trends in State Enterprises and recognizing new strategic activities to mitigate them. To identify the economically unprofitable public enterprises and to recognize the necessary methods for restructuring them so as to contribute for the overall national economy is also an assigned responsibility of the Ministry.

- As per the list of the responsibilities and tasks of the ministries published in the Government's Extraordinary Gazette Nos. 1933/13 of 21.09.2015, 1942/10 of 24.11.2015, 2064/26 of 28.03.2018 and 2070/56 of 12.05.2018, the responsibility of public enterprises and a large number of Underutilized Assets has been assigned to this Ministry. The number of institutions allotted to the ministry consists of 24 major institutions, 26 subsidiaries and 37 underutilized assets.

- The SOEs under the Ministry have been classified according to the following categories:
  1. Banking and Finance Sector
  2. Civil Aviation Sector
  3. Plantation and Industries Sector

4.1. Administration Division

The Administration Division performs the administrational activities of the employees serving in all divisions of the Ministry.

Accordingly, the activities carried out by the Administration Division during the year 2018 are as follows.

- **Collecting and tabulating information on the legal background of the institutions under the Ministry.**

Letters have been sent to 47 institutions including the subsidiaries performed under this Ministry in order to collect information on the legal background of those institutes. Accordingly, the information has been received from all the institutions except Hingurana Sugar Company Ltd, Lanka Sugar Company Ltd and Sugar Cane Research Institute.

- **Outward bound training**

A three day Leadership Training Workshop was held from 22nd June to 24th June 2018 at the Sembuwattha Training Center in Matale District which is owned by the Elkaduwa Plantations

Limited with the participation of 48 officers of the Ministry. Rs. 613,492 / - was spent for the programme.

In the programme, the officers were divided into 04 groups and 11 group activities were assigned to perform. Through a scoring system, the best group and the 03 well performed officers were selected.

In addition, a Yoga Program was also conducted for the physical fitness of the officers.





- **Short Term Local Training Courses**

In the year 2018, 12 officers of the Ministry have been directed to short term local training courses. Rs. 100,000 / - has been paid as course fees.

- **Long Term Local Training Courses**

In the year 2018, 03 officers of the Ministry have been directed to long term local training courses. Rs. 270,000 / - has been paid as course fees.

- **Foreign Training Courses**

  During the year 2018, ten (10) staff officers of the Ministry have been directed to foreign training courses. A sum of 2,364,800 / - has been paid as course fees.

- **Recruitment of trainees for practical training**

Practical training was given to three trainees of the Technical College and four undergraduates in the year 2018. Training fee amounting to Rs. 350,000 / = has been paid.

4.2. Development & Planning Division

4.2.1. Conduct the Performance Review Meetings of the Ministry and the institutions under the Ministry.

Observing the activities performed by each division in accordance with the action plan of the Ministry prepared for the year 2018 and conducting quarterly Performance review meetings.

Three Performance review meetings were held in 2018.

- **Review the Performance in accordance with the key performance indicators identified in relation to the institutions under the Ministry.**

The first and second quarters' progress of the institutions under the Ministry was reviewed.

Joining hands with all the institutions representing the sugar industry; Hingurana Sugar Company Ltd, Lanka Sugar Company Ltd, Kantale Sugar Company Ltd and Sugar Cane Research Institute that were newly added to the scope of this Ministry by the Extraordinary Gazette Notification No. 2070/56 dated 12/05/2018, a progress review meeting to discuss the common issues faced by the sugar industry in carrying out their duties and functions was held at the Sugar Cane Research Institute, Udawalawa on 26.10.2018.

4.2.2. Preparation of the performance report of the year 2017

Actions were taken to prepare the Performance Report - 2017 before 31st May, 2018 and to table it in the Parliament of Sri Lanka by illustrating the performance of the Ministry and the institutions under the Ministry in the financial year 2017. A total of 150 hard copies and 400 soft copies of the report were printed in this year. Rs. 629,000 was spent for the purpose.

4.3. Banking and Finance Division

- The minimum reserves of state banks are well being monitored continuously by the Ministry of Public Enterprise & Kandy City Development and the relevant authorities are informed if any risk is observed. Although the Housing Development Finance Corporation Ltd (HDFC), under the Extra Ordinary Gazette dated 2018.05.12, belongs to the Ministry of Housing and Constructions, necessary provisions were made by this Ministry to allocate an additional capital infusion of Rs. 1.4 billion to meet the regulatory requirements and expected growth targets of the bank when the bank was performed under the Ministry.

- According to the Budget proposal 2015 to abolish small state banks and as per the decisions taken at the Cabinet Subcommittee on Economic Management (CCEM), the Ministry is working with such institutions with regard to the amalgamation of those institutions. Accordingly,

  I. The process of amalgamating the Regional Development Bank and Lankaputhra Development Bank are Progress. As well, actions are taken to have solutions for the existing legal issues in the due diligence process and it is approaching to its final stage.

  II. Reports regarding the Amalgamation of National Savings Bank and Sri Lanka Savings Bank have been submitted to the Central Bank of Sri Lanka.

- The Amendment of the People's Bank Act No.29 of 1961 was drafted by the Legal Draftsman and its Legal Effects were submitted to the Government Press to publish in the Gazette in Sinhala, Tamil and English languages.

- With the aim of making a relief, the special approval of the Cabinet of Ministers has been obtained to grant a maximum of Rs. 1,000,000/- through the “Athwela” loan scheme at a Concessionary Interest Rate for the damaged business properties due to problematic incidents occurred in Kandy Administrative District and the necessary actions are being taken.

4.4. Civil Aviation Sector

- **Restructuring of Sri Lankan Airlines Ltd.**

Sri Lankan Airlines has experienced legacy issues of high debts accumulated to fund losses over 10 years. Therefore, the Cabinet of Ministers has appointed a Ministerial Committee and an Official Committee to explore a way forward for the national Airline and instructed Sri Lankan Airlines to prepare a restructuring plan.

Accordingly, restructuring plan for Sri Lankan Airlines prepared with the assistance of International Aviation Consultant (Nyras) has now been approved by the new Board of Directors which is expected to be submitted for the approval of the Cabinet Minister.

The key premise of the restructuring plan is to "Shrink to Grow" and SLA needs to consolidate its network to improve contribution, renegotiate its fleet commitments, right size the organization and resolve issues associated with debt, taxes and fuel.

The other primary goal of the restructuring is to find a suitable Equity partner for SLA through a Public Private Partnership (PPP) initiative. The implementation of the plan will commence thereafter and it is expected that at least two to three years period will be required to get the full benefits of the restructuring.

- **Restructuring Ownership of Hilton Hotel Colombo and Grand Hyatt Hotel Colombo**

The Cabinet has granted approval for the divestment of ownership of GOSL of Grand Hyatt Hotel Colombo and Hilton Hotel Colombo on 01st August 2017.

Accordingly, Request for Proposal (RFP) was called for Transaction Advisor to seek strategic Partners for Grand Hyatt Hotel Colombo and Hilton Hotel Colombo. Cabinet Appointed Consultant Procurement Committee (CACPC) has been appointed and the CACPC has evaluated received RFPs. It recommended M/S Lazard Asia Ltd, Singapore to act as a Transaction Advisor.

Meantime, Grand Hyatt Hotel Colombo was listed under the purview of Ministry of National Policies & Economic Affairs in terms of Extraordinary Gazette Notifications No. 2064/26 dated 28.03.2018 and Colombo Hilton Hotel was listed under the purview of Ministry of Finance & Mass Media by the Extraordinary Gazette Notifications No. 2070/56 dated 12.05.2018, 2072/16 dated 22.05.2018. Hence, relevant documents were handed over to respective ministries.



Proposed restructuring project of GHC Hotel Colombo

- **Liquidation of Mihin Lanka**

The Cabinet of Ministers has instructed to liquidate Mihin Lanka (Pvt) Ltd on Cabinet Decision No. අමප/17/2383/733/026-I dated 31st October 2017. Accordingly, Liquidation case was filed at Commercial High Court of Sri Lanaka and the Court has appointed a permanent liquidator. The liquidator is in the process of filing winding up declaration statement of affairs in the court.

According to the Extra Ordinary Gazette notification No. 2096/17 dated 05th November 2018 Sri Lankan Airlines Ltd & Mihin Lanka Ltd have been listed under the purview of Ministry of Transport and Civil Aviation. Hence, files and relevant documents handled by this Ministry were handed over on 11th December 2018 to the Ministry of Transport and Civil Aviation.

4.5. Plantation, Agro-based Industries and Industries Division

The Performance of the below mentioned enterprises are monitored by the Plantation and Industries Division.

- Janatha Estate Development Board (JEDB)
- Sri Lanka State Plantation Corporation (SLSPC)
- Elkaduwa Plantation (EPL)
- Kurunegala Plantations Limited (KPL)
- Chilaw Plantations Limited (CPL)
- Galoya Plantations Limited (GOPL)
- Sri Lanka Cashew Corporation (SLCC))
- Hingurana Sugar Industries Limited
- Lanka Sugar Company (Pvt) Ltd
- Kantale Sugar Company Ltd
- Sugarcane Research Institute
- Ceylon Ceramics Corporation (CCC)
- Lanka British Ceylon Corporation (BCC)

- **Restructuring of the Plantations**

To contribute for the Economic Development under the Ministry of Public Enterprise Development, a cabinet memorandum dated 23.11.2017 was submitted for the restructuring of Janatha Estate Development Board, Sri Lanka State Plantation Corporation, Elkaduwa Plantation Ltd, Gal Oya Plantation Ltd, Kurunegala Plantation Ltd, Chilaw Plantations Ltd and Sri Lanka Cashew Corporation. As per the decision of the Cabinet of Ministers dated 12.01.2018 and considering the corporate performance in principle, priority has been given to the loss making companies; Janatha Estate Development Board, Sri Lanka State Plantation Corporation and Elkaduwa Plantations Ltd to implement the restructuring program.

With the guidance of the Ministry, Expression of Interest (EOI) and Request for Proposals (RFP) have been called by the Plantations to find out suitable investors to undertake economic activities in underutilized and unutilized lands identified through the restructuring process. Under the policy guidance of the Hon. Minister and the Secretary, the Plantation and Industries division facilitated the process by providing consultancy services, and conducting meetings and workshops. The following table shows the number of small and large scale proposals selected among the proposals received by the plantations in the process.

	Name of the Plantations	No of small scale proposals	No of large scale proposals	Total No of Proposals
1.	Janatha Estate Development Board	127	29	156
2.	Sri Lanka State Plantation Corporation	42	04	46
3.	Elkaduwa Plantation Ltd	50	04	54
	Total	219	37	256

Above proposals have been evaluated by the Plantation Advisory Committee and the consultants of the Expert Panel of the Ministry assisted the committee. Further, a Joint Cabinet Memorandum of the Ministry of Finance and this Ministry has been submitted to the Cabinet Office.

- **Assistance for the survival of the plantations**

Every time the JEDB, SLSPC, and EPL faced issues regarding the cash flow of the companies due to drought situation and management problems, the Ministry has assisted them by granting funds through the Treasury.

	Name of the Plantation company	Treasury funds provided From January to June (Rs. Mn)
01.	Janatha Estate Development Board	140
02.	Sri Lanka State Plantation Corporation	27
03.	Elkaduwa Plantation Ltd	-
	Total	**167**

- **Facilitate the preparation of the Action Plan for settling the EPF, ETF and other statutory dues**

On the advice of this Ministry, the EPF and ETF payments relevant for the current period are paid by the Sri Lanka State Plantation Corporation from January 2016, Elkaduwa Plantations Limited from June 2017, and Janatha Estates Development Board from June 2017.

The Ministry has made arrangements to obtain Cabinet approval to expedite the timber harvesting programs to generate cash flows of the companies in order to settle EPF, and ETF. As well JEDB, SLSPC and EPL have formulated an Action Plan with the facilitation of this Ministry to settle outstanding dues of EPF, ETF and other statutory dues. The Ministry regularly monitors the relevant process.

The Ministry has also taken steps to provide treasury funds to settle the outstanding EPF and ETF payments of these plantations. Accordingly, financial provisions have been provided to the plantation companies as follows.

(Rs.Mn.)

	Name of the Plantation Company	Funds provided in 2016	Funds provided in 2017	Funds provided in 2018	Total of the Treasury funds provided
01.	Janatha Estate Development Board	30	305	50	385
02.	Sri Lanka State Plantation Corporation	-	134	35	169
03.	Elkaduwa Plantation Ltd	-	107	15	122
Total		**30**	**546**	**100**	**676**

- **Supervision of Timber Harvesting of the plantation companies**

Plantation Companies; Janatha Estate Development Board, Sri Lanka State Plantation Corporation, Elkaduwa Plantations Ltd, Chilaw Plantations Ltd and Kurunegala Plantations Ltd have been informed to obtain the approval of the Ministry before timber harvesting. Accordingly, the officers of the Ministry perform field inspections prior to the timber harvesting of every plantation company and grant the approval.

As a result, the Ministry carries out proper monitoring of timber harvesting of the plantation companies. Two field inspections of SLSPC, 01 field inspection of KPL, and 01 field inspection of CPL were conducted in this year by the Ministry.

(Performing field inspection of timber harvesting in the plantation companies by a committee comprised of Ministry officials)

- **Providing required guidance and facilities for granting deeds to the housing program of estate workers**

As per the Cabinet Decision made on the Cabinet paper No. 17/1323/36/00 - 1 submitted by the Ministry of Upcountry New Villages, Estate Infrastructure & Community Development, the required guidance and facilities have been provided for the estate workers' housing programme that provides 07 perches to each estate worker.

129.88 hectares by the Sri Lanka State Plantation Corporation, 49.72 hectares by Elkaduwa Plantations Ltd, and 138.72 hectares by Janatha Estate Development Board have been allocated for this program.

Under the program, 840 grants for the lands of SLSPC and 385 grants for the lands of JEDB has already been offered.

(The ceremony of vesting the “Haritha Ran Nivasa” scheme at Levalan, Pupuressa, Galaha - Kandy in the public)

- **Allocation of necessary funds for land surveying and asset valuation**

Land Survey of less performing SLSPC and JEDB has been identified as an essential activity and the necessary funds have been allocated by this Ministry. Further, the asset valuation of the Elkaduwa Plantations Ltd was also identified as a task to be carried out immediately and the funds have been allocated.

- **Common procedure of paying incentives and bonuses for Kurunegala Plantations Ltd (KPL) and Chilaw Plantations Ltd (CPL)**

In settling the issues of paying the incentives and bonuses to the employees of KPL and CPL, a common procedure has been prepared with the consultation of the relevant stakeholders. The relevant procedure of paying incentives and bonuses has been submitted to the Department of Public Enterprises.

(Providing incentive allowance for the staff of the Kurunegala Plantations Ltd for the year 2017)

- **Temporary Import and Export Programme of Raw Cashew**

Temporary Import and Export Programme of Raw Cashew was facilitated to address the shortage in Local market and to re-export. The procedure of implementing the programme that has the consultation of the Ministry of Agriculture and Ministry of Primary Industries has been formulated and the approval of the Cabinet of Ministers has been obtained through a Joint Cabinet Memorandum submitted by the stakeholder Ministries.

- **Restructuring of Ceylon Ceramics Corporation**

Out of the 08 factories of Ceylon Ceramics Corporation, the Weuda Factory has been proposed to construct a hospital and the approval of the Cabinet of Ministers has been obtained.

4.6. Inter Statutory Board for the Protection of Kandyan Heritage

The Commission & Department of Upcountry Peasantry Rehabilitation was established in 1950s to settle the damage done to the Kandyan Kingdom by the imperialists. Although there had been a development up to some extent through the department, the relevant organizational scheme was abolished by the Divi Neguma Act in 2014. Due to this situation, His Excellency the President was advised by the Most Venerable Mahanayaka theros of the Malwatta and Asgiriya Maha Vihara to establish a Government Statutory Institution and preserve the social, economic and cultural heritage of the Kandyan people. Consequently, the President, by the Extraordinary Gazette Notification No.2020/76, assigned the subject of "Kandyan Heritage" to a Ministry and then established the Statutory Board of Kandyan Heritage.

Accordingly, the Inter Statutory Board for the Protection of Kandyan Heritage has been officially in force since 2nd March 2018.

The following Districts and Divisional Secretaries Divisions are identified as the area of authority with regard to the scope of this institution.

1. Kandy
2. Matale
3. Nuwaraeliya
4. Badulla
5. Monaragala
6. Divisional Secretaries Divisions of Uhana, Padiyathalawa, Lahugala, and Mahaoya of Ampara District

4.6.1. Objectives of the Institution:-

- Identification of culturally and historically important heritages within the Kandyan region and documenting them using technology
- Assist relevant institutions in order to protect identified heritages
- Organizing programs for the socialization and use of the ancient heritage to present society
- Perform for the development of infrastructure facilities related to heritage
- Directing the people of the area to earn economic benefits through the development of infrastructure facilities related to heritage
- Contribute to the economic development by directing the people in the area of authority to the revenue generating process in the heritage related areas

4.6.2. Duties and functions of the Institution:-

- To draft the Kanda Udarata Heritage Preservation and Development Authority of Sri Lanka Act and obtain the approval of the parliament
- To formulate and implement projects to protect the economic, social and cultural heritage of the people in the area of authority
- Assist to develop traditional dancers, their centers of arts and crafts in the area of authority
- Contribute to the preservation and development of indigenous medicine and traditional medical generation in the area of Kandyan Heritage
- Contribute to the development of strategies for developing the traditional arts, household and handicraft industries in Kanda Udarata area of authority
- Contribute for enhancing the economic background of the people of the Kandyan region and contribute for protecting and developing the rural agriculture.
- Assist the relevant Institutions to develop and implement strategies to promote Ethnic and Religious Reconciliation among the people of Kandy

4.6.3. **The basic activities implemented in 2018 and the performance (01.01.2018 – 31.12.2018)**

3.1. Physical performance-:

Programme	Activity
.1Preservation of historical sites and buildings of the Raja Maha Vihara associated with the Kandyan heritage of Kandyan region and infrastructure development	Obtain information of temples by inviting the Ven. Incumbents to a preliminary discussion, documented them and submitted to the Ministry.
	Submit the relevant proposals to the Divisional Secretary to obtain the approval of the Divisional Development Committee.
	Identify the development proposals that should be performed under the Department of Archeology and the Department of National Museum as per the information provided.
	Refer the identified developmental proposals to the relevant institution for obtaining funds under the Central Cultural Fund.
	Select the development proposals that should be performed among the development proposals submitted under approved provisions.
	Inform the Divisional Secretary to prepare and submit the estimates for approved development proposals.
2. Development of infrastructure facilities of selected Pirivenas for enhancing the Pirivena education related to Kandyan heritage	Obtain information of Pirivenas by inviting the Ven. Prelates of Pirivenas for a preliminary discussion, document the information and submit to the Ministry.
	Select the development proposals that should be performed among the development proposals submitted under approved provisions, and inform the Divisional Secretary to prepare and submit the estimates for them.
3. Implement media programs in association with ancient sites where the Kandyan heritage exists	The concept paper has been prepared.

4.Development of the museum in the upcountry area (Not belonging to the Department of Archeology)	Receive a project report and an estimate related to the Uva Museum Modernization Project from the Uva Provincial Council. Inform the Secretary of the Uva Provincial Council to properly perform the duties to reimburse money and inform with a copy to the Chief Accountant of the Ministry.
5.Conducting the academic seminar on historical events connected with the Kandyan Heritage	Perform the basic activities in this regard.
6.Conserving and cherishing the traditional dancing arts related to the Kandyan Heritage	Identification of traditional dancers in Kandy District, obtaining information and identifying their requirements
7.Preservation and writing of the historical, cultural features of the Dalada Perahera with regard to the Kandyan Heritage	Hold a meeting chaired by the Diyawadana Nilame and identify the needs. Appoint an Expert Committee to protect and write the historical, cultural features of the Dalada Perahera, discuss with the committee and identify the requirements.
8.Establishment of library units in the libraries of Local Government Institutions in the upcountry area in Kandy district with books that reflect the Kandyan heritage and its significance.	Conduct a meeting with librarians and gather information, identification of requirements and books, preparing paper advertisements and publishing them.
9.Establishment of a library in the office premises for the development of human resources of the staff of Inter Statutory Board for the Protection of Kandyan Heritage.	Identify needs and books, prepare and publish paper advertisements to make aware the public to donate old books to the old book library.

10.Conduct varied programmes with other departments and institutions on 1815 Kandyan Convention, Great Rebellions in 1818 & 1848.	Conduct meetings and identify needs, receiving estimates from relevant institutions and refer them to the Ministry for releasing funds.
11.Development and preservation of traditional industries related to kandyan heritage	Conduct a meeting at the institute with the Heads of the provincial industry departments, identify needs, prepare project reports and refer them for approval.
12. Organizing programs in respect of Religious and Spiritual development affiliated to the social development of the area of Kandyan heritage, and programs to promote ethnic reconciliation.	Discuss with the Reconciliation Bureau and identify needs, prepare project reports for implementation of recognized needs and refer them for approval.
13.Assisting to uplift the medical systems away from the Kanada Udarata area of authority.	Collect information from the Divisional Secretariat and the Department of Ayurveda in Kandy, identify the requirements, prioritize them and prepare estimates, refer them for approvals.

4.6.4. Financial Perofrmance -

Due to not providing funds it has not been recorded a financial performance.

Obtaining data and identification of needs required for implementing development projects:-

An occasion for which the Ven. Monks

of Rajamaha Vihara

were invited

An occasion for which

the traditional artists were gathered

and receive their ideas and suggestions

5. Performance of the Entities Coming Under the Purview of the Ministry

5.1. Industrial

Ceylon Ceramics Corporation

1. Introduction

The Brick and Tile unit of the National Small Industries Corporation was first established under the state Industrial Corporation Act No.49 of 1957. Later, the Brick and Tile Unit of the State Industrial Corporation was incorporated into the Ceylon Ceramics Corporation in 1972.

In January 1990 Ceramics Component of the corporation was made a public entity whilst the Brick & Tile unit of the Corporation was continued under the name of Ceylon Ceramics Corporation.

The Corporation owns a total of eight (08) factories and a vacant land which predominantly engaged in the manufacturing of clay based products such as Bricks & Roofing Tiles. The factories are located in eight principal districts of the country, clamming to an overall land extent of 416 acres. Majority of the factory located districts are recognized as fast growing economic centers of the country.

The locations of 08 Bricks & Tile factories and the details of the factories, extents and the current status are given below:-

Factory	Location	Properties	Status
❖ Eragama	Ampara	232Acr	Operational
❖ Mahiyanganaya	Mahiyanganaya	94Acr	Closed in January 18’
❖ Uswewa	Embilipitiya	19Acr	Closed in January 18’
❖ Yatiyana	Matara	06Acr	Closed in January 18’
❖ Bingiriya	Bingiriya	03Acr	Closed in January 18’
❖ Weuda	Kurunegala	09Acr	Closed
❖ Elayapattuwa	Anuradhapura	33Acr	Closed
❖ Odduchuddan	Mulativu	13Acr	Closed
❖ Bangadeniya	Bangadeniya	07Acr	Vacant Land

Three factories were closed down consequent, to the Voluntary Retirement Scheme offered to the staff. Accordingly 497 members were paid off and only 38 permanent staff is remaining of which the details are given below.

❖ Head Office	07
❖ Eragama Factory	11
❖ Mahiyanganaya Factory	04
❖ Uswewa Factory	10
❖ Yatiyana Factory	04
❖ Bingiriya Factory	01
❖ Elayapattuwa	01

The major cash flow crisis faced by this Corporation is due to poor demand for Clay Roofing Tiles currently. Suspension of the ban imposed on use of Asbestos for all government constructions from 01st January 2018, has created a recess on sale of Tiles. The entire industries including all the private sector factories are affected in the same manner, due to afore said decision.

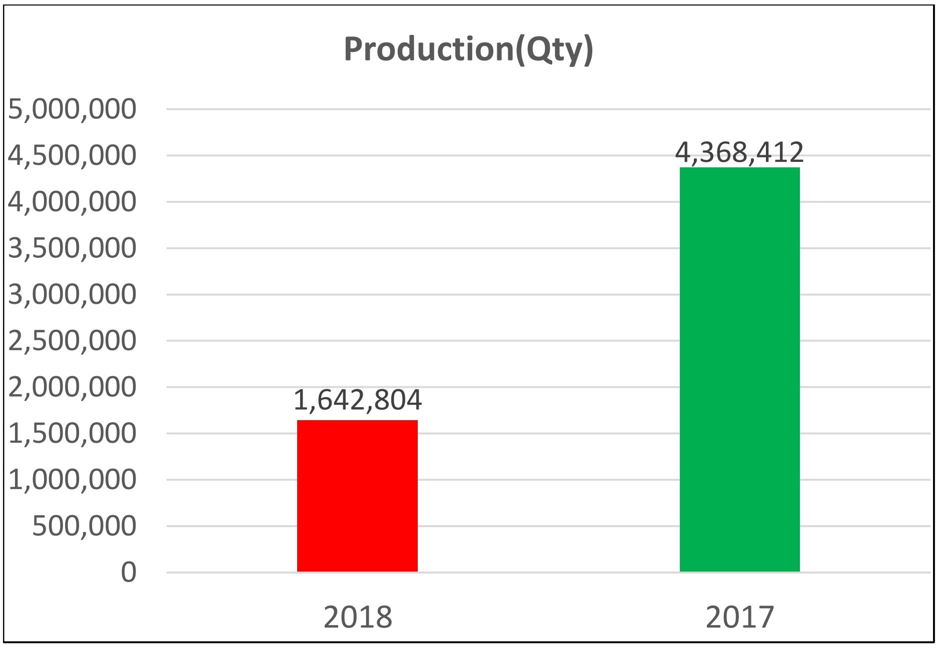
As a result, the stocks of roofing tiles in all the factories have increased and therefore, the production and the operation were confined to one factory from 25th January 2018. Presently, Eragama factory in Ampara, which earns the highest income, continues to produce and four other factories which were in operation have been temporally closed until the cash flow and the trading conditions are improved.

The income derived from this factory is totally inadequate to meet the overheads and payment of staff salaries to the permanent carder and has become a major issue. As an industry, it had many hopes on the ban on use of Asbestos as a roofing material, which was to be implemented from the year 2018 in stages. All this corporation's hopes were shattered due to the suspension of prohibition imposed on Asbestos. It is needless to state the collapse of the clay roofing tile industry occurred with the invasion of Asbestos

02. Performance during the period from 01.01.2018 to 31.12.2018

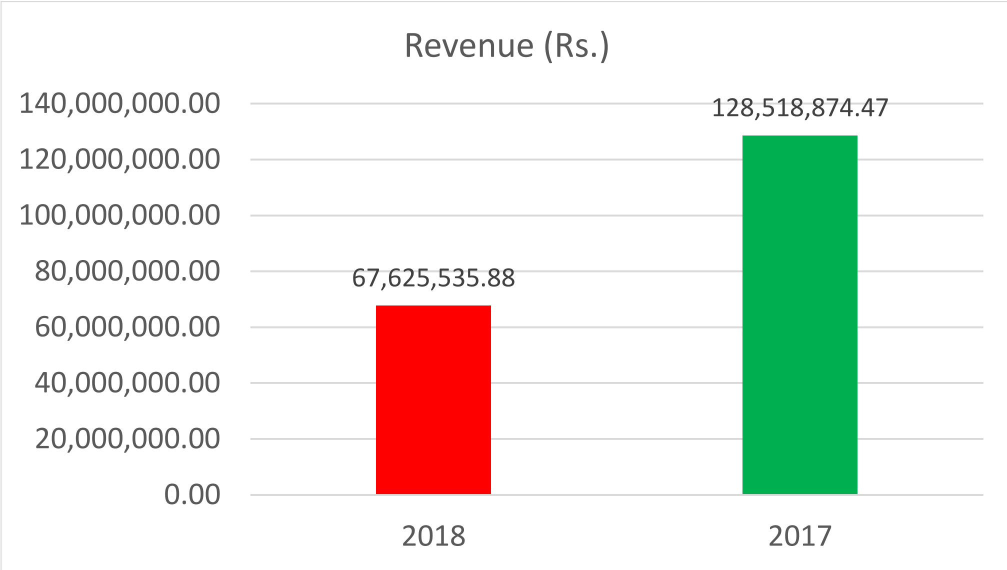
a. Production

	2018	2017
Production (Qty)	1,642,804	4,368,412



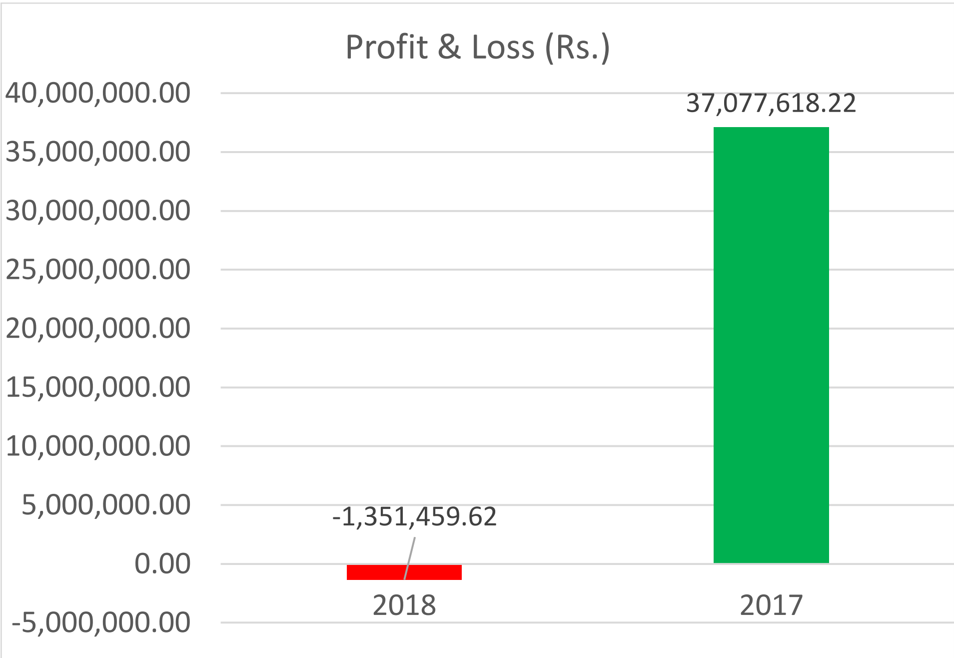
2.2 Revenue

	2018	2017
Revenue (Rs.)	67,625,535.88	128,518,874.47



b. Approximate Profit & Loss Statement (to the production)

	2018	2017
Profit & Loss (Rs.)	(1,351,459.62)	37,077,618.22



03. STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2018

	Year Ended 31.12.2018	Year Ended 31.12.2017	Variance
revenue	74,669,142.30	122,163490.06	(47494347.76)
Cost of sales	70,219,405.37	50,127,313.61	20,092,091.76
gross profit	4,449,736.93	72,036,176.45	67,586,439.52
other income	481,356.57	6,355,384.41	5,874,027.84
	4,931,093.50	78,391,560.86	73,460,467.36
<u>Operating expenses</u>			
expenses	34,624,800.92	41,313,942.64	6,689,141.72
operating profit loss	**29,693,707.42**	**37,077,618.22**	**66,771,325.64**

B C C Lanka (PVT) LTD

1. Introduction

BCC Lanka Ltd was incorporated in 1988 with the issue of 10,000,000 shares held by the General Treasury under Conversion of Public Corporations and Government Owned Business Undertakings into Public Companies Act, No.23 of 1987.

Since then, the company has continued functioning below its potential due to poor management controls resulting in worker unrest and a CRS was offered for all its 481 workers in 2006.

However, with the change of government policy not to close down or sell off state enterprises, BCC Lanka Ltd commenced operations with a minimal staff in September 2006 and has grown its business benefiting primarily from the goodwill associated with the company's brand name and a committed management team.

1.1. Main Product lines of B C C

- Edible Oils : BCC White Coconut Oil and Cooks Joy
- Toilet Soap : Sandal wood, Suvendra Herbal, Suvendra Floral
- Laundry Soap : Sovereign bar, Sno-Wite
- Disinfectants : Pynol
- Washing Powder : Sno-Wite (1Kg, 500g, 200g)
- Dish Wash : Both liquid &Powder

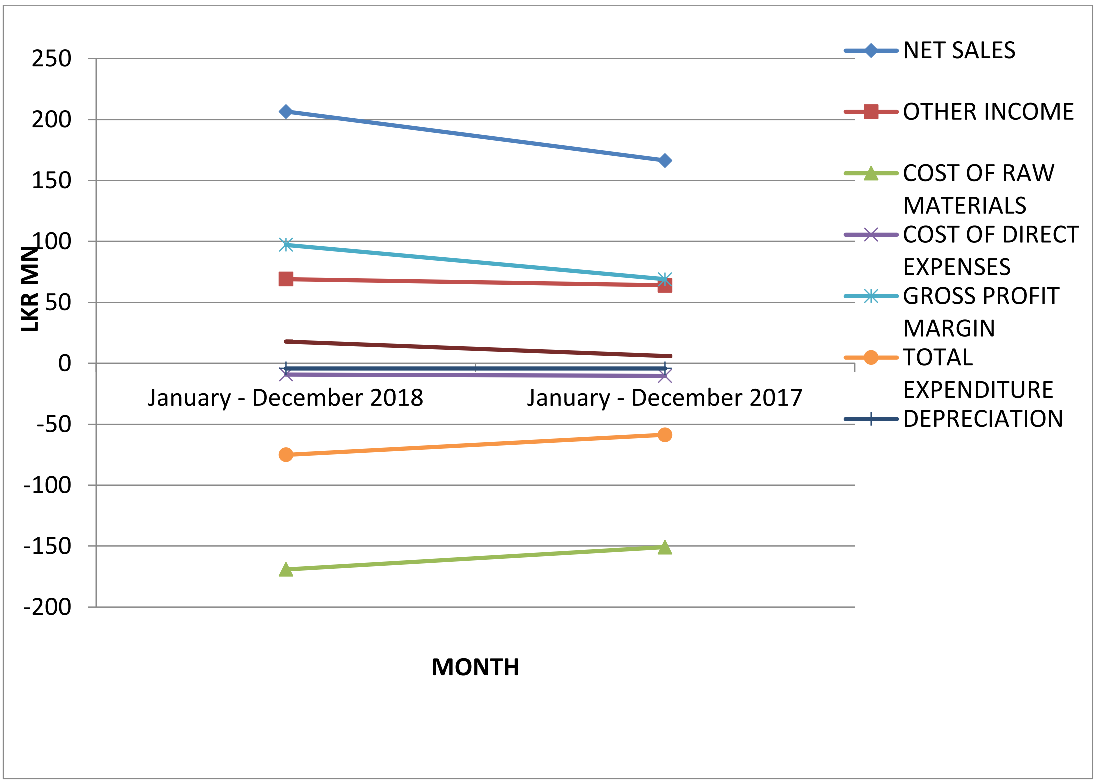
The company has limited distribution capacity and its product portfolio is presently only in the Colombo, Kandy, Gampaha, Rathnapura Districts and also in Sathosa Super markets, Arpico and Keels Super Markets. BCC also does Institutional sales in Ports Authority, Petroleum Corporation and Health Department.

2. Performance from January to December – 2018

2.1. Financial Performance from 1st January to 31st December – 2018

(Rs. MN)

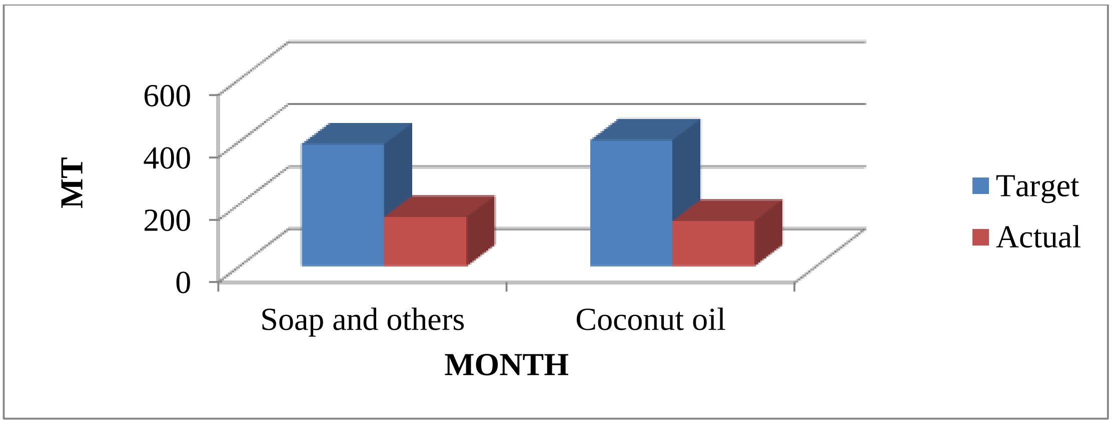
	January – December 2018	January – December 2017
Net Sales	206.57	166.34
Other Income	69.01	63.89
Cost of Raw Materials	(169.13)	(150.93)
Cost of direct expenses	(9.25)	(10.40)
Gross Profit margin	97.2	68.99
Total Expenditure	(75.08)	(58.75)
Depreciation	(4.20)	(4.20)
Net Profit	17.92	5.95



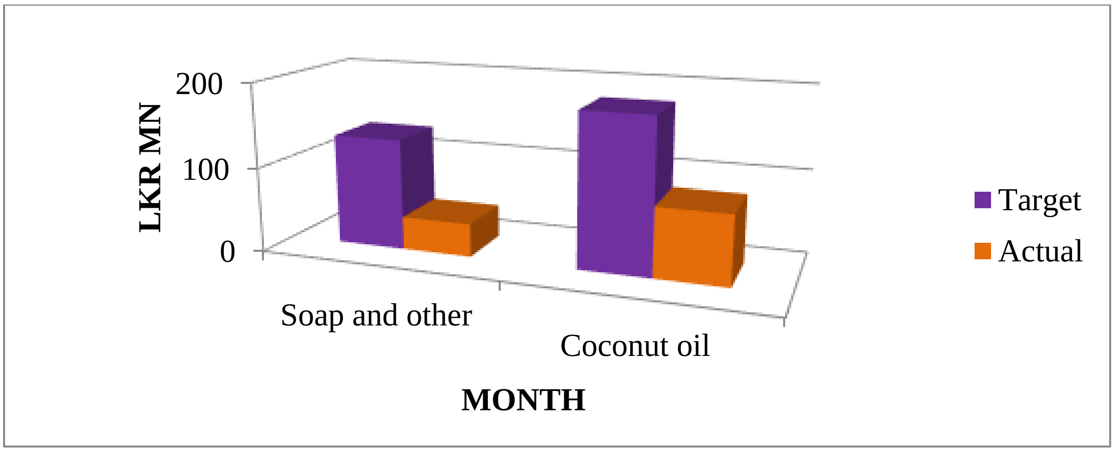
2.2. Performance from January to December 2018

	DESCRIPTION	PHYSICAL PERFORMANCE (MT)		FINANCIAL PERFORMANCE (MN)		REMARKS
		Target	**Achievement**	**Target**	**Achievement**	
	Main Activities					
I	Soap and Others	391	159	131	39.2	The Progress shown is without sales promotions, and production with existing machines more than 75 yrs old.
II	Coconut Oil	404	288	181	167.3	

2.3. Physical Performance from January to December – 2018



2.4. Financial Performance from January to December – 2018



5.2 Plantation Industrial

Sri Lanka State Plantations Corporation

1. Introduction

1.1. Establishment

The Sri Lanka State Plantations Corporation was established under Act No.4 of 1958, and later on was amended under subsequent Act Nos. 12 of 1962, 49 of 1979 and 34 of 1985.

1.2. Nature Of Institution

The Sri Lanka State Plantations Corporation (SLSPC) manages 15 Plantations, out of which, 14 Tea Plantations are situated in Kandy / Matale Districts and 01 Rubber Plantation in Galle District. The Organization comprises of 4,226.08ha Tea and 70.47 ha of Rubber in extent. The entire extent of SLSPC Plantations, including Forestry, Minor Crops, Jungle, Abandoned/ Uneconomical Land, Buildings/Gardens/Roads, etc., has been 11,228.14 ha.

There are 03 CTC Tea manufacturing factories in Kandy / Matale Districts located in the Knuckles Range at an elevation of 600 to 1,100 meters mean sea level (msl).

The Sri Lanka State Plantations Corporation (SLSPC) comprises a resident work force of 3,640 and monthly paid staff of 303. The annual turnover of the Organization ranges from Rs.650.00 Mn to Rs.700.00 Mn. The working capital needed for a month ranges from Rs.67.00 Mn to Rs.75.00 Mn.

2. Major Activities performed during the year 2018

a) Negotiated with Green Leaf Buyers on an individual basis and increased the Rate/kilo of Green Leaf to around Rs.85/= from the previously existed rate of approximately Rs.52/=.
b) Launching of “Sanstha Tea” - The marketing of “Sanstha Tea” has already been launched to improve further the Nett Sale Average (NSA) of the SLSPC Plantations / Organization.
c) Action initiated to take back leased out SLSPC Lands from Lessees where the rentals have not been settled and in arrears.
d) Lease Rentals from some Lessees have been increased substantially.
e) Allocated 7 perches land for every working family under Green Gold Housing Program.
f) Renovation of 04 (Four) Bungalows and converting them to Holiday Bungalows.
g) Renovated/repaired Staff Quarters Vehicles and Tea factories etc. (Which were done for last 5,6yrs)
h) Public Private Partnership (PPP) – Project Proposals; Expected initial income approximately Rs.100.00 Mn per annum.
i) Application of Fertilizer to Tea Fields. Applied 220.00 M/t Fertilizer to increase the Crop intake and bring down the Losses.
j) Appointment of 01 Internal Auditor 01 Assistant Plantation Manager for better monitoring and performance of Finance, Plantations & Retired Person who are above 60yrs.
k) Settlement of EPF, CPPS, ESPS and ETF payments, on a monthly basis, from January 2017 utilizing SLSPC’s own funds.

2.1. Performance up to June 2018 is as follows

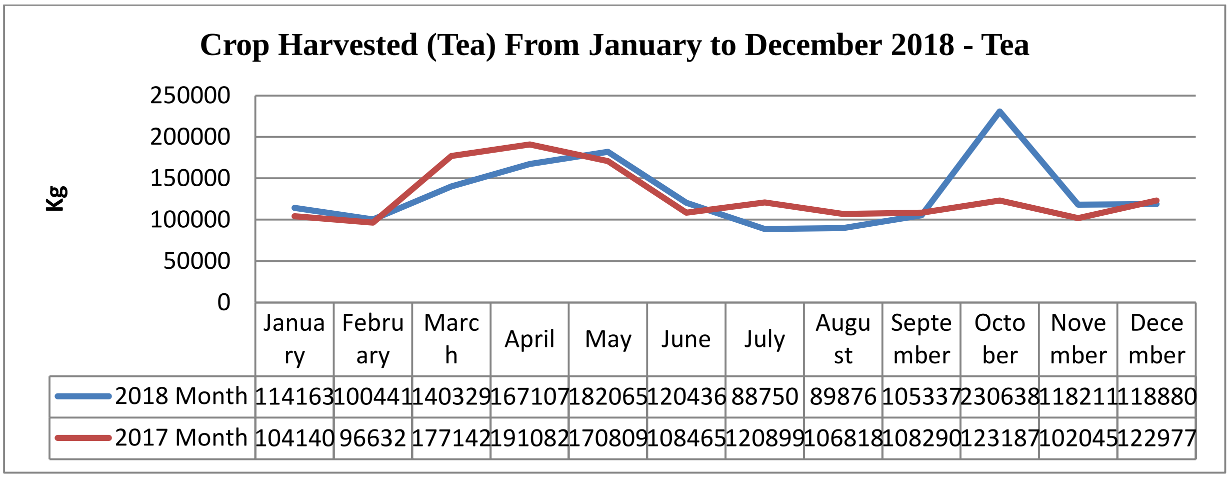
	Actual 2018(Rs. 000)	Actual 2017 (Rs. 000)	Budgeted 2018(Rs. 000)	2018 Variance (+/-) Budget/Actual
Made Tea (Kg)	1,576,432.00	1,532,486.00	2,188,500.00	27.97%
Rubber – Latex (Kg)	33,395.00	42,472.00	45,500.00	26.60%
Revenue (Tea)	621,476.79	617,714.46	986,400.72	37.00%
Cost of Sales (Tea)	621,627.16	617,836.55	986,430.03	36.98%
Gross Profit/(Loss) - Plantations Level (Tea)	**-150,373.04**	**-122,095.81**	**-29,311.72**	
Revenue (Rubber)	8,020.81	12,762.84	15,925.00	49.63%
Cost of Sales (Rubber)	14,045.66	16,113.04	15,620.61	10.08%
Gross Profit/(Loss)- Plantations Level (Rubber)	**-6,024.85**	**-3,350.21**	**304.40**	
Other Income (Sundry) Plantations Level	77,736.03	61,042.17	68,551.41	-13.40%
Other Income Head Office	50,209.46	46,539.23	88,371.69	43.18%
Other Operating Expenses (Administration Cost & Personal Cost)	66,707.52	60,107.30	70,852.56	5.85%
Finance Cost	5,833.93	3,352.85	9,900.00	41.07%
Net Profit/(Loss) at the end of the Period	**-100,993.85**	**-81,324.77**	**47,163.22**	

The total Crop to end of 2018 is 1,576,432.00 Kilos Made Tea compared to 1,532,486.00 kilos Made Tea produced for the same period last year (2017) which shows a increae equivalent to 2.8%.

The estimated Crop for the period of 2018 has been 2367400.00 kg. The Crop produced to end of 2018 shows deficit equivalent to33.41% over estimated Crop for the above period ending at 2018. The estimated crop could not be achieved by the Plantations due to adverse weather condition prevailed in the districts of Kandy and Matale. Further, the Organization's failure to undertake the required application of Fertilizer to Tea Fields to boost the Crop Intake due to financial crisis, attributed to the inability to achieve the estimated crop for the said period. However, the Organization has commenced the application of Fertilizer to Tea fields on priority basis utilizing the available funds which would increase the Crop Intake during the Season 2019.

2.1.1. Crop Harvested (Tea) From January to December 2018

	2018		2017		Variance	
	Month	Todate	Month	Todate	Month	Todate
January	114163	114163	104140	104140	9.62%	9.62%
February	100441	214604	96632	200772	3.94%	6.89%
March	140329	354933	177142	377914	-20.78%	-6.08%
April	167107	522040	191082	568996	-12.55%	-8.25%
May	182065	704105	170809	739805	6.59%	-4.83%
June	120436	824541	108465	848270	11.04%	-2.80%
July	88750	913291	120899	969169	-26.59%	-5.77%
August	89876	1003167	106818	1075987	-15.86%	-6.77%
September	105337	1108504	108290	1184277	-2.73%	-6.40%
October	230638	1339142	123187	1307464	87.23%	2.42%
November	118211	1457353	102045	1409509	15.84%	3.39%
December	118880	1576233	122977	1532486	-3.33%	2.85%



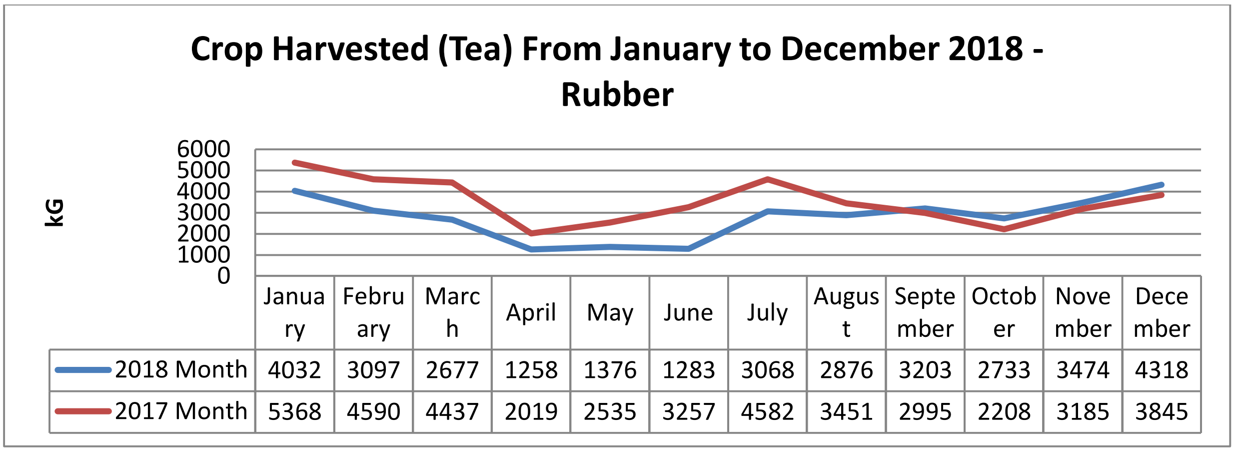
2.1.2. Crop Harvested (Rubber) From January to December 2018.

Walahanduwa S.P. in Galle has harvested 33,395 kg Rubber (Latex) this year against a crop of 42,472 kg for the same period last year (2017).

2.1.3. Crop Harvested (Rubber) From January to December 2018.

	2018		2017		Variance	
	Month	Todate	Month	Todate	Month	Todate
January	4032	4032	5368	5368	-24.89%	-24.89%
February	3097	7129	4590	9958	-32.53%	-28.41%
March	2677	9806	4437	14395	-39.67%	-31.88%
April	1258	11064	2019	16414	-37.69%	-32.59%
May	1376	12440	2535	18949	-45.72%	-34.35%
June	1283	13723	3257	22206	-60.61%	-38.20%

July	3068	16791	4582	26788	-33.04%	-37.32%
August	2876	19667	3451	30239	-16.66%	-34.96%
September	3203	22870	2995	33234	6.94%	-31.18%
October	2733	25603	2208	35442	23.78%	-27.76%
November	3474	29077	3185	38627	9.07%	-24.72%
December	4318	33395	3845	42472	12.30%	-21.37%



	January	February	March	April	May	June	July	August	September	October	November	December
2018 Month	4032	3097	2677	1258	1376	1283	3068	2876	3203	2733	3474	4318
2017 Month	5368	4590	4437	2019	2535	3257	4582	3451	2995	2208	3185	3845

2.1.4. Gross Profit & Loss at Plantation Level

The Plantations have incurred a Loss of Rs. 78,661,864/= during the 2018 compared to the Loss of Rs.64,403,849/= incurred for the last year (2017). The budgeted Profit for the 2018 has been Rs.39,544,084/=.

Janatha Estates Development Board

1. Performance to end December 2018 – Finance

	Actual up to Dec 2018 (Rs' 000)	**Actual Up to Dec 2017 (Rs' 000)**	**Budgeted up to Dec 2018 (Rs' 000)**	**Variance 2018 Act vs Bud (Rs' 000)**
Revenue	654,254	791,213	780,968	(16)
Cost of Sales	1,015,831	1,052,282	1,088,514	(7)
Gross Profit - Estate Level	**(361,577)**	**(261,069)**	**(307,546)**	18
Other Income & Gains	58,348	73,665	38,512	52
Jana tea - Net income	15,679	88,661	73,747	
Other Operating Expenses	192,440	174,245	190,791	1
Finance cost (Lease Interest MPI)	19,044	22,502	21,048	(10)
Operating Profit	**(499,034)**	**(295,490)**	**(407,126)**	23
Profit before Tax	**(499,034)**	**(295,490)**	**(407,126)**	23
Income Tax Expenses (Provision)	-	-	-	-
Profit / (Los) after tax	**(499,034)**	**(295,490)**	**(407,126)**	**23**
10% Profit share provision	-	-	-	-
Net Profit / (Loss) at the end of the period	**(499,034)**	**(295,490)**	**(407,126)**	**23**

- The Plantation sector has recorded a Revenue of Rs. 654 Million to end December 2018 as against 781 Mn recorded to end December 2017, thus recording a deficit of 127 Mn. This is mainly due to fluctuation in the market the prices has been dropped. Tea dropped by Rs. 53/87 per kilo of made tea and Rubber dropped by Rs. 64/77 per kilo of Rubber, when compared with the same period 2017.

- Although the crop has been increased by Tea 5,408 kilos and Rubber 10,427 kilos, however the Cost of sales has been reduced by Rs. 73 MN in respect of tea/rubber when compared with the same period last year.

- Plantation loss has been increased by 54 Mn, due to a revenue loss of Rs. 127 Mn

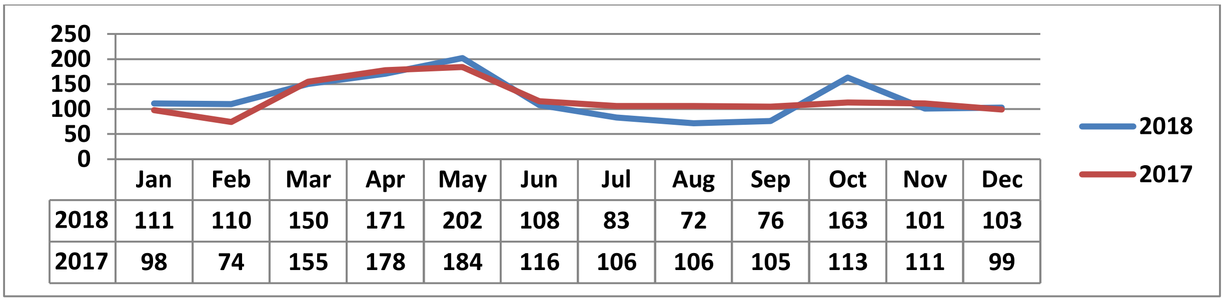
- Profit on Jana tea has been dropped by 58 MN, this is mainly due to non-achievement of the targeted sales to Army/Navy , as JEDB was not able to obtain the order from the Army/Navy after June 2018. Targeted sales was 480 Mt for the season 2018, whereas sold only 171 Mt.

2. Cont. of Performance to end December 2018 - Physical

Made Tea

Crop - Tea in kilos

Month	2018		2017		Variance %	
	Month	Todate	Month	Todate	Month	Todate
January	110,397	110,397	98,354	98,354	(12)	(12)
February	109,878	220,275	74,469	172,823	(48)	(27)
March	150,478	370,753	154,861	327,684	3	(13)
April	171,052	541,805	178,352	506,036	4	(7)
May	201,992	743,797	183,804	689,840	(10)	(8)
June	108,151	851,947	115,512	805,352	6	(6)
July	83,024	934,971	106,194	911,546	22	(3)
August	71,808	1,006,779	105,706	1,017,252	32	1
September	76,332	1,083,111	105,242	1,122,494	27	4
October	163,266	1,246,377	112,682	1,235,176	(45)	(1)
November	101,241	1,347,618	110,792	1,345,968	9	(0)
December	102,316	1,449,934	98,558	1,444,526	(4)	(0)



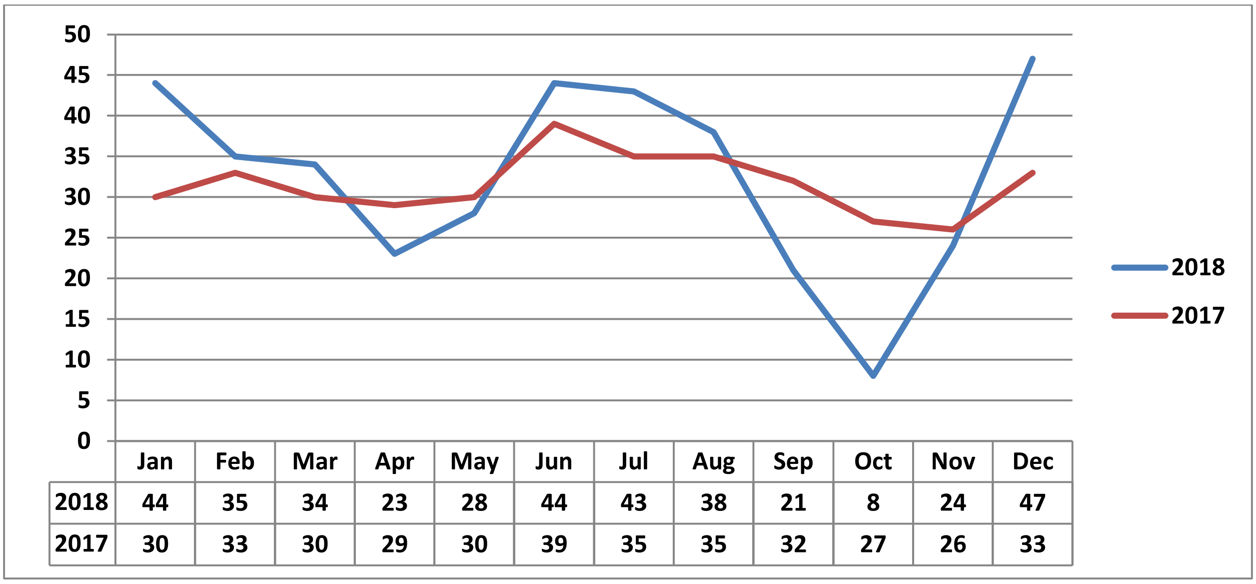
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	111	110	150	171	202	108	83	72	76	163	101	103
2017	98	74	155	178	184	116	106	106	105	113	111	99

- Harvested only 75% of the budgeted crop to end December 2018. The adverse weather condition which were experienced during the 1st and 3rd qrt of the season was not conducive for the growth.
- Further due to insufficient inpuis of fertilizer and also the Estates were not able to control the weeds due to non receipt of the weedicides, as glyphoshate has been banned and there is no subsitute chemical for spraying.
- The crop loss recorded are as follows :-
  16% of crop lossin the 1st qrt.
  37% of crop loss in the 3rd qrt.
- An increase of 5,408 kilos made tea has been recorded to end December 2018 when compared with the same period last year.

3. Cont. of Performance to end December 2018 - Physical

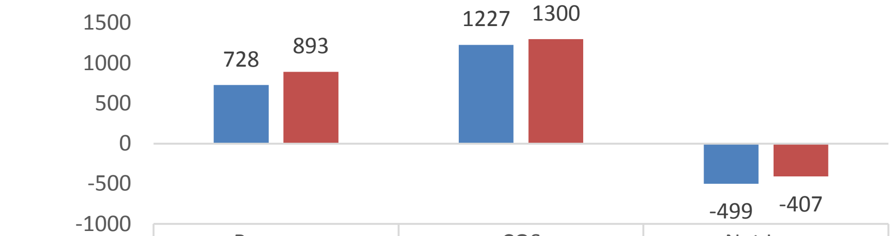
Crop - Rubber in kilos

	2018		2017		Variance %	
	Month	**Todate**	**Month**	**Todate**	**Month**	**Todate**
January	43,674	43,674	29,552	29,552	(48)	(48)
February	35,448	79,122	33,041	62,593	(7)	(26)
March	34,008	113,130	30,406	92,999	(12)	(22)
April	22,933	136,063	28,804	121,803	20	(12)
May	28,121	164,184	30,038	151,841	6	(8)
June	44,123	208,307	38,718	190,559	(14)	(9)
July	43,383	251,690	35,382	225,941	(23)	(11)
August	38,454	290,144	34,797	260,738	(11)	(11)
September	20,565	310,709	32,528	293,266	37	(6)
October	7,608	318,317	27,034	320,300	72	1
November	24,240	342,557	25,866	346,166	6	1
December	46,962	389,519	32,926	379,092	(43)	(3)



- Harvested only 80% of the budgeted crop to end December 2018.
- Due to more wet days Diyaluma Estate was able to harvest only 54% of the budgeted crop and also recorded a decrease of 10,584 kilos when compared with the same period last year.
- An increase of 10,427 kilos has been recorded when compared with the same period last year, which represents a variance percentage of 3%

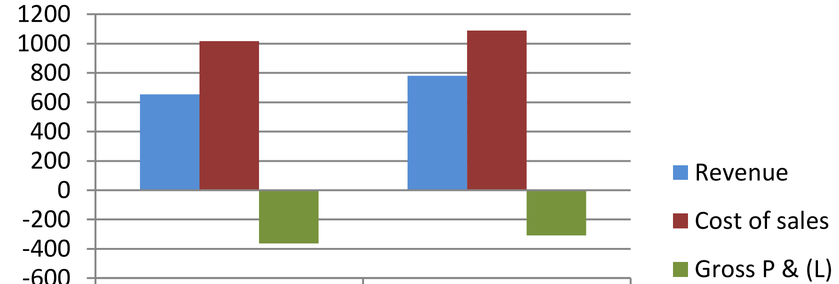
4. Cont. of Performance to end December 2018 - Finance



	Revenue	COS	Net Loss
Actual 2018	728	1227	-499
Actual 2017	893	1300	-407

- Revenue – Due to dropped in tea / rubber market the NSA has been dropped by Tea Rs. 53/87 per kilo of made tea and rubber Rs. 64/77 per kilo of rubber
- The loss has been increased by Rs. 92 MN , due to non-achievement of the NSA recorded in 2017 by plantation sector a revenue loss of Rs. 126 Mn has been incurred and also as the targeted Army/Navy order has been not achieved in 2018 the Profit on Jana tea has been recorded only Rs. 16 Mn in 2018 when compared with the profit of Rs. 74 Mn recorded in the year 2017.

Gross Profit/(Loss) end December 2018 in Rs. Mn



	Actual 2018	Actual 2017
Revenue	654	781
Cost of sales	1016	1089
Gross P & (L)	-362	-308

The Gross loss has been increased by Rs. 54 Million to end of December 2018 when compared with the loss of Rs.308 Million recorded to end December 2017, due to drop in the tea / rubber market.

6. Allocation of Funds

Head No - 158
Programme - 1 - OPERATIONAL ACTIVITIES
Project - 1 -MINISTER'S OFFICE

Object Code	Category / Object Title	Estimate 2018 Rs.	Cut Provision	Revised Estimate 2018 Rs	Total Expenditure Rs.	Balance Provision Rs.	Actual Expended Percentage (%)
	Recurrent Expenditure						
	Personal Emoluments						
1001	Salaries and Wages	7,200,000		7,200,000	5,875,594.73	1,324,405.27	81.61
1002	Overtime and Holiday Payments	1,500,000		1,517,000	1,516,766.33	233.67	99.98
1003	Other Allowances	3,500,000		3,483,000	2,374,281.73	1,108,718.27	68.17
	Travelling Expenses						
1101	Domestic	500,000		586,000	576,978.00	9,022.00	98.46
1102	Foreign	1,000,000		-	-	-	
	Supplies						
1201	Stationery & Office Requisites	800,000		740,000	671,421.03	68,578.97	90.73
1202	Fuel	5,000,000		5,000,000	4,150,449.89	849,550.11	83.01
1203	Diets & Uniforms	50,000		-	-	-	
	Maintenance Expenditure						
1301	Vehicles	3,000,000		4,300,000	4,092,577.76	207,422.24	95.18
1302	Plant, Machinery and Equipment	250,000		100,000	55,509.12	44,490.88	55.51

1303	Building and Structures	200,000		-	-	-	-
	Services						
1401	Transport	700,000		50,000	-	50,000.00	-
1402	Postal & Communications	1,200,000		1,800,000	1,612,896.71	187,103.29	89.61
1403	Electricity and Water	1,000,000		1,300,000	1,234,579.03	65,420.97	94.97
1404	Rents & Local Taxes	42,900,000		44,000,000	35,997,303.94	8,002,696.06	81.81
1409	Other	1,000,000		2,650,000	2,549,579.02	100,420.98	96.21
	Capital Expenditure						
	Rehabilitation & Improvements						
2001	Buildings and Structures	200,000		63,110,000	43,005,643.87	20,104,356.13	68.14
2002	Plant, Machinery & Equipment	100,000		100,000	2,950.00	97,050.00	2.95
2003	Vehicles	1,500,000		2,300,000	2,217,839.69	82,160.31	96.43
	Acquisition of Capital Assets						
2101	Vehicles	-		-	-	-	-
2102	Furniture & Office Equipments	300,000		475,000	468,679.89	6,320.11	98.67
2103	Plant, Machinery & Equipment	300,000		1,800,000	16,550.00	1,783,450.00	0.92
		72,200,000.00		**140,511,000.00**	**106,419,600.74**	**34,091,399.26**	**75.74**

Head No - 158
PROGRAMME - 1 OPERATIONAL ACTIVITIES
PROJECT -11 -STATE MINISTER'S OFFICE

Object Code	Category / Object Title	Estimate 2018 Rs.	Revised Estimate 2018 Rs	Total Expenditure Rs.	Balance Provision Rs.	Actual Expended Percentage (%)
	Recurrent Expenditure					
	Personal Emoluments					
1001	Salaries and Wages	7,200,000	6,000,000	5,893,760.88	106,239.12	98.23
1002	Overtime and Holiday Payments	1,500,000	1,500,000	1,368,475.93	131,524.07	91.23
1003	Other Allowances	3,500,000	3,500,000	2,300,635.73	1,199,364.27	65.73
	Travelling Expenses					
1101	Domestic	500,000	500,000	308,294.00	191,706.00	61.66
1102	Foreign	1,000,000	-	-	-	-
	Supplies					
1201	Stationery & Offi. Requisites	800,000	863,000	862,504.55	495.45	99.94
1202	Fuel	5,000,000	3,430,000	3,046,964.67	383,035.33	88.83
1203	Diets & Uniforms	50,000	-	-	-	-
	Maintenance Expenditure					
1301	Vehicles	3,000,000	5,577,000	5,576,134.65	865.35	99.98
1302	Plant, Machinery and Equipment	250,000	-	-	-	-
1303	Building and Structures	200,000	-	-	-	-
	Services					
1401	Transport	700,000	10,000	500.00	9,500.00	5.00
1402	Postal & Communications	1,200,000	1,100,000	991,627.35	108,372.65	90.15

1403	Electricity and Water	1,000,000	450,000	348,534.41	101,465.59	77.45
1404	Rents & Local Taxes	15,700,000	16,100,000	16,029,143.52	70,856.48	99.56
1409	Other	1,000,000	1,361,000	1,360,256.98	743.02	99.95
	Capital Expenditure					
	Rehabilitation & Improvements					
2001	Buildings and Structures	200,000	200,000	-	200,000.00	-
2002	Plant, Machinery & Equipment	100,000	100,000	-	100,000.00	-
2003	Vehicles	1,500,000	1,500,000	139,199.00	1,360,801.00	9.28
	Acquisition of Capital Assets					
2101	Vehicles	-	-	-	-	-
2102	Furniture & Office Equipments	300,000	300,000	10,295.24	289,704.76	3.43
2103	Plant, Machinery & Equipment	300,000	300,000	5,180.00	294,820.00	1.73
		45,000,000.00	**42,791,000.00**	**38,241,506.91**	**4,549,493.09**	**89.37**

Head No - 158
PROGRAMME - 1 OPERATIONAL ACTIVITIES
PROJECT - 2 ADMINISTRATION & ESTABLISHMENT SERVICES

Object Code	Category / Object Title	Estimate 2018 Rs.	Revised Estimate 2018 Rs	Total Expenditure Rs.	Balance Provision Rs.	Actual Expended Percentage (%)
	Recurrent Expenditure					
	Personal Emoluments					
1001	Salaries and Wages	32,000,000	31,804,000	31,590,283.89	213,716.11	99.33
1002	Overtime and Holiday Payments	1,500,000	1,791,300	1,790,610.00	690.00	99.96
1003	Other Allowances	13,000,000	14,200,000	13,981,724.12	218,275.88	98.46
	Travelling Expenses					
1101	Domestic	500,000	500,000	472,718.00	27,282.00	94.54
1102	Foreign	3,000,000	5,940,000	5,490,436.28	449,563.72	92.43
	Supplies					
1201	Stationery & Offi. Requisites	2,500,000	2,500,000	2,125,829.63	374,170.37	85.03
1202	Fuel	3,400,000	4,900,000	4,578,723.00	321,277.00	93.44
1203	Diets & Uniforms	100,000	100,000	52,000.00	48,000.00	52.00
1205	Other	500,000	-	-	-	-

			.			
	Maintenance Expenditure					
1301	Vehicles	2,400,000	2,149,700	1,955,444.79	194,255.21	90.96
1302	Plant, Machinery and Equipment	400,000	300,000	263,925.60	36,074.40	87.98
1303	Building & Structures	400,000	-	-	-	-
	Services.					
1401	Transport	4,000,000	6,100,000	5,945,530.00	154,470.00	97.47
1402	Postal & Communications	3,000,000	3,410,000	3,402,880.64	7,119.36	99.79
1403	Electricity and Water	1,800,000	1,543,000	1,240,675.61	302,324.39	80.41
1404	Rents & Local Taxes	40,000,000	41,650,000	30,175,147.00	11,474,853.00	72.45
1408	Lease Rental for Vehicle Procured	9,700,000	11,255,000	10,610,668.50	644,331.50	94.28
	Under Operational Laesing					
1409	Other	2,500,000	3,540,000	3,327,943.05	212,056.95	94.01
	Transfers					
1506	Property Loan Interest to	200,000	250,000	245,363.08	4,636.92	98.15
	Public Servants					
1703	Implementation of Official	100,000	100,000	22,000.00	78,000.00	22.00
	Languages Policy					

Object Code	Category / Object Title	Estimate 2018 Rs.	Revised Estimate 2018 Rs	Total Expenditure Rs.	Balance Provision Rs.	Expended percantage (%)
	Capital Expenditure					
	Rehabilitation & Improvements					
2001	Buildings and Structures	500,000	500,000	-	500,000.00	-
2002	Plant, Machinery & Equipment	200,000	200,000	-	200,000.00	-
2003	Vehicles	1,500,000	1,500,000	178,902.16	1,321,097.84	11.93
	Acquisition of Fixed Assets					
2101	Vehicles	-	-	-	-	-
2102	Furniture & Office Equipments	1,500,000	1,500,000	433,043.97	1,066,956.03	28.87
2103	Plant, Machinery & Equipment	1,000,000	1,000,000	396,369.00	603,631.00	39.64
	Capacity Building					
2401	Training & Capacity Building	2,500,000	3,995,000	3,973,257.88	21,742.12	99.46
	Other Capital Expenditure					
2501	Restructuring	215,000,000	148,120,000	27,016,338.34	121,103,661.66	18.24
		343,200,000.00	**288,848,000.00**	**149,269,814.54**	**139,578,185.46**	**51.68**

Head No - 158

PROGRAMME - 02 DEVELOPMENT ACTIVITIES

PROJECT - 03 DEVELOPMENT OF PROGRAMME

Sub Project	Object Code	Fin. Code	Category / Object Title	Estimate 2018	Revised Estimate 2018	Total	Balance Provision	Estimated Percentage	Actual Expended Percentage
			State Resources Management						
			Corporation Ltd.						
1	2501	11	Restructuring	7,000,000	7,000,000	-	7,000,000	92	-
3	2509	11	Other	5,000,000,000	5,000,000,000		5,000,000,000	-	-
				5,007,000,000	**5,007,000,000**	**-**	**5,007,000,000**	**92**	**-**

Head No - 158

PROGRAMME - 02 DEVELOPMENT ACTIVITIES

PROJECT -04 PUBLIC INSTITUTIONS

Sub Project	Object Code	Fin. Code	Category / Object Title	Estimate 2018	Revised Estimate 2018	Total Expenditure	Balance Provision	Estimated Percentage	Actual Expended Percentage
			Sri Lanka Cashew Corporation						
2	1503	11	Public Institutions	50,000,000	50,000,000	50,000,000	-	91.67	100.00
	2201	11	Public Institutions	55,000,000	66,520,000	66,520,000	-	91.67	100.00
			SLSPC, JEDB and Elkaduwa						
			Plantion						
3	2501	11	Restructuring	-	678,000,000	678,000,000	-	91.67	100
				105,000,000	**794,520,000**	**794,520,000**	**-**	**91.67**	**100.00**

Summary of Expenditure by Programme for the period ended 31st December 2018

Expenditure Head No : 158 Ministry / Department / District Secretariat : Ministry of Public Enteprise Development

Programme Number given in Annual Estimates	Title of the Expenditure	Annual Budget Provision (1)	Supplementary Estimate Provision (2)	FR 66/69 Transfers (3)	Total Net Provision (4)=(1)+(2)+(3)	Total Expenditure (5)	Net Effect Savings / (Excesses) (6)=(4)-(5)
Programme (1)	(1) Recurrent	233,400,000	11,750,000	-	245,150,000	216,066,673	29,083,327
	(2) Capital	227,000,000	-	-	227,000,000	77,864,249	149,135,751
	Sub Total	**460,400,000**	**11,750,000**	**-**	**472,150,000**	**293,930,922**	**178,219,078**
Programme (2)	(1) Recurrent	50,000,000	-	-	50,000,000	50,000,000	-
	(2) Capital	5,062,000,000	689,520,000	-	5,751,520,000	744,520,000	5,007,000,000
	Sub Total	**5,112,000,000**	**689,520,000**	**-**	**5,801,520,000**	**794,520,000**	**5,007,000,000**
	Grand Total	**5,572,400,000**	**701,270,000**	**-**	**6,273,670,000**	**1,088,450,922**	**5,185,219,078**