



Ministry of Public Enterprise
Development

**Annual Performance
Report
2017**

Hon. Lakshman Kiriella

Minister of Public Enterprise and Kandy City Development

Hon. H. M. M. Harees

Deputy 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 pleased to give this message for the Performance Report 2017 which illustrates the progress of the Ministry of Public Enterprise Development and its institutions.

Soon after I assumed duties as the new Minister to the Ministry on 28th of February 2018, an extensive attention was given on the duties that should be performed by the Ministry. Considering the duty and the functions of the Ministry, it is understood that the public enterprises under the Ministry can be raised above the prevailing level. Especially to consider the field of plantation, if new income generation methods are not found through implementing new projects, it would be impossible to avoid the plantations being remain on the Treasury further. Therefore, the special attention is drawn to the plantation sector.

I am of the opinion that a greater role can be played with the recently assigned “Kandy City Development” subject to the Ministry, for the development of Kandy City through implementing several special projects. It is important that the city of Kandy be developed as a trade and economic center concurrently with the historical and cultural development. There, it is necessary to make massive changes, including the identification of alternative roads to give a solution for the traffic crisis, and modernization of the railway system. Further, infrastructure needs to be developed to advance the trade and commerce activities that centralized the city. In the period when I was the Minister of Highways, I have taken many initiatives for the development of Kandy. It would further be a great strength for me to include the subject of Kandy development in my portfolio to continue them with the coordination of the line ministries. Accordingly, we will be able to accelerate the realization of the benefits of the started projects for people within a short period.

Corresponding with the said measures, our aim is to sustainably develop the lands of the state-owned plantation companies such as State Plantation Corporation, Elkaduwa Plantations PLC and Janatha Estates Development Board. It needs to make use of the existing natural resources in the present and take care of them for future. Hence, with the active implementation of the forest management plan, we will provide the guidance to secure the timber resources for the future through the present consumption.

As well, we intend to prepare a relievable procedure for the business community affected by natural disasters through implementing a concessionary loan scheme via the banking system. Regulating almost all the state banks by this ministry will assist to ease the procedure.

Further, steps must be taken to innovate the Ceylon Ceramics Corporation and BCC Lanka Limited belong to the Ministry than the existing level. Also, the Ministry has to take steps to revive under-utilized assets.

The progress achieved by the Ministry and the institutions under its purview during the relevant financial year is presented by this report annually. Accordingly, it is expected to directly monitor all the institutions functioning under the Ministry and to take future actions regarding the regressive agencies.

I commend the services rendered by the Secretary to the Ministry, the Additional Secretaries and the entire staff in carrying out all these activities.

Lakshman Kiriella
Minister

Secretary's Message



Ministry of Public Enterprise Development which has been assigned the responsibility to bring reforms to the non-profitable enterprises identified among SOEs in Sri Lanka.

During this period, our consideration has been given towards the restructuring process of the public enterprises which have become an enormous burden to the entire economy of the country.

In this process, we had to pursue alternative ways of earning in the face of a severe financial crisis arisen due to receiving inadequate prices for the products that could not cover even the production cost.

Hence, the plantation companies were guided to identify lands and resources that could be used effectively and to find alternative revenue generation approaches (projects). Steps have been taken to identify around 250 projects with the partnership of private investors and submitted them for the cabinet approval accordingly.

As per the cabinet decision, the selection of an international advisor has been finalized for the restructuring of SriLankan Airlines. In the first phase, it will attractively be increased the revenue of the company by managing the costs and then an appropriate strategic partner will be selected.

Further, action has been taken to obtain service of a qualified international transaction adviser to expedite the restructuring process of the Hilton and Hyatt Hotels.

With the aim of improving the contribution of the state banks towards the economic development and especially considering the 2017 budget proposal of joining the small scale banks, a study was done and the recommendations of the study was submitted to the Cabinet Committee on Economic Management (CCEM). Studying the capital requirements of the banks and making the relevant authorities aware of the prevailing risk conditions, the banks are being closely monitored by the Ministry. Banks have undergone improvement in utilizing digital technology. Also, ATM and CDM coverage has been increased significantly. Also, Bank of Ceylon and Peoples banks have been assisted through Treasury funding to meet capital adequacy as per the Basel III recommendations.

The Ministry has taken steps to appoint Consultants to assist the restructuring process and to strengthen progress monitoring mechanism. Accordingly, quarterly progress reviews have been conducted and progress monitoring has improved significantly. Further, Ministry undertook corporate governance improvement programme. Curriculum was developed with assistance of other stakeholders namely World Bank, CIMA, Chartered Institute, IFC. Also, workshops have been conducted for the Chairmen, Board of Directors and Senior Officials to enhance their capabilities. As well, the special attention has been drawn to strengthen the audit management system and to formalize the procurement process.

With such background, I am pleased to give this message for the Performance Report 2017 which includes the progress of activities performed by the Ministry together with the institutions under the purview of the Ministry.

The guidance and assistance of Hon. Minister and Hon. Deputy Minister in performing all these activities are highly appreciated. The guidance and assistance of former Minister, State Minister and the Deputy Minister towards the activities must be appreciated as well.

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

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

Ravindra Hewavitharana
Secretary

Contact Details of the Institutions under the Ministry

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. Tissa Jinadasa
Tel. No. - 011 2573563
Fax No. - 011 2573346
E mail - chairman@smib.lk
- Regional Development Bank
Chairman - Mr. S. Prasanna Premarathna
Tel. No. - 011 2035454
Fax No. - 011 2906877
E mail - prasannah@rdb.lk
- Housing Development Finance Corporation Bank of Sri Lanka
Chairman - Mr. R. J. De Silva
Tel. No. - 011 2433901
Fax No. - 011 2470511
E mail - chairman@hdfc.lk
secchairman@hdfc.lk

- Lankaputhra Development Bank
 - Chairman - Mr. Ruwan Gallage
 - Tel. No. - 011 2821232
 - Fax No. - 011 2821020
 - E mail - info@lankaputhra.lk
- Sri Lanka Savings Bank
 - Acting Chairman - Mr. K. Amarasinghe
 - Tel. No. - 011 2674700
 - Fax No. - 011 2674705/ 6
 - E mail - info@sbsl.lk

Insurance, Civil Aviation Services and Hospitality

- Sri Lanka Insurance Corporation
 - Chairman - Mr. Hemaka Amarasuriya
 - Tel. No. - 011 2323450
 - Fax No. - 011 2447742
 - E mail - email@srilankainsurance.com
- SriLankan Airlines
 - Chairman - Mr. Ajith Dias
 - Tel. No. - 019 7331000
 - Fax No. - 019 7335100
 - E mail - chairman@srilankan.com
- Hotel Developers Lanka (Pvt) Ltd (PQ143)
 - Chairman - Mr. Krishantha Prasad Cooray
 - Tel. No. - 011 2433435
 - Fax No. - 011 2446545
 - E mail - hdl_hilton@sltnet.lk

Plantation and Agro – Based

- Janatha Estates Development Board
 - Chairman - Mr. Keerthi Bandara Kotagama
 - Tel. No. - 011 2327088
 - Fax No. - 011 2446577
 - E mail - sec.chairman@jedb.gov.lk

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

- Elkaduwa Plantations Limited
Chairman - Mr. Nilu Dilhara Wijedasa
Tel. No. - 011 2698059
Fax No. - 011 2698057
E mail - niluwijedasa@gmail.com

- 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 - cplfin5@gmail.com

- Gal Oya Plantations Limited
Chairman - Mr. Keerthi Bandara Kotagama
Tel. No. - 063 5672848
Fax No. - 063 2240199
E mail - info@galoya.lk

- Sri Lanka Cashew Corporation
Chairman - Mr. Dharmasiri Bandara Karunarathna
Tel. No. - 011 2871005
Fax No. - 011 2869843
E mail - cashewco@dialogsl.net

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. H. N. Sarath Abeysinghe
Tel. No. - 011 2435195
Fax No. - 011 2447139
E mail - bcclankaltd@gmail.com

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1. Introduction

1. Introduction

The establishment of the Ministry of Public Enterprise Development is marked by the declaring of it as a new Ministry on 06th September 2015 by the new government that was formed after the General Election held on 17th August 2015.

In terms of the functions and roles of this Ministry that were published in the Gazette Extraordinary No.1933/13 of 21 September 2015 and the Gazette Extraordinary No.1942/10 of 24 November 2015, the Ministry has been assigned with the responsibility of a large number of public enterprises and underutilized assets.

The number of entities assigned to the Ministry consists of 21 key institutes and 36 underutilized assets. Also, 32 subsidiaries function under 21 key institutions.

It has been aimed to implement the following activities under the Ministry:

1. Ensuring the existence of institutes within their initial framework, establishing fundamental financial discipline and management discipline, securing assets, and getting audit accounts statements and annual reports prepared.
2. Introducing new technology and new management methodologies.
3. Looking for more advanced strategies to address the issue of capital.
4. Identifying the future risks and unfavorable trends in the public enterprises in order to, minimizing such risks and trends, and directing those businesses towards a revival through the identification of new strategic activities.
5. Identifying the public enterprises that incur losses economically, identifying the methodologies to be followed in restructuring them so that they could contribute to the entire national economy and providing the necessary guidance for that.

Hon. Lakshman Kiriella is the Minister in charge for the Ministry of Public Enterprise 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.

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

1.1 Functions and Roles of the Ministry

- Developing policies, programmes and projects relating to the scopes of the statutory boards and public corporations listed in Column II under the Ministry of Public Enterprise Development 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 the 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.
- 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 administration of the public corporations, statutory boards and state owned companies 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.
- Directing and monitoring the activities performed by the competent authorities appointed for the revival of the underperforming assets of the 36 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 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.
- Establishing an institutional framework for the management of public enterprises.
- Activities related to the development of public enterprises.

- Activities relating to all other subjects that are assigned to the institutions listed in Column II under the Ministry of Public Enterprise Development 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.
- Monitoring the institutions listed in Column II under the Ministry of Public Enterprise Development 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.

2. Divisions of the Ministry

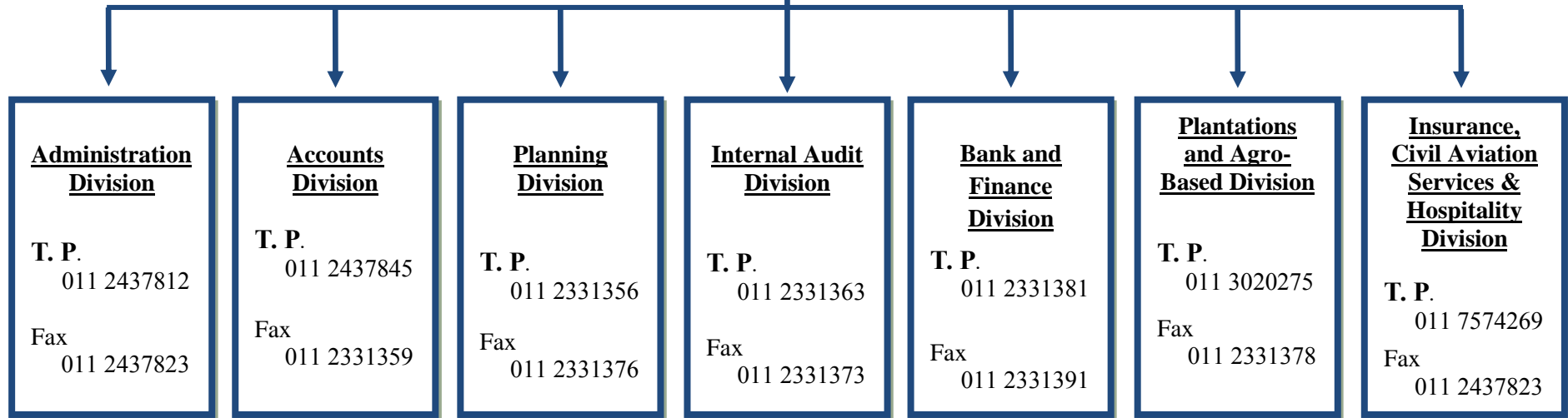
Ministry of Public Enterprise Development and its Divisions

Ministry of Public Enterprise Development

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2.1. Administration Division

2.1.1. Introduction

Maintaining a better institutional administration environment within the Ministry, managing the human and physical resources of the Ministry, fulfilling the professional requirements of the staff and extending assistance in providing the services offered by the Ministry are the main objectives of the Administration Division.

2.1.2. Functions of the Administration Division

1. Issuing numbers for Cabinet Memoranda and submitting Cabinet Memoranda to the Cabinet of Ministers.
2. Maintaining Extraordinary Gazette Notifications and Legislation files related to the Ministry.
3. Carrying out activities relating to the appointments of the staff of the Hon. Minister/ Hon. Deputy Minister/ Hon. State Minister and maintaining the personal files of the officers concerned updated.
4. Preparing recruitment procedures for the Ministry.
5. Performing all activities relating to recruitment, transfers and internal assignments of the Ministry staff.
6. Carrying out all related duties of recruiting staff for the restructuring unit of the Ministry.
7. Perform duties regarding Parliament Questions.
8. Carrying out activities pertaining to the Human Rights Commission.
9. Duties relating to the Public Petitions Committee.
10. Carrying out activities related to budget committees.
11. Activities relating to the Sectorial Oversight Committee.
12. Carrying out duties relating to the Cabinet Committee on Economic Management (CCEM) and the Officials' Committee on Economic Management (OCEM).
13. Distribution of circulars and other regulations to the institutions coming under the purview of the Ministry.
14. All activities related to the attendance register and leave matters.

15. Implement disciplinary procedures relating to officers of the Ministry and the institutions under its purview.
16. Making all payments relating to miscellaneous expenses of Hon. Minister/ Hon. Deputy Minister/ Hon. State Minister.
17. Allocation of sub-impress for the officers of the Ministry and reimbursement of advances.
18. All payments relating to the Ministry's building rentals, car parking charges, water bills, electricity bills, cleaning charges, security charges and refreshment costs.
19. Setting up of telephone bills and other related activities.
20. All activities relating to the preparation and updating of telephone directories.
21. Activities related to foreign leave of the Hon. Minister/ Hon. Deputy Minister/ Hon. State Minister.
22. Carrying out duties related to the preparation of official passports.
23. Activities relating to official and personal foreign leave of officers of all the institutions coming under the purview of the Ministry.
24. Carrying out duties of issuing vehicle import permits with duty concession for executive officers in the Ministry and the institutions under the Ministry
25. All activities relating to local and foreign training courses of the Ministry officers.
26. To perform activities related to loans and advances of all staff of the Ministry.
27. All activities relating to overtime and traveling expenses of the staff of the Hon. Minister/ Hon. Deputy Minister/ Hon. State Minister.
28. All activities relating to holiday pays and official travel allowances of the Staff officers of the Ministry and overtime and traveling expenses of other officers of the Ministry.
29. Activities related to the implementation of the Official Languages Policy.
30. All activities relating to vehicles belonging to the Ministry.
31. All activities related to obtain fuel for reserved vehicles.
32. Carrying out all activities related to election duties.
33. All activities related to energy conservation.
34. Distribution of the daily mail of the Ministry after directing to the Staff Officers under the supervision of the Administrative Officer.

35. Distribution of all letters sent out from the Ministry (Normal post, registered post, by hand) through the messenger after entering to the letter registry.
36. Allocating free postal grants
37. Receiving newspapers, distributing to relevant divisions and settling monthly newspaper bills.
38. Documenting information in the newspapers that relevant to the Ministry, submitting them to the secretary and dealing with newspapers when necessary.
39. All activities relevant to the publication of Newspaper advertisements.
40. Carrying out activities for issuing Office Identity Cards for Hon. Minister's staff/ Hon. Deputy Minister's staff/ Hon. State Minister's staff and the Ministry staff.
41. Carrying out activities related to the preparation of office name boards.
42. All activities relating to the Agrahara Insurance Scheme of the Ministry staff.
43. All activities related to free railway holiday warrants and season tickets for trains.
44. To carry out all the activities related to the "Tell the President" program conducted by the President's Office.
45. All activities related to appeals submitted to the Ministry by the Presidential Secretariat and the Prime Minister's Office.
46. All duties relating to appeals sent to the Ministry by the Hon. Minister and Hon. Deputy Minister.
47. All activities related to providing relief to those who faced political problems.
48. All activities related to sending information to the Government Information Centre.
49. Activities related to updating the Ministry website.
50. Appoint Chairmen and members of the Boards of Directors for the institutions.
51. Coordinate and mediate in legal activities related to the institutions under the Ministry.

2.2. Planning Division

2.2.1. Introduction

Collecting information about the outcomes, efficiency and productivity of the institutions coming under the Ministry and analyzing, directing and evaluating such information are among the activities performed by the Planning Division. Preparing the annual action plan, the annual performance report, other progress reports and submitting them to the top management and other institutions including the Ministry of Finance are the other functions of the Division.

2.2.2. Functions of the Planning Division:

1. Coordinating with the other Divisions of the Ministry and the institutions, coming under the purview of the Ministry on the preparation of short-term / long-term plans such as institutional plans, action plans, and Budget Departments.
2. Directing and evaluating the activities performed by the Ministry and the institutions coming under the purview of the Ministry.
3. Preparing annual progress reports and submitting them to the Secretary to the Ministry, Department of National Planning, and Department of National Budgets and to other interested parties.
4. Preparing the Annual Action Plan relating to the Ministry and presenting it to Parliament during the consideration of the budget.
5. Maintaining, updating and improving the database of the Division.
6. Preparing the annual performance report and presenting it to Parliament, Ministry of Finance and to the Auditor General.
7. Review the quarterly progress of the institutions under the Ministry
8. Perform activities regarding the Cabinet Papers

2.3. Accounts Division

2.3.1. Introduction

This division has developed and maintains an effective financial information and financial management system through the coordination of activities related to the provision of financial services with the coordination of relevant divisions.

2.3.2. Functions of the Accounts Division

1. Assisting the Secretary to the Ministry in fulfilling the financial obligations of the Ministry and being accountable to Parliament as the Chief Accounting Officer.
2. Ensuring consistency with the financial laws, rules and regulations of the government.
3. Establishing and maintaining a good financial accounting system including financial management.
4. Preparing, updating, reviewing, financial reports and budgetary needs and coordinating with the Treasury and the institutions coming under the Ministry in settling accounts.
5. Financial planning and budgeting.
6. Ensuring timely and accurate financial reporting.
7. Coordinating and deducing the financial activities of the institutions coming under the ministry, with the Treasury.
8. Submitting the Annual Reports of the institutions coming under the Ministry to the parliament and performing other related activities.
9. Submitting the requests of the institutions to obtain Treasury funds, to the Treasury and performing related activities.
10. Performing activities related to preparing all kind of allowances including salaries, overtime allowances, traveling expenses of the Ministry staff.
11. Making the payments and issuing cheques relevant to institutions that provide services to the Ministry and maintaining records in that regard.
12. Issuing Salary Details, making payments relating to the Government Officers' Advance 'B' Account, charges, maintaining debt records, preparing accounts and performing related activities.
13. Providing answers for audit queries and maintaining relevant records.

14. Issuing reports requested by the Department of National Budget, Department of State Accounts and Department of Treasury Operations of the Treasury.
15. Performing the procurement activities of the Ministry.
16. Coordinating the procurement activities of the institutions coming under the Ministry, appointing relevant committees, and granting required approvals.
17. To report monthly the present status of each procurement activity performed under each institution to the Procurement Operational Unit.
18. Maintaining records pertaining to the management of stores in the Ministry, Board of surveys and related activities.
19. Performing the duties related to manage the assets of the Ministry.
20. Receiving and submitting the reports requested by the Comptroller General's Department with relevance to the asset management of the Ministry and the institutions under the Ministry.
21. Appointing Disposal Committees and giving approvals with relevance to managing the assets of the institutions under the Ministry.
22. Activities related to obtaining approval from the Treasury to purchase vehicles for the institutions under the Ministry

2.4. Internal Audit Division

2.4.1. Introduction

The Internal Audit Division provides assistance to senior management by reporting the effectiveness of the internal administration systems regarding the services and functions of the Ministry and the institutions under its purview.

2.4.2. Functions of the Internal Audit Division:

1. Find out and report whether the financial statements have been prepared according to the recognized accounting procedures used to determine the reliability of accounts and other reports.
2. Evaluating the effectiveness of the internal administration systems within the Ministry and the institutions coming under the Ministry in preventing misdeeds and frauds and extending assistance in strengthening internal administration.
3. Obtaining answers from relevant Divisions with regard to audit queries relating to the Ministry and submitting them to the Auditor General, and performing necessary activities in relation to calling for the Committee on Public Accounts and Committee on Public Enterprises and providing answers relating to such reports.
4. Evaluating the quality of the performance of the staff with regard to fulfilling the responsibilities assigned to them.
5. Evaluate the procedures implemented to safeguard the assets of the Ministry and make recommendations to improve such methods.
6. Find out and report whether the instructions given by the establishment code, financial regulations, public administration circulars, treasury circulars, circulars issued by the presidential secretariat and internal circulars are executed.
7. Conducting special investigations on the issues arisen regarding the Ministry and the institutions under the Ministry.
8. Coordinate Audit and Management Committees of the Ministry and attend as an observer for Audit and Management Committee Meetings of the institutions under the Ministry.

2.5. Bank and Finance Division

2.5.1. Introduction

This is one of the key divisions of the Ministry. Granting approval as required for the administration and financial affairs of the 08 state banks and their subsidiaries is carried out by this Division.

2.5.2. Functions of the Bank and Finance Division:

1. Providing Policy Advice for the development of state banks belonging to the Ministry under the Central Bank's direction.
2. Provide policy advice on restructuring the state banks in order to improve their contribution to the economy.
3. Evaluate and monitor the performance of the state banks.
4. Boosting the performance of the banks and recommending measures to improve the functioning of banks.
5. Coordinate with other government institutions, the regulator and other agencies on the issues relating to the state banks.
6. Maintaining an updated database.
7. Monitor the maintenance of international standards applicable to the above institutions. (Eg: Basel iii capital requirements).

2.6. Plantation and Agro-based Division

2.6.1. Introduction

Operational activities of 07 plantation companies belonging to the estate sector and 02 institutions belonging to the industrial sector are carried out by this Division. Providing ancillary services in policy making, maintaining coordination with the other relevant institutions and assisting in administration affairs are among the other activities performed by the Division.

2.6.2. Functions of the Plantation and Agro-based Division

1. Supervision of operational activities in the fields of plantations and industries under the purview of the Ministry.
2. Provide policy guidance to relevant institutions.
3. Carrying out necessary coordination related to restructuring the institutions that have continuously been a burden to the Treasury by making losses.
4. Handling complaints from different media.
5. Directing and monitoring for asset management and resource management of the above institutions
6. Coordinate with the relevant institutions and other institutions at national level to uplift the performance of the plantation and industrial sector.

2.7. Insurance, Civil Aviation Services and Hospitality Division

2.7.1. Introduction

This is one of the key divisions of the Ministry. This division is responsible for granting approval as required for the administration and financial affairs of the Sri Lanka Insurance Corporation and its subsidiaries, Sri Lankan Airlines and Hotel Developers Pvt Ltd.

2.7.2. Functions of the Aviation and Hospitality Division:

1. Ensuring the provision of a highly competitive and special contribution in the field of insurance, civil aviation and hospitality sector while ensuring that the social responsibility is fulfilled as public institutions.
2. Carrying out inquiries in respect of the petitions received from the public/ employees against the aforesaid institutions.
3. Responding to the queries made by the President's Office and the Prime Ministers' Office regarding the petitions received from the public.
4. Attending the meetings of the Public Accounts Committee in relation to the issues arisen in relevant institutions.
5. Performing the activities regarding the Public petitions received with relevance to these sectors.
6. Preparing cabinet papers and proposals to CCEM. (cabinet Committee on Economic Management)

3. Institutions coming under the Ministry

Institutions Coming 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
- Housing Development Finance Corporation Bank of Sri Lanka
- Lankaputhra Development Bank
- Sri Lanka Savings Bank

➤ **Insurance, Civil Aviation Services and Hospitality**

- Sri Lanka Insurance Corporation and its 06 subsidiaries (03 sub-subsidiaries)
- SriLankan Airlines
- Hotel Developers Lanka Private Limited (PQ143)

➤ **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
- State Resource Management Corporation

○ **Industries**

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

Institutions coming 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.

➤ **National Savings Bank**

- NSB Fund Management Company Ltd.

➤ **Sri Lanka Insurance Corporation**

- Management Services Insurance Private Ltd.
- Litro Gas Lanka Private Ltd.
- Litro Gas Terminal Lanka Private Ltd.
- Lanka Hospital Corporation PLC
 - * Lanka Hospitals Diagnostics PLC
- Canowin Hotels and Spa
- Canvil Holdings Pvt Ltd.
 - * Sino Lanka Hotels and Spa Private Limited
 - * Helanco Hotels and Spa Private Limited

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. Progress of the Divisions under the Ministry

Progress of the Divisions under the Ministry - 2017

1. Banking and Finance Sector

- A comprehensive presentation was made to the Cabinet Committee on Economic Management (CCEM) on the Capital Adequacy and other issues faced by the Banking Sector.
- MPED continues to closely monitor the Capital Adequacy requirements of the State Banks and to communicate the risks to the relevant authorities.
- Following the proposals submitted in Budget 2015 to rationalize the small State Banks, MPED submitted detailed proposals to the Cabinet Committee on Economic Management (CCEM). Based on the decisions taken at the Cabinet Committee on Economic Management (CCEM), MPED is working together with these institutions to operationalize the rationalization of these institutions.

2. Plantation and Industries Sector

The following SOEs are managed by the Plantation and Industries Division.

- Janatha Estates Development Board (JEDB)
- Sri Lanka State Plantations Corporation (SLSPC)
- Elkaduwa Plantations Limited (EPL)
- Kurunegala Plantations Limited (KPL)
- Chilaw Plantations Limited (CPL)
- Sri Lanka Cashew Corporation (SLCC)
- Galoya Plantations Limited (GOPL)
- Ceylon Ceramics Corporation (CCC)
- Lanka British Ceylon Corporation (BCC)

2.1. Appointment of a Plantation Advisory Committee:

The Plantation Advisory Committee consisting of multidisciplinary team appointed in February 2016 by this Ministry, has studied the problems and issues of the plantations, classified their resources and recommended measures in order to uplift them. The Committee has submitted its report in July 2016, and has identified the following issues regarding the losses of the plantations.

- Continuance negligence of essential estate management practices. Eg. fertilizer
- Not been able to replant old plantations.
- Not been developed the plantations' barren lands or abandoned marginal lands.
- Unclear extent of lands (disputed lands)
- Unavailability of labour when needed (especially coconuts)
- Lack of sufficient funds for operations, capital investment and improvements
- EPF, ETF outstanding
- Commercial Timber harvesting issues

2.1.1. Resources classifications:

The above study identified the lands owned by the plantations under a land classification as follows and they identified the strategies of utilizing the lands optimally.

A-Best Performing lands

B-Good Performing lands

C-Marginal lands

D-Barren Lands

E-Commercial Timber cultivated lands

F- Conservation areas

2.1.2. Identify existing non-agricultural potentials:

The potentials such as tourism, quartz mining, dairy production have been identified by the above committee in order to uplift the plantations.

2.1.3. Best Utilization of Assets:

Highlighted to utilize the unutilized and underutilized resources through Public Private Partnership (PPP) or leasing. Urban properties have been identified and under processing to utilize them for mixed development project through Public Private Partnership.

2.1.4. Moving of operations such as Plantations to Crop diversification and under cropping:

Diversifying from tea, rubber, coconut to pineapple, pepper, cinnamon, cocoa, etc.

2.2. To guide the plantation sector enterprises under the supervision of the Ministry to increase their profitability.

The plantation companies have been guided by the Ministry to formulate proper management systems for A and B category lands to maintain them while bringing the yields to national standards.

Further, the plantations were instructed to call Expression of Interest (EOI) to identify suitable investors for C and D category lands. Request for Proposals (RFP) have been issued for selected successful investors among received EOIs accordingly. The relevant proposals have been evaluated with the agreed criteria. As well, the respective institutes were directed to perform within the entire process of calling EOIs and RFPs as per the provisions of those institutions.

Elkaduwa Plantations Ltd, Sri Lanka State Plantation Corporation and Janatha Estate Development Board have allocated lands for out growers and plantation workers' housing project.

In evaluating the project proposals submitted by each institution, small and medium scale project proposals which could be carried out under their authority as well as large scale project proposals at which the cabinet approval should be obtained have been submitted by the respective organizations as follows.

	Name of the Plantation Company	No of small scale Proposals	No of large scale Proposals	Total No of Proposals
1	Janatha Estates Development Board	127	29	156
2	Sri Lanka State Plantations Corporation	43	4	47
3	Elkaduwa Plantations Ltd.	50	4	54
	Total	120	37	257

The restructuring plan of the plantation companies was submitted to the Cabinet Committee on Economic Management (CCEM) and the CCEM's approval has been granted at its meeting held on 29.11.2017 to proceed the activities accordingly.

It has also been submitted to the Cabinet of Ministers on 23.11.2017 to obtain the approval for this programme.

In addition to those proposals, the plantations, through short term measures of restructuring, have achieved significant improvements in reducing losses through various measures in line with the coordination and guidance of the plantation & Industries division

The human resource requirements of the JEDB were assessed and excess staff was identified. Accordingly, the formulation of a Voluntary Retirement Scheme as per the PED circular is in progress.

The profitability of the Plantations has been increased and 22 estates out of the 57 estates owned by the five (05) Plantations are now making profits.

	Name of the Plantation Company	No. of Estates	No of Estates profitable as at 31.12.2015	No of Estates profitable as at 31.12.2016	No of Estates profitable as at 31.12.2017
1	Janatha Estates Development Board	20	-	-	02
2	Sri Lanka State Plantations Corporation	13	-	-	03
3	Elkaduwa Plantations Limited	10	02	02	03
4	Kurunegala Plantations Limited	08	08	08	08
5	Chilaw Plantations Limited	06	06	06	06
	Total	57	16	16	22

It is been planned to make the Janatha Estate Development Board, Sri Lanka State Plantation Corporation and Elkaduwa Plantations Ltd. profitable ventures by 2020 or before by implementing the relevant restructuring proposals.

2.3. Facilitate assistance for survival of the plantations

JEDB, SLSPC, and EPL faced cash flow problems due to the drought situation and management issues and were not able to pay the salaries, EPF and ETF of their estate workers. Hence, these plantations have been supported by providing financial grant through General Treasury.

	Name of the Plantation Company	Financial Grant
1	Janatha Estates Development Board	374,300,000
2	Sri Lanka State Plantations Corporation	130,000,000
3	Elkaduwa Plantations Ltd.	66,300,000
	Total	570,600,000

2.3.1. Facilitate formulation of Action Plan to settle EPF, ETF and other Statutory Dues

These plantation companies are acting out to settle the statutory dues. The EPF, ETF and other statutory payments relevant to the current period are being properly paid without any deficit by Elkaduwa Plantation Ltd. from July 2016, Sri Lanka State Plantation Corporation from January 2017 and Janatha Estate Development Board from June 2017. As well, 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.

JEDB, SLSPC and EPL have formulated an Action Plan in August 2017 with the facilitation of this Ministry to settle outstanding dues of the Employees Provident Fund (EPF), Employees Trust Fund (ETF) and other statutory dues. The Ministry closely monitors the progress of the action plan and the number of court cases filed against the above companies has been considerably brought down due to the mediation of the Ministry.

2.3.2. Facilitate preparation of Action Plan to provide a land for Estate Workers' Housing Programme.

An action Plan has been prepared coordinating with the Plantations to allocate 07 perch to each of the Estate Workers as per the Cabinet Decision of the Memorandum No: 17/1323/39/001-1 submitted by the Ministry of Hill Country, New Villages, Infrastructure and Community Development. Accordingly, the JEDB allocated 136.40Ha. SLSPC allocated 129.88Ha. and EPL allocated 49.78 Ha for the programme.

2.3.3. Facilitate preparation of Action Plans to undertake out grower cultivation

JEDB, SLSPC and EPL formulated Action Plans with the facilitation of this Ministry to undertake out grower cultivation to the estate workers and villagers. JEDB allocated 1,102.78 ha. SLSPC allocated 1,162 ha. and EPL allocated 646.62 ha., from their estates for this purpose.

2.3.4. Prepare a Common Bonus and Incentive Scheme for KPL and CPL

In order to address the anomalies in paying bonus and incentives to the employees at KPL and CPL, a common scheme has been prepared in consultation with the relevant stakeholders and submitted for the approval of the Cabinet of Ministers.

2.4. Facilitate Forest Management Plan of the Plantations

Formulation of Forest Management Plan of the JEDB, SLSPC and EPL has been facilitated by the Ministry. JEDB got its Plan approved by the relevant institutions and other two companies are in progress of formulation. A timber harvesting plan was prepared in 2016 for the above three institutions which need to be revised once the approval obtained for forest management plan of SLSPC and EPL.

2.5. Regularize land ownership and settling land dispute

SOEs have been informed to undertake land surveys and assess their assets value and the process is in progress. Further, the lands belonging to the Sri Lanka Cashew Corporation have not been vested properly and not utilized during the conflict period in North and East Provinces.

2.6. Implementation of Joint Venture Project on Bamboo Cultivation at Kondachchi in Chilawathurai

A joint venture project to cultivate Bamboo in Kondachchi, Mannar was initiated with the approval of the Cabinet Committee on Economic Management. Accordingly, Bamboo cultivation will be undertaken in 2,000 acres by the investor for 23 years and another 2,000 acres will be cultivated with Cashew by the investor for Sri Lanka Cashew Corporation with an investment of Rs. 430 Mn, and it will be handed over at the end of 05 years.

2.7. Temporary Import and Export of Raw Cashew Programme

Temporary Import and Export of Raw Cashew Programme was facilitated to address the shortage in Local market and to re-export. Procedure and process to implement the programme have been formulated through a consultation process with the Ministry of Agriculture and Ministry of Primary Industries and the approval of the Cabinet of Ministers was obtained through a Joint Cabinet Memorandum by stakeholder Ministries.

2.8. Revise the existing Cashew Subsidy Programme

In order to attract more farmers in Cashew Cultivation, it was proposed to revise the existing scheme. Present scheme was formulated in 2001 and was not updated. Hence it was updated to suit with the present economic and social conditions. The National Planning Department approved the new scheme which will be submitted for Cabinet of Ministers' approval to include to the Budget 2018.

2.9. Forensic Audit for activities of Galoya Plantation

Forensic Audit has been conducted on Galoya Plantations Limited to understand the current position in order to address going concern issues.

2.10. Restructuring of Ceylon Ceramics Corporation and British Ceylon Corporation

Actions to restructure the Ceylon Ceramics Corporation and the British Ceylon Corporation have been initiated with the study undertaken by the Consultants of the Expert Panel of this Ministry. Further actions have been proposed for the management on restructuring the Ceylon Ceramics Corporation and business restructuring of the British Ceylon Corporation.

3. Insurance, Civil Aviation and Hospitality Sector

SriLankan Airlines and Mihin Lanka Limited have accumulated significant losses over the last decade. To reduce the losses of SriLankan Airlines, the Cabinet of Ministers instructed the Airline to select a suitable strategic partner to restructure company.

Accordingly a committee appointed for restructuring has called EOI from prospective investors and substantially responsive investor has conducted due diligence. However, the SLA could not find a suitable strategic partner.

Therefore, CCEM appointed Official and Ministerial Committees for restructuring SriLankan Airlines. A lead consultant was appointed by the committees to prepare a restructuring plan for SriLankan Airlines and to assist in the selection process of strategic partner. Presently, the SLA's restructuring is in process.

The Cabinet of Ministers has granted approval for the liquidation of Mihin Lanka Limited. Accordingly, a case was filed at the Commercial High Court of Sri Lanka and the Court has appointed a liquidator. Liquidation of Mihin Lanka is in process.

3.1. Hospitality Sector

Hotel Developers (Lanka) PLC which owns Hilton Hotel Colombo and Canwill holdings (Pvt) Ltd which owns Grand Hyatt Colombo projects are coming under the mandate of the Ministry of Public Enterprise Development. These entities have also been identified in the Budget speech 2016 as a non – strategic enterprises in which the divestment of the government's stake should be considered.

Cabinet of Ministers has granted the approval for restructuring the ownership of Hilton Hotel Colombo and GHC. Accordingly the divestment of government stake in those SOEs is in process.

3.2. Restructuring of the SOEs

3.2.1. Capacity Development and improve Governance

A training curriculum was developed together with several partner agencies, namely, World Bank, International Financial Corporation, CIMA and Chartered Institute of Sri Lanka to build the capacity of Board Members and Senior Management of State Owned Enterprises and relevant government officials in areas such as Corporate Governance, financial reporting, performance management etc. The first copy of the curriculum was presented to the Minister at the first set of Workshops on Corporate Governance for State Owned Enterprises (SOEs) organized for senior managers of the SOEs coming under MPED. Four Governance Workshops have been conducted for senior officials and Board of Directors.

- **Appointment of Consultants:**

Consultant Panel was appointed to support the institutions to undertake restructuring process.

- Cabinet approval obtained – January, 2017
- Appointment of consultants- June, 2017

- **Improve oversight mechanism –**

Instructions were given through consultations and meetings and awareness was made to have a sustainable oversight mechanism. Quarterly progress review mechanism was introduced since the second quarter of 2017.

3.2.2. Streamline Procurement

Two workshops had been conducted to improve procurement capability of the SOEs. Accordingly, senior officials and Board of Directors were empowered on procurement principle, procedures and guidelines. One workshop was held on 16 -17 July 2017, and the other was held on 31 August, 07, 14, 11 and 21 of September 2017.

3.2.3. Draft Reforms Policy

A draft Policy on State Owned Enterprise Reforms was formulated and submitted to the National Economic Council for consideration.

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

5.1 Bank and Finance

Bank of Ceylon

1. Introduction

1.1. Incorporation

Bank of Ceylon is a licensed commercial bank operating under the Banking Act No. 30 of 1988 and amendments thereto and was duly incorporated on 01 August 1939 under Bank of Ceylon Ordinance No.53 of 1938 and amendments thereto. The Bank is wholly owned by the Government of Sri Lanka.

1.2. Group Structure

The BoC Group consists with ten subsidiary companies and four associate companies as of end 2017. Below table summarizes the name and the holding of the subsidiary and associate companies.

Name	Holding %
Subsidiaries	
Merchant Bank of Sri Lanka & Finance PLC	74.49
Property Development PLC	95.55
BOC Property Development & Management (Private) Limited	100
BOC Travels (Private)Limited	100
Bank of Ceylon (UK) Limited	100
Hotels Colombo (1963) Limited	99.99
Ceybank Holiday Homes (Private) Limited	100
MBSL Insurance Company Limited	62.66
Koladeniya Hydropower (Private) Limited	95.55
BOC Management & Support Services (Private) Limited	100
Associates	
Ceybank Asset Management Limited	43.36
Transnational Lanka Records Solutions (Private)Limited	24.69
Lanka Securities (Private) Limited	41.60
Southern Development Financial Company Limited	41.67

1.3. Service Points

The Bank has well spread brick and mortar service network plus digital service points such as ATMs and CDMs, enabling customer access through total of over 1,500 touch points. As the Bankers to the Nation BoC always take the responsibility of fulfilling needs of all customer segments and many initiatives have been implemented to cater tech savvy generation by fueling banking activities through digitization front.

Below table depicts the growth of the Bank’s service channel over period of five years.

	2013	2014	2015	2016	2017
Branches	567	573	578	580	578
Other service points	49	47	47	48	48
ATMs	523	540	549	678	764
Cash Deposit Machines (CDMs)	-	-	14	123	168
SME units	14	15	15	15	15
Regional Loan Centers (RLCs)	-	2	9	11	14

The Bank also maintains 1,223 “*School Sansada*” and 152 mobile school savings units to inculcate the saving habit among school children. “Branch on Wheel” mobile branches were also deployed by the Bank mainly to serve customers in rural areas whom are difficult to reach by traditional modes of banking and this service is also deployed disaster situations where physical access to branches are not possible.

1.4. Number of Staff

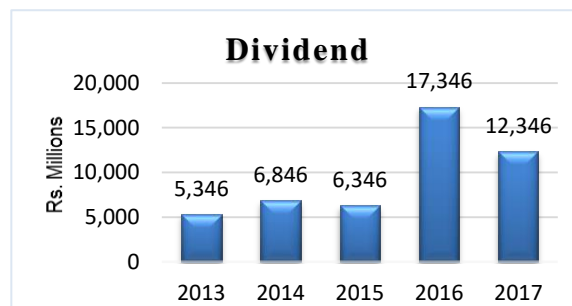
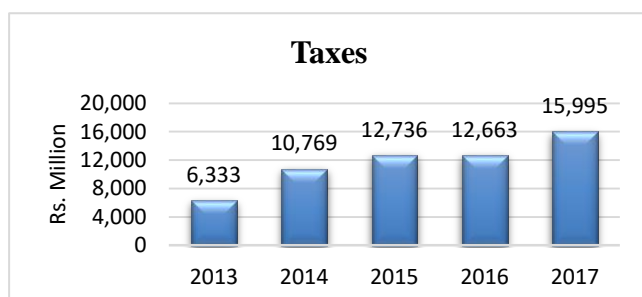
The Bank’s main strength is its staff, enriched with ability of taking any challenge and sailing the Bank to its vision and mission.

Following is the staff strength of the Bank as of year-end 2017.

Category	2017
General Manager and Corporate Management	19
Executive Management	48
Chief Manager	101
Senior Manager	184
Branch Manager and Assistant Managers	1,095
Other Officer Grades and Management Trainees	2,252
Staff Assistants and Allied Grades	3,349
Office Assistants and Allied Grades	539
Total	7,587

1.5. Value to the Government

The Bank has continued being a key contributor to the national coffers by paying dividend to the Government and when fund requirements arise. The Bank has paid Rs. 28.3 billion as dividend and tax to the Government during the year.



2. Financial Performance

Having delivered strong performance in year 2016, Bank of Ceylon has continued to maintain the growth momentum. The Bank has recorded Rs. 30.4 billion Profit Before Tax (PBT) during 2017.

Bank of Ceylon has a unique position of strength as the leading provider of financial services, having a strong balance sheet with over Rs. 1.9 trillion assets base, Rs. 1.5 trillion deposit base and loans and advances of Rs. 1.2 trillion as at end of December 2017.

The Bank's key challenge is to bring down the NPA. NPA ratio stood at 2.9% as at end of December 2017. However, it is 50 bsp behind the budget.

The Below table summarizes the Key Performance Indicators (KPIs) of the Bank. In addition, this report will brief the achievements of each major business segment highlighting the main areas under concern.

	December 2013	December 2014	December 2015	December 2016	December * 2017	Growth * %
Total Income	127,464	126,546	131,502	154,121	188,224	22%
Operating Income	49,024	56,513	64,012	71,873	73,353	2%
Operating Profit Before VAT and NBT	18,420	24,343	30,095	37,454	37,627	2%
Profit Before Tax	15,709	20,291	25,279	31,189	30,363	-3%
Profit After Tax	12,087	13,574	17,357	24,791	21,632	-13%
Total Deposits	842,070	933,966	1,082,337	1,256,589	1,546,832	23%
Total Advances	755,385	777,505	869,316	1,047,190	1,221,727	17%
Total Assets	1,193,581	1,329,020	1,568,289	1,669,291	1,951,634	17%
Shareholder's Equity	57,700	74,806	81,485	92,850	111,900	21%

Key Ratios

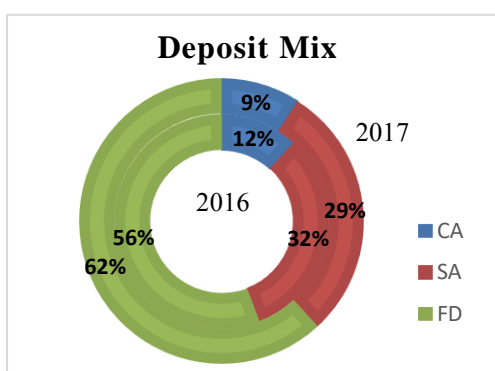
RoA (Before Tax)	1.4%	1.6%	1.7%	1.9%	1.7%
RoE (After Tax)	22.2%	20.5%	22.2%	28.4%	21.1%
Cost to Income Ratio	49.1%	44.0%	44.7%	43.0%	38.7%
Capital Adequacy Ratio	12.1%	13.6%	13.1%	12.3%	13.1%
NPA to Total Advances	4.3%	3.8%	4.3%	2.9%	2.9%
Cost of Funds	13.7%	11.0%	10.2%	10.3%	12.2%
Liquidity Ratio (Domestic)	27.7%	30.8%	28.2%	21.6%	27.2%
Profit/ Employee (Rs.000)	1,768	2,366	3,168	4,121	4,002
Business per Employee (Rs.000)	179,833	199,542	244,568	304,370	364,908

Note

* 2017 data have been extracted from the unaudited financial statements submitted to Colombo Stock Exchange (CSE). Year 2013-2016 data have been extracted from published audited Financials complied with SLFRSs.

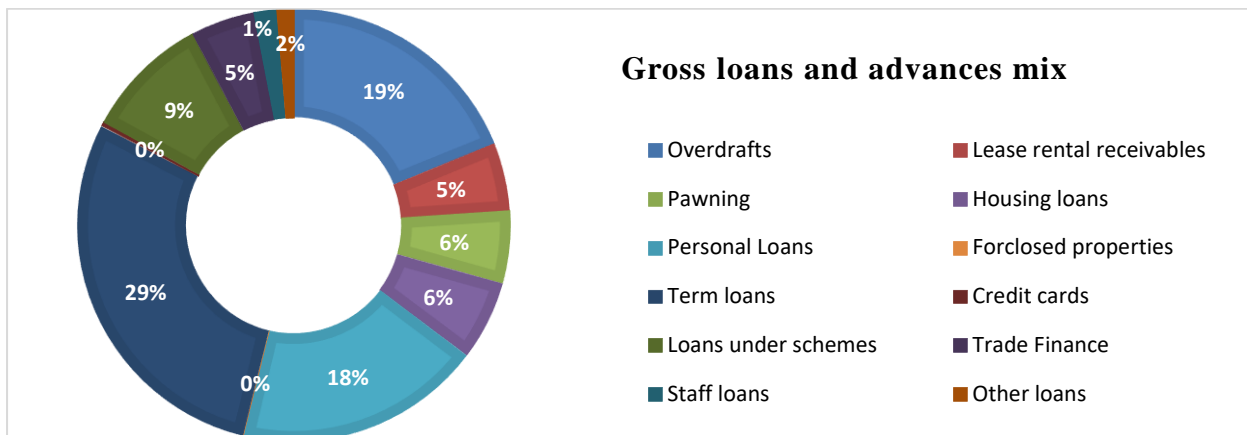
2.1. Key Performance Indicators

2.1.1. Deposits



The total deposit portfolio of the Bank which amounts to Rs. 1.5 trillion as at 31st December 2017, consists of 78% local currency deposits and 22% foreign currency deposits. CASA ratio of the Bank has reduced during the year mainly due to the external pressures backed by high interest rates prevailed in the market during the year. Bank has reported 22% market share in the deposit market as at 30th November 2017.

2.1.2. Gross Loans and Advances

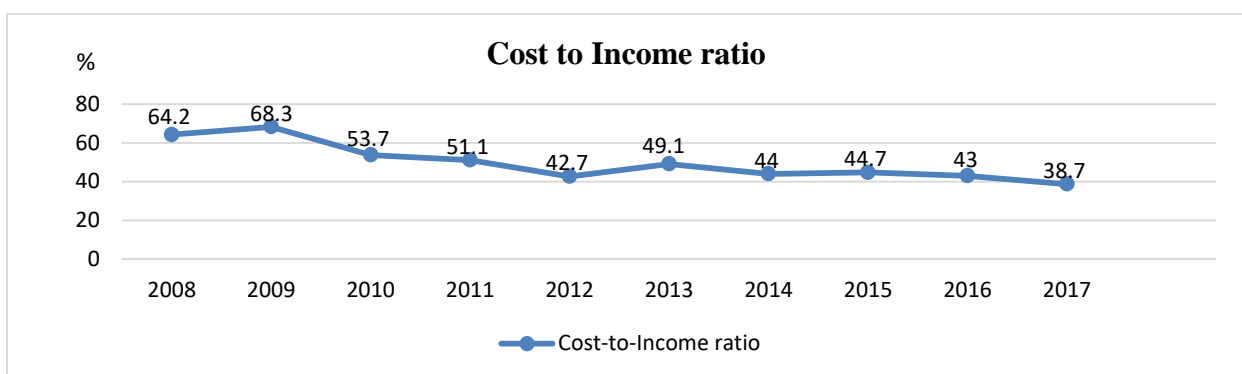


The Bank maintains 20% market share on loans and advances as at 30th November 2017. Loan portfolio of the Bank is mainly consisting of term loans, overdrafts and personal loans. Gross loans and advances have shown a growth of 17% compared to 31st December 2016.

2.1.3. Assets

The Bank maintains 21% market share in total assets as at 30th November 2017. The efficiency of the assets portfolio of the Bank is showcased by the fact that 91% of Bank's total assets consist of interest earning assets (Loans and advances to the customers - 62% and financial investments – 29%).

2.1.4. Income and Expenses



Effective cost management of the Bank via process improvements and strategies executed after planning well and the new avenues of income generating sources which creates more diversified income portfolio for the Bank has resulted to reduce its cost to income ratio constantly across the years. The Bank of Ceylon reports one of the least cost to income ratio among its peers.

3. Highlights of the Year

In addition to the financial milestones, the Bank has accomplished remarkable activities during the year 2017 and key areas have been presented below.

3.1. Digital Initiatives

During the year 2017, the Bank was driven by the Corporate Plan 2017 -2019 under the theme of “Best beyond 75 with digital touch”.

The Bank continued its digitization process during the year 2017 and following are some of the achievements during the year.

- New modules were added to Human Capital Management (HCM) system (eg: leave application and management)
- Automation of business processes via Document Management System (DMS) and work flow systems (eg: home loan orientation, personal loan orientation, business loan orientation, account opening, standing order processing, complaint handling and customer correspondence)
- Introduction of multi-currency travel card
- Launched the B-app (BoC mobile banking app)
- Upgraded and relaunched the online banking facility
- Launched BoC smart Passbook app
- Enhancement of video conferencing facility - Facility for all province offices and selected departments and branches
- Core Banking System upgraded to Signature 10.1 was expanded to BOC Overseas Branches
- Installed 168 new ATMs/CDMs during the year
- Implemented EMV Chip card issuing facility.
- Implemented EMV Chip card acquiring facility for more than 500 ATMs
- Enabled unregistered utility bills payment and mobile top-up facility for more than 500 ATMs
- Enabled card less utility bills payment, mobile top-up facility and cash re-cycling facility in 13 CDMs

3.2. Human Capital Management

During the year 2017, more attention was paid on training programmes by revisiting and re-designing them with an intention of providing the most suitable training opportunity for the employees of the Bank.

The intention behind this process was to use as a motivating tool to inculcate a positive culture among staff. Further, through this process it was able to address the competency gaps among staff and skills and competencies of future managers in charge of branches were also developed. During the year 2017, the Bank was able to conduct 871 training programmes totaling to 11,884 training hours. Among this, 120 were overseas training programmes.

3.3. Green Banking

The Bank initiated many initiatives to enhance its environmental performance during the year 2017. Kekirawa branch was converted into a Green Building and it was able to win a Gold Award by the Green Building council. The role out of the concept to other branches has already started. The Bank is on continuous efforts in reducing its dependence on national grid for power and as at end of 2017, 2% (479 MWh) of Bank's total energy consumption is met from its own solar photovoltaic panel installation. During the year 14 branches were converted in to Solar powered branches. Also during the year, the Bank has able to reduce its carbon footprint by recycling 16,930Kgs of waste paper. Promoting e-statements and pass-book free savings accounts, automation of internal processes has also helped the Bank in reducing its paper usage.

The Bank has shown its commitment to green economy during the year by being recognized as the best contributor in promoting Government initiative on promoting renewable energy ("*Surya Bala Sangramaya*") by the Ministry of Power and Energy and also by introducing loan schemes supporting solar panel installations.

3.4. Awards and Accolades

During 2017 also the Bank was recognized with many awards confirming its No. 01 position.

- **Brand Awards**

1. No. 01 brand in Sri Lanka – Interbrands 2017
2. Global Master brands –CMO Asia
3. No. 01 Brand in Sri Lanka – Brands Annual 2017

- **Excellence in performance**

1. Top 1000 Banks in the World – The Banker magazine UK
2. Leading Partner Bank in Sri Lanka (TFP awards) ADB
3. Best Bank in Public Sector –BFSI Awards

- **Annual Report Awards**

1. CA Sri Lanka Gold Award for state Bank category
2. SAFA award – 1st runner up
3. Vision Awards (LACP) – Best in house report Gold / Best sector annual report (Platinum)
4. 31st ARC awards - Financial Data Banks International: Gold / Traditional Annual Reports
Banks International: Silver

- **Human Resource Awards**

1. Asia's Best Employer Brand, Employer Branding Institute – India
2. Sri Lanka Best Employer, Employer Branding Institute – India
3. SLITAD – Peoples Development: Silver award

- **Digital Awards**

1. Technovation Awards – Interbank Transactions Overall Gold / Customer Convenience:
Gold/ Financial inclusivity: Gold

- **Sustainability / CSR Awards**

1. Green Banking Gold Award: Kekirawa Branch-Green Building Council of Sri Lanka
2. Best Corporate Citizen Sustainability Awards: Ceylon Chamber of Commerce 2016 –
Triple Bottom Line Economic Sustainability (Profit) / Category winner Economic
Contribution
3. Surya Bala Sangramaya: promoting Renewable energy: Ministry of Power and Renewable
Energy

4. Corporate Social Responsibility

Having achieved fruitful year, Bank of Ceylon always concerns on its mandate of being “Bankers to the Nation” and many activities are in place to empower education, society and preserve the national heritage and nature.

4.1. Preserve national heritage:

- Sponsoring national cultural events (“*Bauddhaloka Vesak*” Festival, “*Buddha Rashmi*” 2017, “*Kelaniya Duruthu Perahera*”, “*Nawam Perahera*”, “*Minthale Aloka Pujawa*”, Sand paving ceremony at “*Jaya Sri Maha Bodiya*” and many more religious events)

4.2. Social Development:

- Youth Camp organized by the Presidential Secretariat, Donation to Civil Security Dept. to provide water purification plants with a view to eradicating kidney disease, Flood relief activities conducted with the staff volunteerism to help victims of May 2017 flash floods.

4.3. Empower education

- “*Hapana*” – Grade 5 Scholarship Seminar programme

Hapana programmes were conducted covering the entire country during 2017. These programs were conducted in both Sinhala and Tamil media depending on the region and the participants’ requirement. During the year under review, the bank was able to coach total number of 24,024 students to face the grade 5 scholarship examination and assisted about 18,000 parents to build confidence in their children through mentoring sessions.

- “*Ran Kekulu*” Grade 5- Scholarship programme

During the year 2017, 2000 scholarships (each worth of Rs. 15,000/-) were offered to students who excelled in Grade 5 scholarship exams. This was totaled to Rs. 30 million for the year.

- 18 Plus scholarship programme for A/L high achievers

During the year 2017, 198 scholarships were granted for students who excelled in 2014 and 2015 A/L examinations and selected to universities. The total amount of funds disbursed on this regard during the year was Rs. 6.2 million.

People's Bank

1. Introduction

The People's Bank is a Government owned Bank, established under People's Bank Act No. 29 of 1961 on 1st July 1961 and is domiciled in Sri Lanka. People's Bank has 18.6 million customer accounts transacting business daily through 737 branches and 8,454 dedicated employees. The number of ATM machines stands at 572 spread across all corners of the island. Bank comprises three subsidiaries. The subsidiaries are People's Leasing Finance PLC, People's Travels (pvt) Ltd and People's Merchant Finance PLC.

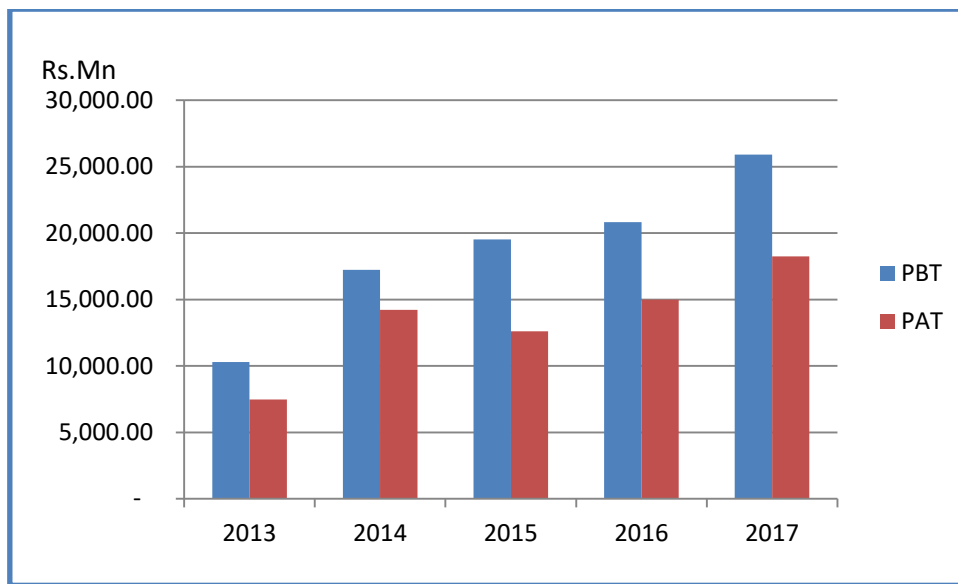
People's Bank has recorded Rs 25.9 billion profit before tax and Rs 18.2 billion profit after tax for the year 2017. The overall deposits base surpassed Rs 1.2 trillion in 2017, showing 15% increase over 2016. The loans and advances to customers increasing by 13%, in comparison to the previous year, which in turn supported assets growth of 13%. The non performing loan (NPL) ratio reached an all-time low of 1.9% following a successful effort to improve recoveries.

2. Comparison of Key Financial Performance Indicators

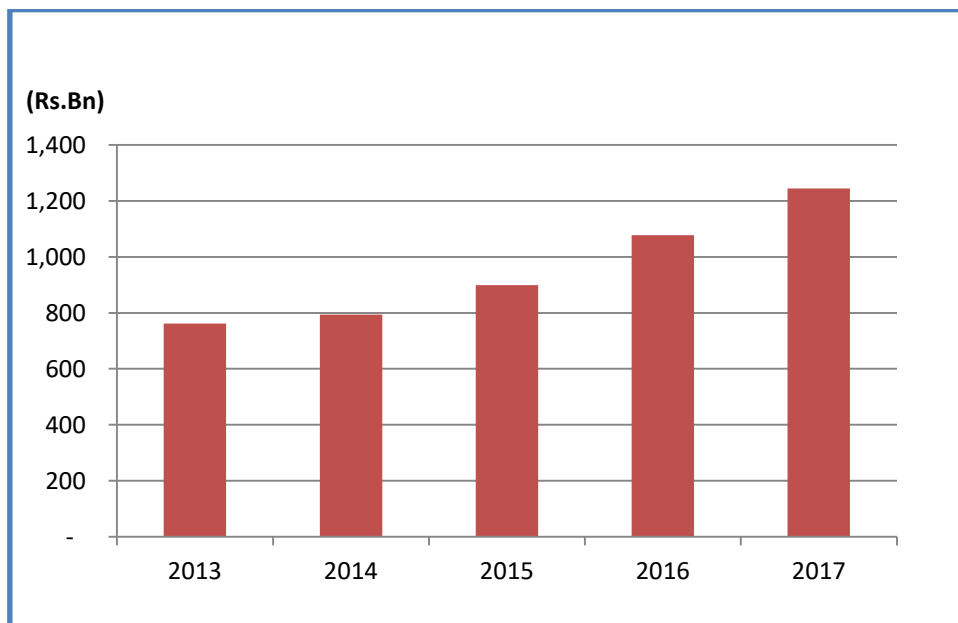
(all figures in Rs Millions)

Key Financial Indicators	31.12.2017 (audited)	31.12.2016 (audited)
Net interest Income	50,466	43,124
Other Income	12,720	11,935
Total Income	63,186	55,060
Profit before Tax	25,913	20,814
Profit after Tax	18,250	14,995
Total Gross Loans & Advances	1,074,248	950,824
Total Assets	1,467,099	1,302,048
Total Deposits	1,244,003	1,077,812
Capital & Reserves	77,457	59,649
Total Liabilities	1,389,642	1,242,400
Return on Assets (before tax) %	1.9%	1.7%
Return on Equity %	26.6%	27.5%
Non Performing Loan Ratio %	1.9%	1.9%
Advances to Deposits %	86.4%	88.2%
CASA/Total Deposits %	42.1%	44.8%
Non Funded Income/Net Income %	20.1%	21.7%
Operating cost/Net Income %	54.8%	59.9%
Net Interest Margin %	3.6%	3.5%

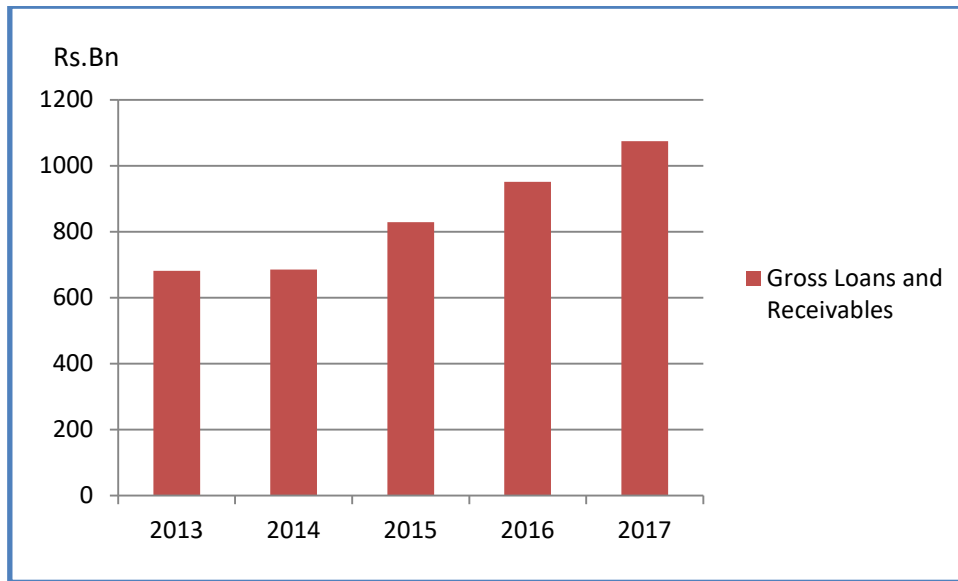
2.1. Profitability



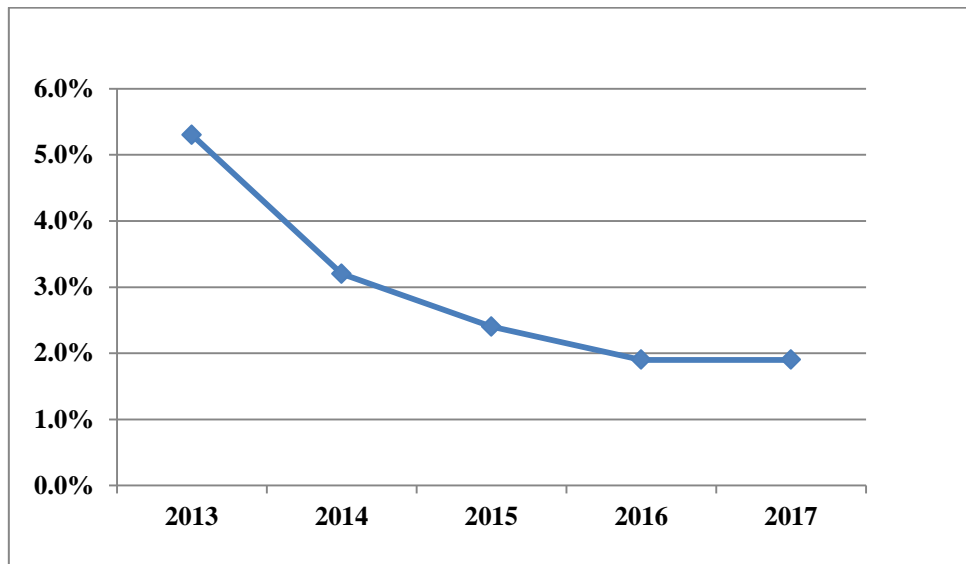
2.2. Total Deposits



2.3. Total Gross Loans & Advances



2.4. Non-Performing Loan Ratio



3. Key Activities Performed during the year 2017

People's Bank has shown continuous and exemplary performance during 2017, whilst contributing to the national economy in areas of agriculture, tourism, construction and housing and trade finance to name a few.

3.1. Investments

Investments of the Bank is managed by treasury department where the bank has contributed to the development initiatives of the government by way of investing in Treasury Bills, Treasury Bonds, USD Development Bonds and Government of Sri Lanka Restructuring Bonds. The Total Investment as at 31st December 2017 amounts to Rs. 270 billion.

3.2. Credit Expansion

Credit expansion was driven by the Bank's continuing efforts in up skilling employees in relationship driven marketing, which enabled customer acquisition as well as deepen relationships with existing customers. Focus was also placed on improving credit quality and generating process efficiencies which supported the overall profit growth during the year.

3.3. SME Banking

The Bank's SME proposition is targeted to businesses with an annual turnover of between Rs. 15 million and Rs. 750 million. The 23 SME centers operate as dedicated hubs for serving the requirements of SME customers. These centers are monitored by 3 Regional Commercial Credit units through which targets are allocated. During the year the division also placed emphasis on training credit officers on a range of SME lending aspects including credit evaluation, risk management, collection and monitoring.

3.4. Micro financing

Micro financing aims to empower the grassroots of the country's economy through providing financing at affordable rates. This sector generally falls beyond the risk appetite of financial institutions and resultantly lacks access to formal credit at equitable rates. One of the first banks in the country to engage in micro financing, People's Bank disburses micro financing facilities for multiple purposes including agriculture, industrial and cottage industries.

3.5. Exposure to the State Owned Enterprises

Exposure to the state-owned enterprises is 34% of its total loan portfolio for the year 2017. Mainly to Ceylon Petroleum Corporation (CPC), Ceylon Electricity Board (CEB), Ceylon Fertilizer Corporation (CFC), Colombo Commercial Fertilizer (CCF) and Road Development Authority (RDA) inter alia. Most facilities carry a guarantee from the Ministry of Finance.

3.6. Contribution to Government Revenue

In the year 2017 the bank contributed Rs 20.5 billion as taxes, dividends and levies to the government.

3.7. Supporting the Co-operative Sector

The Bank has partnered with the Co-operative sector to disburse funding to co-operative society members for multiple purposes such as agriculture, animal husbandry, consumer trading, fisheries and special projects among others. The facilities are disbursed at concessionary rates.

3.8. New capital raised

The Bank successful raised LKR 5.0 billion from GOSL. The new capital will help in notable part the Bank meet the ‘progressively to increase’ Basel III capital adequacy requirement(s).

3.9. Non-Financial Highlights

3.9.1. Launch of the country’s first fully digitized branch

The People’s bank reached a decisive milestone in its journey towards digitalization in its journey towards digitalization with the launch of its first fully digitalized branch at Duke Street, Colombo 1. By establishing its first ever digitalized branch in a key commercial hub in the country, the People’s Bank has reached out to one of the most demanding customer segments, predominantly the business community offering an ultra-convenient products and services.



3.9.2. Sri Lanka first 24 hour call centre launched by People's Bank.

In keeping with its innovative approach to banking, the People's Bank launched Sri Lanka's first ever 24 hour call centre recently thus making banking with People's Bank ultra-convenient. The new call centre that fulfils a long felt need is the result of its commitment to uplifting customer service level and aims at delivering true value to customers



3.9.3. People's Bank inaugurates Innovation Centre.

Reflecting its commitment to transform People's Bank into a modern, high tech banking institution, the Bank recently inaugurated a state of art innovation centre at York Street, Colombo 01. It is envisaged that this Innovation Centre will create opportunities to offer superior banking products and services that are on par with international banking standards and enable the Bank to explore new vistas in the rapidly evolving banking industry.



3.9.4. People's Bank crowned as the first and only State Bank in Sri Lanka to receive ISO/IEC 27001:2013 certification.

Heralding a new era in Information Security Management, People's Bank was conferred the prestigious ISO/IEC 27001:2013 certification for excellence in Information Security Management by Bureau Veritas, a global in Testing, Inspection and Certification (TIC), delivering high quality services. The ISO/IEC 27001:2013 certification enforces the adoption of the most stringent controls with a view to ensuring implementation of adequate security measures that can safeguard an organization's information assets.



National Savings Bank

1. Introduction

National Savings Bank (NSB) was established forty five years ago in 1972 when a Parliamentary Act facilitated the amalgamation of the prevailing savings movements in the country at the time, into one establishment. Thereby, the Bank has inherited more than a century old savings legacy. Financial inclusion being the founding principle the Bank was expected to become the leading savings institution that would serve the needs of all Sri Lankans, irrespective of class, gender or status. Since then, the Bank has flourished into a gigantic financial institution with innovative and multiple financial solutions on offer.

Continuing to expand its presence in the country, the Branch network has been increased up to 253 branches by adding three new branches during the year 2017 while relocating the Tissamaharama Branch to a strategic new location. The ATM network reached 286 with the 7 ATMs added during the year. The customers have access to the Bank via 4,062 Post Offices and Sub Post Offices and the number of school banks in operation reached 28. With the launch of NSB “iSaver” service the customers could make deposits through over 16,000 Mobitel “mCash” agent network. Accordingly, the Bank has facilitated access to its products and services through 20,629 touch points island-wide in addition to the relationships with 33 exchange houses and 12 correspondent Banks at the end of 2017. The Bank has strengthened its staff position to 4,469 with 216 new recruitments during the year.

2. Financial Performance Review

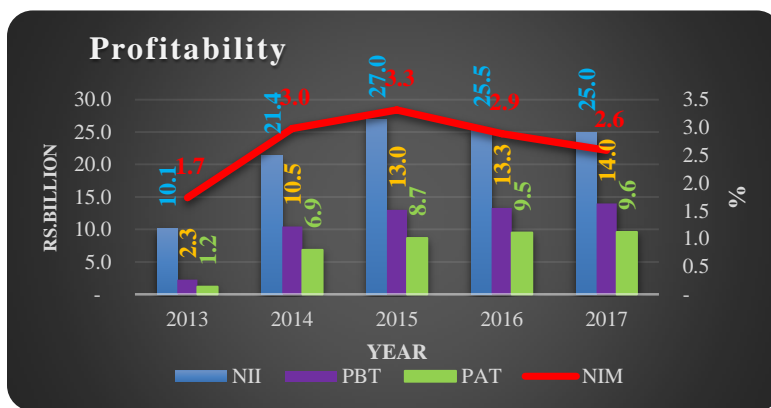
The year 2017 has imprinted an important landmark in the history of NSB where the Bank became the first Licensed Specialized Bank to achieve the Rs.One Trillion Asset base, the only Sri Lankan Bank to achieve this milestone within a shortest period of 45years since its incorporation.

The Bank has been mobilized Rs.75 Billion, the highest amount of deposits recorded in its history during the period under review. The Deposit base reached Rs.737 Billion with a growth rate of 12%. The Bank has maintained the increasing trend in Inward Remittances market share by reaching 2.74% compared to the 1.80% in 2016.

The loan book of the Bank grew by 20% over and above the industry average of 16% whilst maintaining the NPL ratio at 1.34% well behind the industry average of 2.5%. Corporate lending portfolio increased by Rs. 28.3Bn, reporting a 20.2% growth over the last year mainly due to the disbursements to Government infrastructure development projects.



The Bank has recorded its highest ever profit before tax of Rs.14 Bn with a growth of 5.5% over the last year. This was achieved despite the lower net interest income mainly caused by the interest rate pressures created by the upward market interest rate scenario



combined with rise in VAT rate from 11% to 15%. While interest income of the Bank surged by 20% to reach Rs.103Bn during the year under review, interest expenses reported an increase of 29% on account of interest rate compressions due to asset

and liability mismatch prevailing in less than one year maturity buckets. This was led by an upward reprising of short term deposits base which is greater than the reprising of loans and investments portfolio particularly on the long term. Meanwhile, Non-interest income recorded a notable growth of 395% amounting to Rs. 3.4Bn, mainly attributable to the net fee income, net gain from trading and financial instruments and other operating income. The Capital gain amounting to Rs.973 Mn from trading activities of Government Securities was the highest Capital gain the Bank has recorded. The Bank has contributed Rs.13.4 Bn to the Government as taxes, special fee, dividends and contributions to the National Insurance Trust Fund for the year ended 31.12.2017.

The personnel expenses increased by 10.4% compared to previous year as a result of new recruitments as well as absorption of the outsourced employees in to the permanent carder in order to resolve long standing grievances and to maintain the industrial peace but it was maintained within the budget.

Impairment provision has increased by Rs. 793mn because of the 20% growth in the lending portfolio coupled with a decrease in NPL and proactive risk management approach applied by the Bank to have a buffer for unexpected losses. Subsequently, provision coverage ratio mounted to 46% against 36% registered in the last year.

Increase in other operating expenses excluding special fee paid to Treasury was 7.5% against 2016 which was below the country's annual average inflation rate of 7.7%.

The Bank's Equity capital and Reserves recorded a significant growth of 24.7% mainly due to increase in Revaluation surplus and retained profits amounting to Rs.4.5 Bn and Rs.3.9 Bn respectively. Also the Bank's Stated Capital was increased by Rs.500 Mn during the year to Rs.6,700 Mn through capitalization of unclaimed deposits reserve balances. Accordingly the Bank's Total Capital ratios increased to 15.24% from 13.84% in 2016.

2.1. Financial Highlights & Key Performance Indicators

Item	2016 (Audited)	2017 (Un-Audited)
Operating Results (Rs.Million)		
Total Income	87,399	107,817
Net Interest Income (NII)	25,467	24,955
Profit before Vat & Tax	16,094	17,522
Profit before Tax	13,303	14,029
Profit After Tax	9,498	9,610
Contribution to the Government	19,251	13,440
Financial Position (Rs. Million)		
Total Equity	32,246	40,222
Total Deposits	657,280	737,213
Total Borrowings	213,162	224,143
Total Assets	911,704	1,012,103
Net Loans and Receivables	323,811	388,024
Total Investements	554,235	582,138
Ratios (%)		
Net Interest Margin	2.9	2.6
Return on Average Assets (ROA)	1.5	1.5
Return on Average Shareholder's Funds (ROE)	29.4	26.5
Cost/ Income (Without VAT)	39.6	38.0
Provision Coverage	36.1	46.0
Non-performing Loans/Gross Loans <i>(As per CBSL guideline)</i>	1.6	1.3
Basel III - Tier I (Minimum 7.75%)	11.3	11.9
Basel III - Total Capital (Minimum 11.75%)	13.8	15.2
Liquidity Coverage Ratio (Minimum 80%)	394.0	376.2
Other Information		
No of Branches	250	253
Post Offices/Sub Post Offices	4,061	4,062
Number of ATMs	279	286
Number of Employees	4,384	4,469
Rating (Fitch Rating Sri Lanka)	AAA	AAA

3. Other notable initiatives taken/achievements during the Year 2017

- The Bank has been honored as the Sri Lanka's safest Bank for the second consecutive year by Global Finance in 2017. The AAA rating of the Bank was reaffirmed for the 15th consecutive year by Fitch Ratings Lanka, and the NSB is the first and only local bank to receive AAA rating from Fitch Ratings.
- Introduced a special loan scheme for customers of Lanka Electricity Company (LECO) for purchasing solar panels at low interest rates. The Bank was selected by the LECO through an open competitive tender procedure for the implementation of this loan scheme.
- The special loan scheme proposed by National Budget 2017, "Sonduru Piyasa" was launched.
- The Bank introduced "NSB i Saver service", by partnering with SLT Mobitel in August 2017, a digital initiative to facilitate improving financial inclusion of the country. NSB i saver service is available on 24X7 through nearly 16,000 agents of the Mobitel.
- Lanka Pay connectivity expansion - Common Electronic Fund Transfer Switch (CEFTS).
- NRFC/RFC Accounts are facilitated in Japanese Yen (JPY).
- First KIOSK under facade development project was opened with the opening of City Plus Branch.



- In view of standardizing the appearance of the Branches, a model branch concept was initiated during the year with the renovation of Boralesgamuwa Branch.
- Implementation of 5Ss programme in Branches and Head Office was commenced during the year.
- In addition to the procurement of a core-banking solution, the Bank initiated several IT projects related to card operations, IT security, network & Treasury operations etc.
- In celebration of 93rd World Thrift Day, the Bank has organized the NSB Agroforestry Project as a CSR Project of the Bank through which it is expected to distribute million plants by 2020. The bank distributed pepper plants and coconut seedlings totaling to 25,000 plants through its island wide branch network during the year 2017.



- The Bank's Annual Report 2016 received
 - ❖ Silver Award in the State Banks Category at the CA Sri Lanka Annual Report awards 2017.
 - ❖ Gold and two Bronze awards at the ARC Awards 2017
 - ❖ Joint 2nd Runner Up in the Public Sector Banking Institutions category at the South Asian Federation of Accountants (SAFA) Annual Report awards 2017.

4. Outlook for 2018

The Bank has formulated a Strategic Business Plan (SBP) for the three year period 2018-2020 which will be the core document for driving the Bank towards the mission of becoming the best savings and retail bank in the country by 2020.

All short, medium and long term goals and targets of the Bank have been developed revolving around the main business goals identified for the next three year period in the SBP and rollout of the same will be commenced from 2018.

The Bank will continue to invest in improving IT infrastructure and including procurement and roll-out of a core-banking solution. For providing convenience and new experiences to customers debit card operations of the Bank will be upgraded with state-of-art technology infrastructure in 2018. Also the Bank will venture into new business avenues through the acquisition of Sri Lanka Savings Bank.

Implementation of model branch concept in Bank owned branch buildings will commence from 2018 and the selected areas of these buildings will be developed as smart banking areas. Expansion of branch network of the Bank will continue in 2018 as well.

Further, the Bank will promote green initiative loan scheme i.e. eco Loan in 2018 and beyond to encourage use of renewable energy.

Also, in view of improving overall productivity of the Bank, a KPI based performance evaluation scheme will be introduced in 2018.

Attracting young generations to the Bank with NSB and inculcating their savings habit will be a major focus of the Bank in 2018 to ensure the sustainable growth of the Bank. Accordingly, the Bank will introduce a new product for youth and re-launch the existing products to attract young generations to the Bank.

State Mortgage and Investment Bank

1. Introduction

The State Mortgage & Investment Bank being one of the oldest banks of the nation was inaugurated as the Ceylon State Mortgage Bank (CSMB) on 6th December 1931 by Ordinance No. 16 of 1931. State Mortgage & Investment Bank formed by the State Mortgage & Investment Bank Law No. 13 of 1975, amalgamating the Ceylon State Mortgage Bank and the Agricultural and Industrial Credit Corporation, established in 1943. The Bank commenced its operation on 1st January 1979. The Bank was recognized as a licensed specialized bank and the license was issued by the Central Bank of Sri Lanka on 27th April 1998 in terms of the Banking Act No. 30 of 1998.

Since then, deviating from the former lines of business, while paying much attention to the housing needs of the country, the Bank throughout its over seventy-five years of service, has evolved to become the Housing Bank to the Nation.

With the expansion of the Banks activities, the Bank strengthened its resource base by venturing into various other products. Thus in 1991, the Bank started accepting deposits. During the same year District Representatives were appointed from various districts to assist customers and to act as intermediaries between the Bank and the customers in promoting credit facilities. In October 2001, Pass-Book Savings product was introduced. After the 1990's the Bank extended its services by opening new branches in main districts and in 2007 bank expanded its reach by opening extension offices in key locations.

1.1. Authorized Business

- Granting of the Loans subject to interest, for the purpose of; Purchase or lease of Land for the use of agriculture, Construction, repair or renewal of any building factory, mine machinery and equipment for the use of agriculture or industrial use; Purchase or lease of any land for the construction of dwelling houses, Construction, repair, renovation or extension of dwelling houses, Purchase or lease of dwelling houses
- Manufacture or operation of any agricultural or industrial project for sales in the market.
- Liquidation of any debts already incurred for any purpose mention above
- Grant loan for the purpose of carrying out any scheme approved by the Minister for the purpose of development of agriculture or industry
- Carrying out any business or hire-purchase in machinery and equipment used in agriculture or industry
- Participate in the management of any agriculture or industrial undertaking or any client for the protection of the interest of the bank
- Act as technical adviser to any client of the bank or any agriculture undertaking.
- Acquisition of the moveable and immovable property
- Provision of guarantee or indemnity

2. Performance

2.1. Financial Performance for the year ended 2017 compared to previous years and budgets

(Rs. Mn)

Income Statement								
(LKR Mn)	2015	% Increase/ Decrease over 2014	2016	% Increase/ Decrease over 2015	2017	% Increase/ Decrease over 2016	Budgeted 2017	% Achieved against Budget
Gross Income	3,999	6.8%	4,372	9.3%	4,917	12.4%	5,251	93.6%
Interest Income	3,879	6.8%	4,241	9.3%	4,746	11.9%	5,119	92.7%
Interest Expenses	2,057	-7.1%	2,425	17.9%	3,102	27.9%	3,058	101.4%
Net Interest Income	1,822	28.4%	1,815	-0.3%	1,644	-9.5%	2,061	79.7%
Other Income	120	6.1%	131	9.6%	171	30.5%	132	129.6%
Total Operating Income	1,941	26.7%	1,947	0.3%	1,815	-6.8%	2,193	82.8%
Impairment Provision	107	220.4%	35	-66.9%	159	350.7%	55	288.1%
Net Operating Income	1,835	22.4%	1,911	4.2%	1,656	-13.4%	2,138	77.5%
Staff Expenses	699	21.6%	698	-0.1%	725	3.8%	765	94.7%
Other Expenses	293	-5.1%	287	-19.5%	295	3.0%	324	91.0%
Profit before VAT & NBT	843	57.2%	927	9.9%	636	-31.4%	1,048	60.6%
VAT	137	29.5%	190	38.5%	167	-11.7%	232	72.1%
NBT	25	41.3%	31	23.8%	22	-27.6%	31	72.1%
PBT	681	65.0%	706	3.7%	446	-36.8%	785	56.8%
PAT	410	50.0%	436	6.4%	224	-48.7%	492	45.5%
Contribution to the Government	611	74.8%	674	10.3%	544	-19.3%	679	80.1%
Retained Profit	2,449	9.9%	2,707	10.5%	2,760	2.7%	3,057	90.3%

2.2. Performance ratio

Details	2015	2016	% Increase/ Decrease over 2015	2017	% Increase/ Decrease over 2016	Budgeted 2017	% Achieved against Budget 2017
Return on Average Assets (before Tax)	2.1%	2.0%	-3.8%	1.22%	-40.0%	2.0%	59.8%
Return on Average Equity	9.9%	9.5%	-4.0%	5.02%	-47.2%	9.66%	51.9%
Net Interest Margin	5.6%	5.2%	-7.6%	4.20%	-19.5%	5.3%	78.5%
Cost to Income	51.1%	50.6%	-1.0%	62.5%	23.5%	49.7%	125.8%
Loans to Deposits	95.3%	97.6%	2.5%	98.4%	0.8%	90.5%	108.7%
Gross NPL	29.4%	25.2%	-14.4%	22.93%	-8.9%	22.0%	104.2%
Impairment Provision as a % of Gross Loans & Advances	1.2%	1.3%	4.1%	1.5%	14.4%	1.5%	95.3%
Debt/Equity	22.5%	10.2%	-54.6%	49.7%	385.6%	22.0%	226.0%
Avg. yield on Interest Received	13.50%	12.66%	-5.03%	12.82%	1.26%	14.28%	90%
Avg. yield Interest on deposit (Avg. Deposit Rate)	7.81%	8.48%	25.73%	9.82%	15.8%	9.48%	104%

2.3. Highlights in Financial positions

Details	Rs (Mn)						
	2015	2016	% Increase/ Decrease over 2015	2017	% Increase/ Decrease over 2016	Budgeted 2017	% Achieved against Budget 2017
Total Assets	34,232	35,347	3.3%	42,090	19.0%	41,753	100.9%
Gross Loans & Advances	26,855	28,163	6.2%	33,577	17.7%	31,765	105.7%
Total Deposits	27,836	28,845	3.6%	33,621	16.5%	34,552	97.3%
Total Liabilities	29,968	30,429	1.5%	37,102	21.8%	36,490	101.7%
Total Shareholders' Funds	4,263	4,918	15.4%	4,987	1.7%	5,263	95.4%

2.4. Capital adequacy ratio

	2015	2016	2017 Actual	2017 Budgeted
Capital Adequacy Ratio				
Tier 1	22.2%	23.0%	24.1%	Above 20%
Tier 1 & 11	22.7%	23.5%	24.6%	Above 20%
Statutory Liquid Asset Ratio	23.6%	22.8%	22.1%	20%

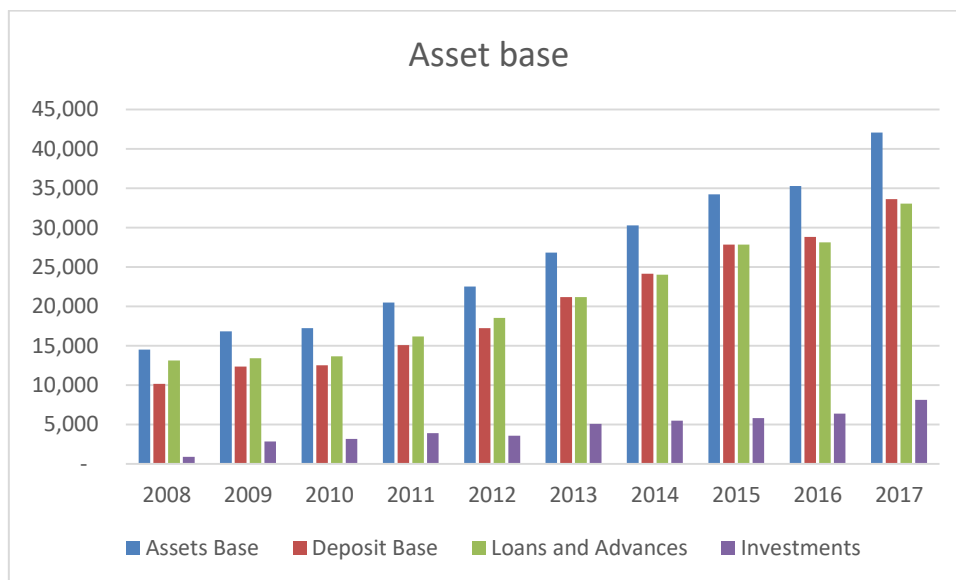
2.5. NPL Status

	2013	2014	2015	2016	2017
EPF Loans	57.54%	54.63%	55.70%	57.90%	66.03%
Mortgage Loans	12.69%	11.25%	8.47%	6.70%	8.78%
IFA Loans	0.32%	7.18%	8.77%	8.52%	14.73%
Vehicle Loans	4.27%	8.65%	18.01%	6.24%	0.00%
Personal Loans	18.79%	15.63%	5.83%	3.48%	4.35%
Personal Loans property mortgage	-	-	3.09%	2.18%	6.63%
Refinance Loans	3.51%	5.79%	6.07%	6.08%	5.02%
Micro					2.66%

Despite of strict recovery actions adopted to reduce the prevailing higher NPL position of EPF, which remained at high mainly due to poor response of customers those who have willful defaulted the payment of monthly installments however, bank will not be incurred any credit risk on said loans, fact that all arrears installments on EPF can be claimed from the CBSL annually.

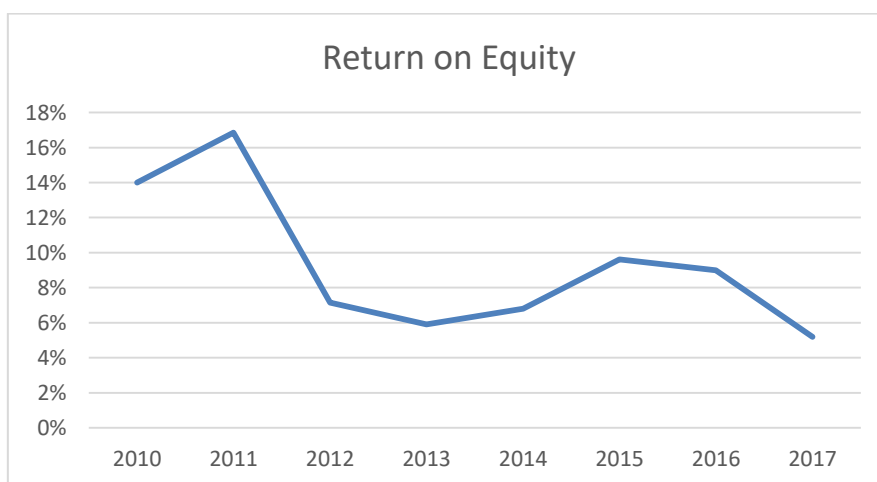
3. Growth ratio

3.1. Assets , Deposit, Investment and Loans and Advances



As shown above, the Asset base, deposit, and investments have been increased in line with the finance sector growth and loans and advance has been increased consecutively up end of the year 2017 due to achievements in the high growth rates in the loans and advances and investments.

3.2. Return on Equity



Return on Equity of the bank has been decreased from 17% in the year 2011 and declined to 6% in 2013 due to high interest cost prevailed in the market in 2012 and 2013, ROE has started escalate since 2014 and reached to 10.03% for the year ended 2016 and declined to 5.2% in 2017 due high cost of funds.

4. Major activities performed during the year 2017

- Introduced loan schemes to finance Small and Medium scale enterprises and Micro business entities
- Introduced special loan schemes for Low Income Earners
- Introduced speedy and convenient loan offering to customers by providing legal, valuation and document preparation service from SMIB
- Business promotions to Government and semi government sector institutes (Health, Police, and Education Departments etc.) to promote and facilitate the concepts of 'House for all' & 'An Account for all'
- Conduct street promotions island wide to build/spread an enduring brand image of Housing Bank to the Nation in the heart and minds of individual and corporate customers
- Sooriya Mangalya Special Avurudu Promotion linked to New year season with attractive gift schemes to promote savings habits of the nation
- Surathura 05 year deposits Scheme was introduced during the year with attractive gift Voucher.
- Introduced Refinance of Athwela loan scheme to people faced in natural disaster with assistance of CBSL
- Introduced new refinance loan scheme of Sawbagaya to promote SEME Sector

5. CSR Events-

- Bank has shifted to Battamulla to better location to provide better and convenient service in near proximity for the customers in the region.
- Bank has sponsored Rs. 2. Mn various for social activities

Regional Development Bank

1. Introduction

The Regional Development Bank was established on 01st May, 2010 under the Banking Act No. 41 of 2008. The bank, by providing an innovative banking service through an industrious and professional staff dedicated for service, became a strengthened financial institution with the objective of developing the regional socio-economic status. As well, the bank wishes to reinforce the people through regional development in order to build a prosperous Sri Lanka.

1.1. Vision

Nurturing Sri Lanka's leading entrepreneurs who will propel our Country's socio – economic prosperity.

1.2. Mission

We provide financial services and advisory that aims to productively uplift the socio – economic prosperity of the regions, through a dedicated team of professionals.

1.3. Other Information

• Number of Branches	-	265
• Number of ATM	-	24
• Number of Staff	-	2395
• Number of freehold lands & Buildings	-	33

1.4. Share Ownership

Government Treasury	-	Rs. 3,377,446,711 (87.25%)
Bank of Ceylon	-	Rs. 164,484,480 (4.25%)
People's Bank	-	Rs. 164,484,480 (4.25%)
National Savings Bank	-	Rs. 164,521,260 (4.25%)

2. Main Activities and Outstanding Financial Performance

2.1 Enhancing the development of the fields of Agriculture, Industry, Trade, Commerce, Animal Husbandry and Fisheries for the entire regional economic development of Sri Lanka and providing financial support to micro financial institutions and small and medium scale entrepreneurs to empower women.

2.2 Financial Performance

	2017	2016	2015
	Rs. Million		
Operating Profit	3,288.88	2,130.57	1,484.06
Profit after Tax	1,199.00	541.29	529.15
Total Deposits	139,843.93	107,031.72	87,753.70
Savings	48,987.98	42,000.15	36,912.85
Fixed Deposits	90,855.95	65,031.57	50,840.85
Deposit Growth	31%	21%	19%
Non-Performing Loans	4,190.88	3,050.00	3,537.51
Total Debt Balance	130,324.85	108,102.76	89,469.40
Investments	36,430.80	20,926.31	16,385.29
Shareholders' Capital	9,461.68	5,998.95	5,617.43
Capital	3,870.94	1,370.94	1,370.94
Total Assets	171,186.32	131,381.81	107,028.09
Asset Growth	30%	23%	16%
Return on Average Assets (ROA)	1.45%	1.76%	1.49%
Return on Equity (ROE)	15.5%	11.04%	9.80%
Capital Adequacy Ratio (CAR)			
Tier 1	7.53%	6.50%	7.56%
Tier 2	11.27%	9.27%	10.53%
Liquid Asset Ratio	26.27%	21.25%	21.77%
Non-performing Loan Ratio	3.27%	2.86%	4%

Housing Development Finance Corporation Bank of Sri Lanka

1. Introduction

HDFC was incorporated as a Building Society in 1983 under the National Housing Development Act.

The Building Society was converted into a state corporation under parliament Act of Housing Development Finance Corporation of Sri Lanka Act NO.07 in 1997.

In 2003, by amended act no.15, HDFC was converted in to a specialized Bank and the specialized banking license was issued to the HDFC by Central Bank of Sri Lanka.

In 2005, HDFC Bank issued new shares to the public and all shares were listed in the Colombo Stock Exchange and they were daily traded in the trading floor.

By HDFC Bank amended Act No.45 in 2011, the Bank was authorized to do the business that are listed in the schedule 04 of Banking Act no. 30 in 1988. Accordingly, the HDFC was granted permission to disburse leasing, pawning, business loan sect, other than the housing financing.

1.1. Vision

“Become the undisputed market leader in providing housing related finances; to realize the dream of shelter for all in Sri Lanka.” We define the term market leader in the context of market share and customer choice. Market share is measured through share of disbursements every year and share of total portfolio. Customer choice is measured as being the preferred bank or financial services institution to work with, and through the level of service offered to customers.

1.2. Our Mission

We define our mission in the broader context of our shareholders, customers, staff, the national economy, regulators, and the natural environment.

- To our shareholders, our mission is to optimize returns.
- To our customers, our mission is to provide a caring service by anticipating their requirements and innovatively satisfying them beyond their expectations.

- To our staff, our mission is to identify their multifaceted talents, develop, motivate, recognize and reward them towards fulfillment of the institutional and national housing vision.
- To the national economy and the industry regulator, we are the key driver and thought leader, shaping and financing the national housing policy.
- To our natural environment, we enforce sustainable practices across all our activities.

1.3. Values

Our values are what feeds our organization culture and shapes the attitudes and behavior of our employees. Therefore, we consider it important that our values are communicated clearly to all employees and are upheld when developing strategy, at times of decision making, daily operations and when dealing with external stakeholders.

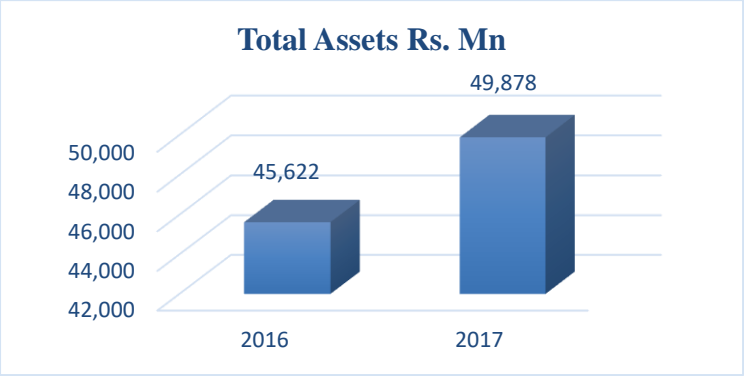
- Honesty in all transactions at all times.
- Flexibility and ability to meet market changes.
- Friendly and helpful services always.
- Build skills, knowledge and experience to achieve the vision.

2. Key Performance

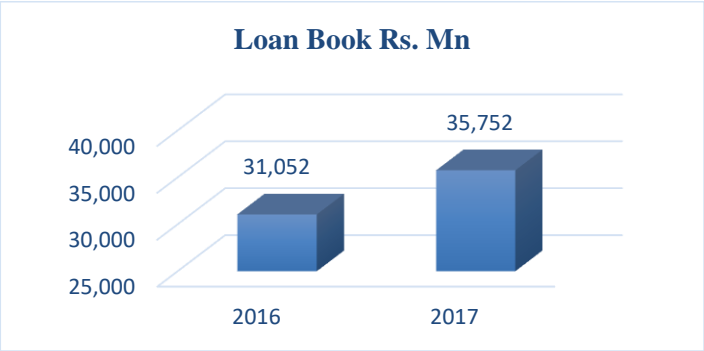
	2016	2017	Growth Mn	Growth %
Total Assets Rs. Mn	45,622	49,878	4,256	9.33
Loan Book Rs. Mn	31,052	35,752	4,700	15.14
Investments (Liquid Assets & Other) Rs. Mn	13,622	12,829	-794	-5.83
Deposits Rs. Mn	32,123	36,655	4,532	14.11
Shareholders' funds Rs. Mn	3,728	3,986	259	6.94
No. of Loans Approved	24,272	29,752	5,480	22.58
Value of Loans Approved Rs. Mn	11,887	12,514	627	5.27
Total income Rs. Mn	5,928	6,966	1,038	17.51
Profit before Tax	848	502	-346	-40.83

	2017	2016
No. of Employees	567	570
No. of Branches	39	38
No. of ATM	4,350	3,000

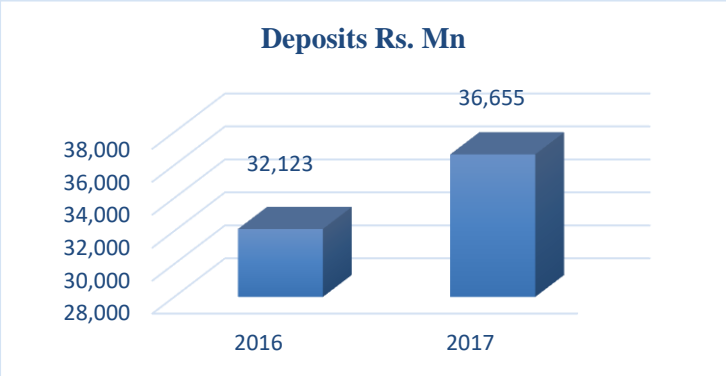
2.1. Total Assets



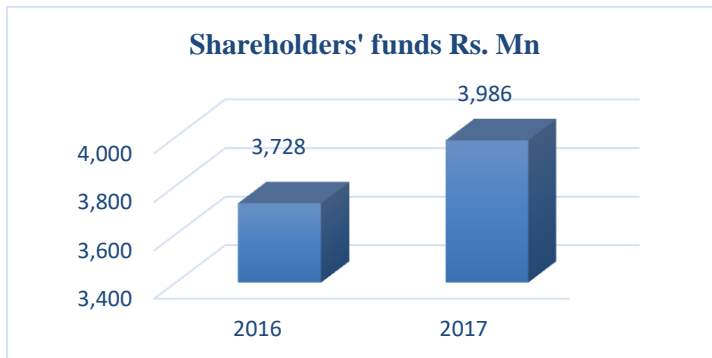
2.2. Loan Book



2.3. Deposits



2.4. Shareholders' funds



3. Performance Review

- During the year 2017 total assets has increased by Rs. 4,256 million Representing 9.33% growth
- Housing finance loan book has recorded 15.14% growth over the same period.
- Deposit portfolio has increased by Rs. 4,532 million representing 14.11% growth and most of the funds mobilized from deposits have been placed in short term investment because of the slow growth in the loan portfolio.
- During the period, 5,480 more loans have been granted compared to the same period in 2016. Value wise the Bank has approved Rs. 627 million more loans in 2017 over the same period.
- Taking steps to enhance the regulatory capital base to Rs. 5,000 million.
- Taking steps to comply with other Basal 111 requirements, liquidity and capital.
- Taken steps to implement IFRS-9
- Strengthening the recovery function in order to improve NPL ratio.

Lanka Puthra Development Bank

1. Introduction

Lankaputhra Development Bank is a licensed specialized bank which was established under the Banking Act No.30 of 1988 and duly incorporated in Sri Lanka under the provisions of Company's Act No.17 of 1982. The bank commenced its operations in year 2006 with the core vision to be the vibrant facilitator for the social and economic development in Sri Lanka.

2. Major Activities Performed During the period from 1st January to 31st December 2017

2.1. Financial Performance

	Actual-Unaudited
	As at 2017.12.31
Total income(Rs.Mn)	855
Interest Income	834
Interest Expense	(74)
Net Interest income (Rs.Mn)	760
Other Income	20
Total Operating Expenses (Rs.Mn)	282
Personal Expenses	174
Other Expenses	108
Profit Before tax	302
Key Performance Indicators	
Investments (Rs.Mn)	5,533
Deposits (Rs.Mn)	375
Loans & Advances (Rs.Mn)	4103
Non performing Advances (Rs.Mn)	1,502
ROA (%)	4.3%
ROE (&)	6.0%
NPL Ratio (%)	36.61%

2.2. Key Performance Indicators (KPIs)

	As at 2017.12.31 Unaudited
Net Interest margin	8.4%
Interest spread	Approx 4.6%
Credit/Deposit Ratio	1094.13%
ROA (before Tax)	4.3%
ROE (after tax)	6.0%
Cost to income Ratio	37.1%
Gross NPA Ratio	36.6%
Net NPA Ratio	15.7%
Liquid Asset Ratio	1429.62%
Core Capital Ratio	86.40%
Total capital Ratio	87.10%
No. of Branches	8

2.3. Sector wise Credit Concentration

	As at 2017.12.31	
	Rs.Mn	Percentage
Agriculture & Fishing	658.37	16.05%
Manufacturing	1354.64	33.02%
Tourism	267.06	6.51%
Transport	3.4	0.08%
Housing	0.00	0.00%
Traders	155.65	4.00%
Financial and Business Services	117.3	3.00%
Infrastructure	2.1	0.00%
Construction	186.4	5.00%
Credit Card	0.00	0.00%
Pawning	33.4	1.00%
Others		
New Economy	15.8	0.00%
Other Services	137.78	3.00%
Direct Government	0.00	0.00%
Other	1170.83	29.00%
Grand Total	4102.73	100.00%

3. Major Activities Performed During the financial year 2017

1. Door to door promotional campaigns were arranged in branch level to promote bank's products and services



2. Conducted street promotion campaigns in branch level to build Bank image and awareness.
3. Introduced a Gift scheme to increase deposit volume of the bank in line with Sinhala and Tamil New year celebration.



4. Established a link with education institutions to promote Education loan scheme. Visited University of Moratuwa, SLITT, Next, NIBM etc. Participated for a workshop organized by University of Moratuwa to promote young entrepreneurs

LDB Shasthree
Education Loan

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- Graduate • Post Graduate Studies • Professional Studies
- Skilled Trade Categories

Technical . Construction Trades & Equipment Operations . Carpentry . Electrical Work .
Plumbing . Welding Technology . Trade Personal . Hotel Management .
Quantity Survey or Any other recognized courses

ලංකාපුත්ත සංවර්ධන බැංකුව
லங்காபுத்தர் அபிவிருத்தி வங்கி
LANKAPUTHRA DEVELOPMENT BANK

No. 80, Nawala Road, Nugegoda. Tel : 0112821030/35 Fax : 0112821020


ලංකාපුත්ත සංවර්ධන බැංකුව
Lankaputhra Development Bank
Fully owned by the
Government of Sri Lanka

5. Workshop on “Deyak Dinawana Diriya dathata athwelak” was conducted to promote women entrepreneurs under “Ran Aswenna loan scheme” Main objective of the workshop is to promote Orchid cultivation among self-employment women.



6. Streamlined the recovery of NPA by restructuring the Recovery Department and Legal Department in order to accelerate recovery of NPA. Under this programme, we have initiated PARATE action for large NPA accounts.
7. Organized entrepreneur development training programme for our customers



8. Arranged staff training programmes to improve employee skills.
9. Conducted training programmes to develop skills and enhance the capacity of the staff specially targeting customer service, Credit evaluation, branch operations, Leasing & Pawning.

10. Initiated the following key programs in order to have a smooth functioning of the bank

- Business Continuity Plan (BCP)
- Disaster Recovery Plan (DRP)
- CCTV Camera
- Centralized scanning signatures
- Centralized printing on letters of NPA loans
- Speedup loan granting process

11. Arrangements have been made to introduce a software system for leasing product.

12. Customer help desk was setup at head office to provide good service for customers.

13. Conducted the following CSR programme

- * Flood effected people in Akuressa



- * Vesak Dansela. LDB organized a Vesak zone in Nugegoda area (From LDB head office to Nawala Junction) with the support of Nugegoda Trade Association from 10th to 14th May 2017.



- * Lankaputhra Development Bank celebrated World Environment day by distributing Mango plants for LDB customers via branch network.



14. Organized Business Forum for Nugegoda Traders Association



Sri Lanka Savings Bank Limited

1. Introduction

Sri Lanka Savings Bank Limited (SLSB) was established in July 2006 under the Banking Act as well as incorporated with the provision of the Companies Act. SLSB commenced its business operations on March 10th 2008 as a state owned specialized bank. The Bank has four branches which are located at Colombo, Anuradhapura, Mannar and Matara. Also one SME service centre has been established at Hikkaduwa divisional secretariat office in order to enhance the sustainable MSME finance activities, supervision, loan recoveries and to inculcate the rural and urban community deposit habits.

Major objectives of the SLS Bank are deposit mobilization, granting of loans (Microfinance/SME, commercial and consumer finance), and launching other finance products such as Leasing and Hire purchase, pawning and recovery of non-performing assets of Pramuka Savings & Development Bank and Settlement of liabilities of PSDB depositors in terms of the scheme formulated by the monetary Board of Central Bank of Sri Lanka.

2. Highlights for the year 2017

2.1. Settlement of Liabilities of PSDB Depositors

One of the prime responsibilities of the is to settle the depositor's funds of Pramuka Savings and Development Bank (PSDB) of which the business operations were suspended in the year 2002 by Central Bank of Sri Lanka.

The Bank makes a concerted effort to grant relief to depositors of the collapsed PSDB as a special task to settle the due liabilities by the year 2017 in terms of Liability Settlement Scheme formulated by Monetary Board of Central Bank of Sri Lanka.

The Bank was able to settle Rs.1,205 million of individual depositors' Liabilities (Deposit liabilities and Money Market Borrowings) as at 31.12.2017.

Bank has an immense challenge at the end of this year to settle Corporate depositors for Rs. 1,819Mn (Capital Rs.1, 299 million with Interest of Rs. 520Mn) which were converted to unsecured and subordinate debentures. Bank was able to settle a Rs. 1,044 Million liability out of Rs. 1,819Mn which was submitted applications up to 31.12.2017.

2.2. Increase the minimum capital to Rs.5bn as per cited circular issued by CBSL

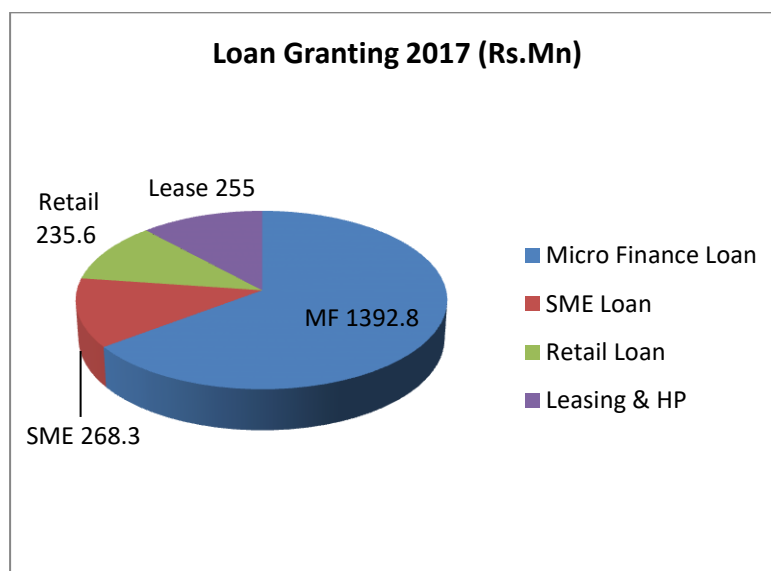
The bank was able to do the capital formation in order to meet the regulatory capital requirement of Rs. 5 bn within the year 2017 with the assistance of Ministry of Finance.

3. Operating performance for the year 2017.

3.1. Loans & Advances

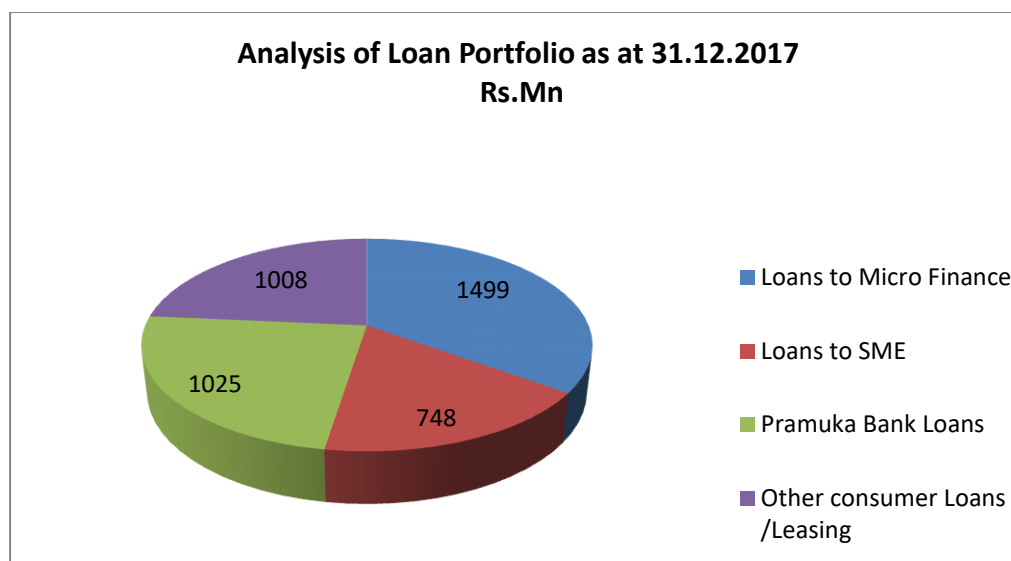
KPI 01– Value of loans granted

Description	Year 2017 Rs. Mn		
	Budget	Actual	Achievement %
Microfinance loan	1,500	1,392.8	93%
SME Loan	528	268.3	51%
Retail Loan	242	235.6	97%
Leasing & HP	600	255.0	43%
Total	2,870	2,151.70	75%



3.2. Loan Portfolio

- Total gross loans as at 31, Dec. 2017 was Rs.4,280.0 million of which Rs.1,499 million was the outstanding balance of loan granted by microfinance institutions for on-lending to micro entrepreneurs for income generating activities.
- The Bank has disbursed Rs.1,324.8 million up to 31.12.2017 at the reducing interest rate to Community Based Organizations (CBOs) for on lending to micro-enterprises. These credit facilities generated through nearly 250 CBOs and more than 5,000 micro-entrepreneurs which create employment opportunities.
- These loans have contributed for uplifting living standards of under-privileged people of the country. Further, loans have been granted for small agricultural projects, animal husbandry, cottage industries, and small business enterprises. Rs. 748Million represented SME loan portfolio introducing new SME unit of the bank. Further Rs.943Mn represented commercial and consumer finance, Leasing & HP. 24% of total gross loan portfolio and Rs.1,025Mn accounted for non-performing loans transferred from PSDB for which full provisioning had been made.

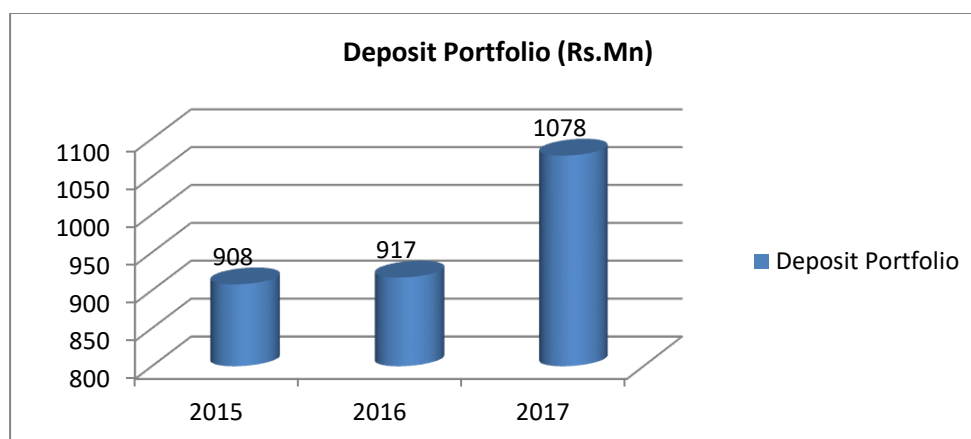


3.3. Deposit

KPI 02 – Improved to access to investment solution (Deposit Portfolio)

Description	Year 2017 Rs. Mn		
	Budget	Actual	Achievement %
Savings	409.92	603	147%
Fixed Deposits	475.58	475	100%
Total	885.5	1078	122%

- Overall deposit base from customers were Rs. 1078million as at 31.12.2017. 2016 deposit base was Rs.917Mn. The deposit base has increased by 18% comparing to the year 2016.
- The bank has selected its target market as middle and lower level income sector of the semi urban and rural population. A range of deposit products with convenience and flexibility for the needs of target market has been developed.



4. Performance in the 12 months period ended by 31/12/2017- Based on bank draft accounts (Non audited)

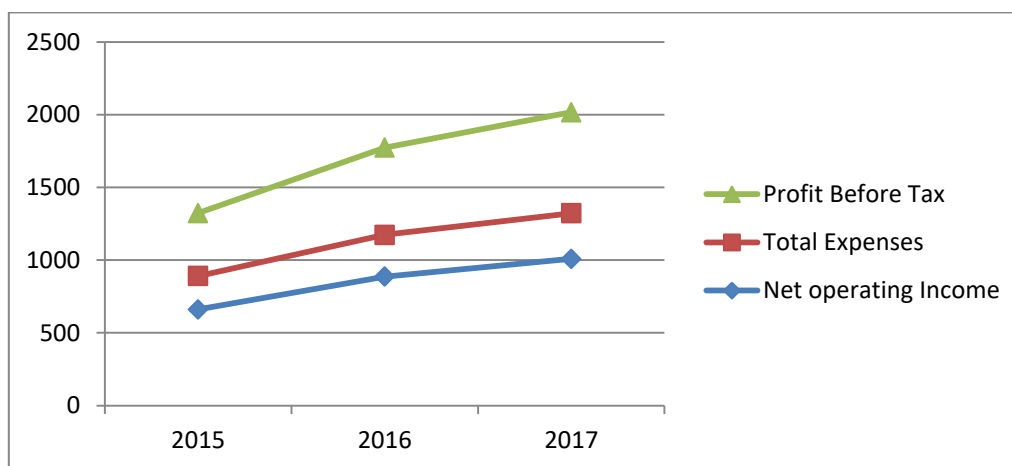
(LKR Mn)	2016	Budgeted 2017	Actual 2017	% Achieved against Budget
Net interest income	784.20	894.20	960.50	107%
Total operating income	821.10	982.50	1,002.8	102%
Net operating income	886.6	952.50	1,008.40	106%
Total operating expenses	(195.7)	(279.0)	(210.50)	75%
Operating profit before Tax on Financial Services	690.90	673.50	797.90	118%

4.1. Net operating income, Operational expenses and profit before tax

The profit before tax for the period ended at 31.12.2017 was Rs.797.90 million. Budgeted profit before tax during this period was Rs. 673.50 Mn. Bank has achieved the budgeted profit target as 118%.

Total gross income was Rs. 1,165Mn. Further, net operating income of the Bank for the same period was Rs. 1,008.40 million. Budgeted Net operating income was Rs.952.50. Bank has achieved target as 106%. The net interest income which was Rs.960.50 million represented 95% of the total net income and the other income was Rs.47.9 million

The interest payments and the other operating expenses at the end of 31.12.2017 were Rs.143.80 million and Rs.210.5 million respectively. Budgeted operating expenses were Rs. 279 million being the 75% of the Budget due to non-attendance of the Business expansion activities.



4.2. Total Assets

The total assets of the Bank were Rs.9,824 million for the period ended at 31st Dec. 2017. The total liquid assets were Rs.5,618.0 million. The liquid assets represented 65% of the total assets.

2016 bank total assets were Rs. 9,683Mn and the year 2017 it was budgeted to Rs. 8,279Mn due to settlement of PSDB deposit liabilities using bank own investments. However we have to achieve 119% total assets due to bank profit and fund received from Finance ministry to comply capital requirement.

4.3. Total Liabilities

2016 bank total liabilities was Rs. 4,915Mn and 2017 total liabilities were budgeted was Rs. 3,247Mn due to settlement of PSDB deposit liabilities of Rs.1,800Mn.

(LKR Mn)	2016	Budgeted 2017	Actual 2017	% Achieved against Budget
Total Assets	9,683	8,279	9,824	119%
Total Liabilities	4,915	3,247	4,027	124%

4.3.1. The Borrowings

The borrowings amounted to Rs. 1,344.7million as at Dec 31, 2017, which represents funds borrowed by NDTF from international funding agencies through the Government of Sri Lanka amounting to Rs.1,339.6 million and balance represented CBSL refinance loan amounting to Rs.4.9 million.

5. Bank Staff Strength and Category

As at 31.12.2017, there were 116 members employed by the bank. The composition of this number is as follows.

Category	Number of Employees
Executive (Mgt. Trainee to General Manager)	49
Non-Executive (Trainee Bank Asst. to Senior Bank Assistant & Similar Grades)	51
Minor (Labourer to Senior Driver & Similar Grades)	16
Total	116

5.2 Insurance, Civil Aviation Services & Hospitality

Sri Lanka Insurance Corporation Limited

1. Introduction

State owned Sri Lanka Insurance Corporation Ltd is the largest and strongest composite insurance provider in Sri Lanka with a 56 years legacy.

Sri Lanka Insurance Corporation Ltd (SLIC) was established under the provisions of Insurance Corporation Act No. 2 of 1961 as a State Owned Corporation. In 1993, the Corporation was converted to a fully government-owned limited liability company of which the sole shareholder of 100per cent shares was the Secretary to the Treasury, under the Conversion of Public Corporations or Government owned Business Under-takings into Public Companies Act, No. 23 of 1987. Under the privatization programme of the Government, the company was privatized in 2003 and was under the private management for a short period of six years. The Corporation was re-registered under the companies Act No. 7 of 2007. Pursuant to the Supreme Court Judgment on 04th June 2009, annulling the privatization, 99.97 per cent shares are vested with the Secretary to the Treasury on behalf of the Government of Sri Lanka. SLIC has six subsidiaries; namely, Management Services Rakshana (Pvt) Ltd, the Lanka Hospitals Corporation PLC, Litro Gas Lanka Ltd, Litro Gas Terminal Lanka (Pvt) Limited, Canwill Holdings (Pvt) Ltd and Canowin Hotels and Spas (Pvt) Ltd.

It is backed by an asset base that stands at around Rs. 190.5 Billion, Life Fund of around Rs. 100.8 Billion and Share Capital of 6 Billion. SLICL has maintained the required Capital Adequacy Ratio during 2017: in Life insurance, ratio being 434% and in Non-Life, 187.81%.

Credit ratings of the company as given by Fitch Ratings as at November 2017 are as given below:

Credit Rating	Criteria for Rating (Please state the basis for the rating)
AA+(lka)	- National Long term Rating - Outlook: Stable
AA+(lka)	- National Insurer Financial Strength Rating - Outlook: Stable

Sri Lanka Insurance Corporation Limited is certified with the ISO 9001:2008 Quality Management System for the Head Office and all branches. The life and general underwriting, claims settlement and support services of the head office and its branches are included in the scope of the certification. All departments have individual objectives as specified in the company’s corporate objective and are obliged to achieve them. The company policy is clearly reflected in the Quality Policy, which is clearly displayed in each department and all ISO implemented branches. The senior management ensures that all staff carry out their work within the framework of the Quality Policy.

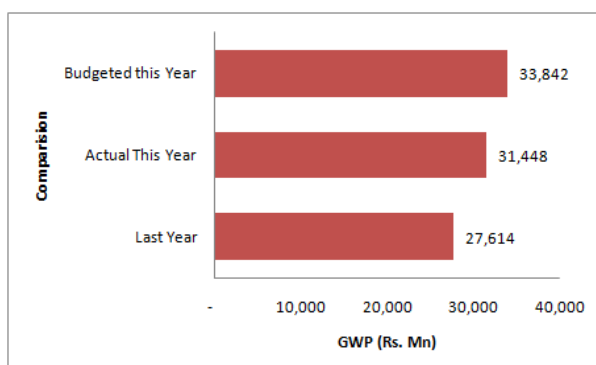
2. Revenue Performance in 2017

The Company achieved a Gross Written Premium of Rs. 31,448 Million against the budgeted amount of Rs.33,842 Million in the year 2017. This includes Rs.12,517 Million from Life insurance and Rs. 18,931 Million from Non-Life category.

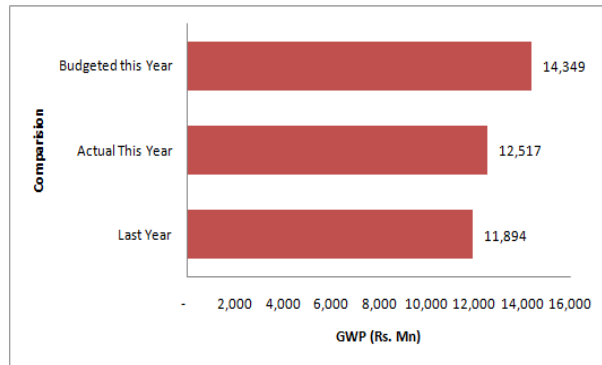
Table 1: Gross Written Premium Comparison

Category	Growth (%)	Increase Rs. Mn	Year 2017 Rs. Mn	Year 2016 Rs. Mn
Life Insurance	5.2%	624	12,517	11,893
Non-Life	20.4%	3,210	18,931	15,720
Total GWP	13.9%	3,834	31,448	27,614

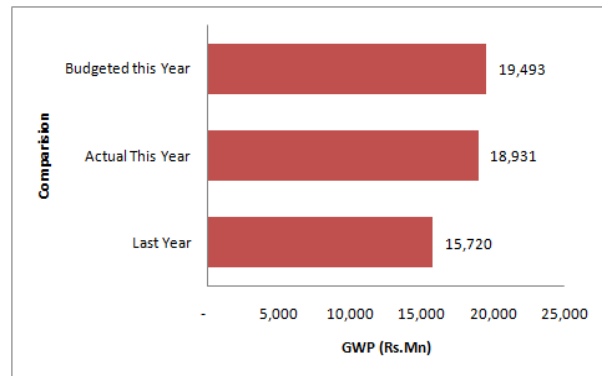
Graph 1: Gross Written Premium-Company



Graph 2: Gross Written Premium-Life Insurance



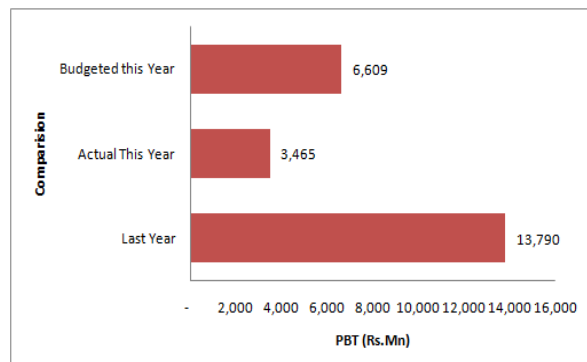
3: Gross Written Premium-Non-Life Insurance



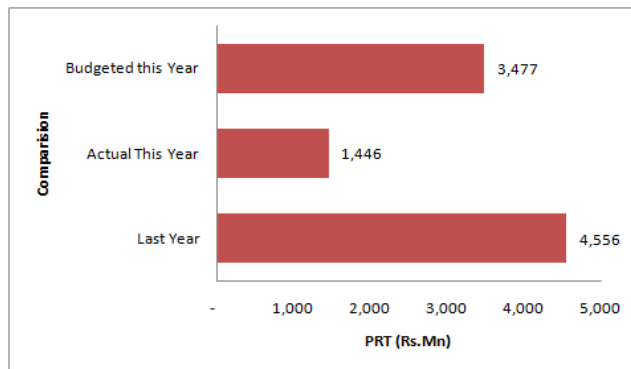
2.1. Performance in Profit before Tax

During the year 2017, company has recorded a PBT amounting to Rs. 3,465 Million.

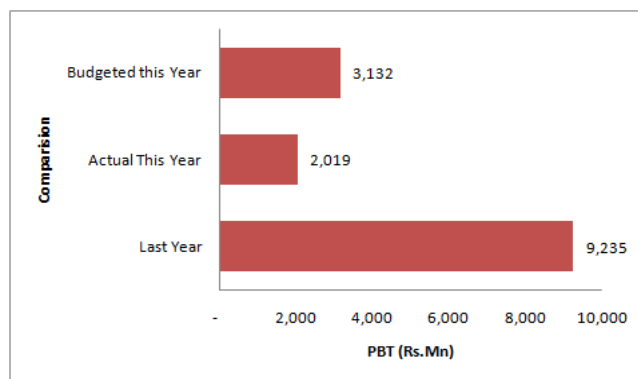
Graph 4: Profit before Tax Company



Graph 5: Profit Before Tax-Life



Graph 6: Profit Before Tax-Non-Life



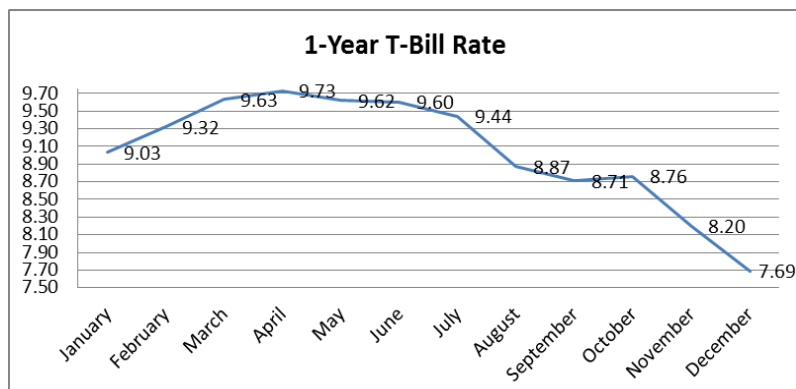
Decline in profit was mainly due to the reduction of dividend income received from subsidiaries, mainly from Litro group of companies.

2.2. Performance in Investments Income

2.2.1. Investment Strategy

The investment strategy of SLIC is geared to achieve the optimal balance among safety, income and asset growth. Through prudent investment management principles within applicable regulations of IBSL, the strategy is aimed at meeting the obligations of the Fund.

2.2.2. Interest Rate Environment



The Monetary Board decided to increase the key policy interest rates of the Central Bank, namely the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) by 25 basis points each, to 7.25 per cent and 8.75 per cent, respectively, with effect from 24 March 2017. The decision was based on the notable improvements in fiscal operations, which have resulted in the overall budget deficit in 2016 declining to envisaged levels. The Board was of the view that these improvements, together with the substantial upward movements already observed in market interest rates, have reduced the required adjustment in policy interest rates. On the back of heavy dollar inflows due to Government projects as well as strengthening of the confidence, rates saw declining trend towards the latter part of the FY 2017.

2.2.3. Equity Market

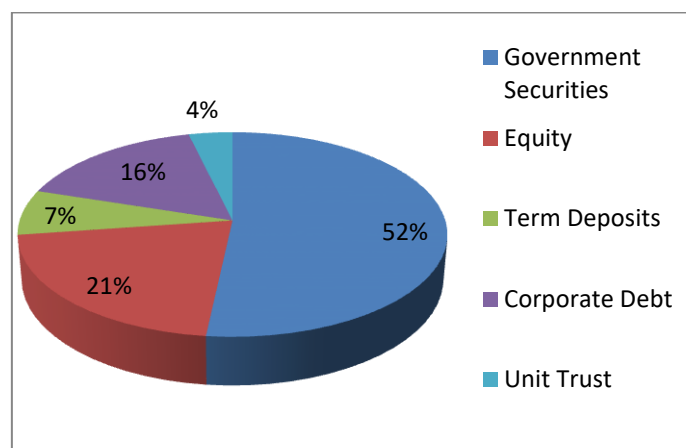
ASPI has increased by 2.26% Year on Year as at end of 2017 as valuations of selected key counters are getting attractive. This will be further supported by the depreciated currency which may attract foreign investors to equities.

Interest in fundamentally strong counters, particularly blue-chips, has remained buoyant as local/foreign investments were flowing into these counters.

2.2.4. Asset Allocation

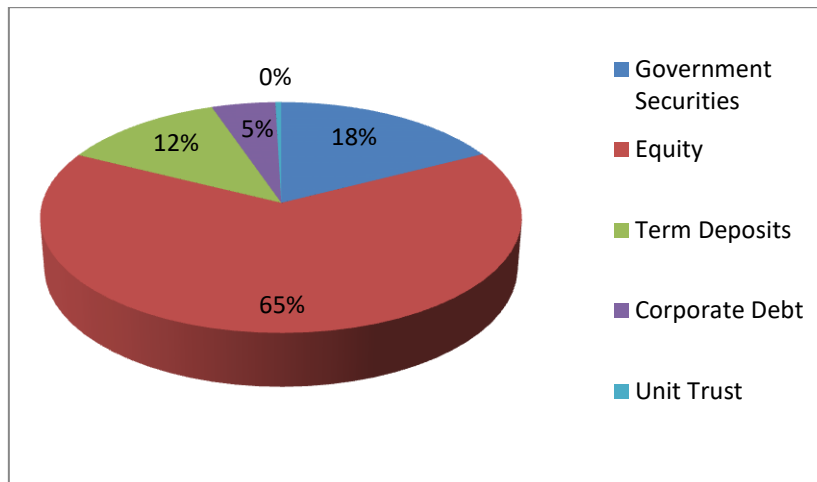
Life Fund:

Composition of the Fund:



General Fund:

Composition of the Fund:



2.2.5. Investment Performance

SLIC recorded a total investment income of Rs. 12,124 million during FY2017.

The Life Fund recorded an investment income of Rs. 10,261 million during FY2017 while the General Fund recorded an investment income of Rs. 1,862 million during the same period.

Investment Income (Summary)				
	(Rs. Mn.)			
	FY2016 Actual		FY2017 Actual	
	Life Fund	General Fund	Life Fund	General Fund
Money Market	247	109	202	87
Fixed Income				
Interest	7,868	1,065	9,490	1,279
Capital Gain	3	-	11	
Equity				
Dividends	757	8,124	836	423
Capital Gain	(922)	(583)	(277)	73
Total	7,953	8,715	10,261	1,863

Listed Equity Portfolio Return FY2017		
	Portfolio Return	ASPI Return
Life	-3.06%	2.26%
General	9.10%	2.26%
Total	6.04%	2.26%
* Including Realised gains/losses, unrealised gains/losses & Dividends		
* Excluding Lanka Hospitals which is a subsidiary		

2.3. Distribution Expansion

The year 2017 began with SLIC having 115 branches and 16 Customer Service Centers (CSC) geographically appearing in 18 regions. In line with the management decisions to uplift the penetration, to provide more quality and convenient customer service, 07 new branches were opened in 06 existing regions and the new branches are Athurugiriya, Aralaganwila, Bakamuna, Mawathagama, Padaviparakramapura, Pallebedda & Ragama. Beruwala (to Aluthgama), Borella, Ehaliyagoda, Kurunegala City Branch, Marawila, Nugegoda and Thambuttegama branches were relocated with more facilities in order to provide better customer service. Also, Kegalle branch was re-established in a newly constructed remarkable building with enhanced facilities. Moreover, Alawwa and Pannala newly opened 02 CSCs are currently operating successfully by providing an excellent service to the people in those areas. At the year-end, SLIC's geographical penetration was uplifted from 131 to 140 locations island wide apart from Head Office Sales Units. Further, it is planned to open another 20 branches during the year 2018.

3. Corporate Social Responsibility

The Suba Pathum scholarship awards scheme is one of the most important CSR and customer loyalty projects carried out by Sri Lanka Insurance. The scheme has been spearheaded as the company believes in nurturing the younger generation of this country with the aim of developing a generation of academically and physically sound Sri Lankans. Over 300 scholarships worth over Rs. 18 million have been awarded annually to achievers from 25 districts who applied for the Suba Pathum scholarship, ever since the scheme was launched in 2013.

The top four student applicants from each district who excelled at the grade five scholarship scheme and G.C.E (O/L) and the top 100 students who excelled at national level at the G.C.E (A/L) examination receive these scholarships.

The scheme is one of the most beneficial of such schemes in the industry. The presentation of scholarships to the top achievers of 2016 as well as 2017 will take place during year 2018.

Peace of mind was provided to diabetics, a hitherto ignored segment by insurers, when Sri Lanka Insurance launched the Comprehensive D+ policy in November 2017. This policy enables diabetics with the Comprehensive D+ plan who have to be warded in a private hospital to get a reimbursement on their total hospitalization bill up to a predetermined limit. The policy covers hospital room charges, operation theatre and ICU charges, medical practitioners', consultants' and specialists' fees and nursing expenses.

The Government through the Ministry of Education introduced the ‘Suraksha’ free health insurance policy for all school children between the ages of five and 19. Under the theme ‘Forever protect the children of the nation,’ the policy will ensure that the physical and mental well-being of all Sri Lankan children is maintained at an optimum. Sri Lanka Insurance came on board to carry out the scheme. The health insurance policy will ease the financial burden of parents when children fall ill or face accidents and disabilities in and out of school.

It will help students to continue their education, overcoming any health-related obstacles encounter.

Sri Lanka Insurance continued its focus on road safety in 2017 too with continued involvement in the ‘Parissamen Gihin Enna’ national road safety campaign launched by Sri Lanka Rupavahini Corporation and the Sri Lanka Police, to minimize road accidents and reduce the number of deaths caused as a result.

SLIC also launched a campaign during the 2017 year-end festive season to highlight the dangers of drunk driving. The campaign was conducted over electronic media, social media and other forms of digital media and generated much enthusiasm especially over social media.

In its bid to sustain the rich culture and traditions of the island, Sri Lanka Insurance continued its support to the perahera season and the Nallur festival this year.

3.1. Staff welfare

A range of facilities are extended to staff to ensure that they are well taken of not only during working hours but also during their leisure and family times. These include providing bungalows for holidays, company transport facilities, death benefit schemes and programmes for children and other members of employees’ families.

Sri Lankan Airlines

1. Introduction

SriLankan Airlines, the national carrier of Sri Lanka, is an award winning airline with a solid reputation for safety, service, comfort, reliability, and punctuality. The airline was incorporated under the Companies Act as a Limited Liability Company with the Government of Sri Lanka (GOSL) as the majority owner and controlling shareholder.

The principal activity of SriLankan Airlines is the operation of international, scheduled air services for the carriage of passengers, freight and mail. The airline operates from its hub Bandaranaike International Airport (BIA) in Colombo, providing convenient connections to its global route network of 104 destinations in 47 countries across the globe.

The ancillary services provided by the airline include following;

- Ground handling services at the Bandaranaike International Airport.
- Sale of duty free goods on-board
- Aircraft line and base maintenance services for third party airlines
- Aviation related training (professional / technical / operational)
- Marketing inbound and outbound holiday packages
- Inflight catering services (and airport catering) via the wholly owned subsidiary SriLankan Catering Pvt Limited.

Currently SriLankan Airlines operates a fleet of 27 Airbus aircraft which includes both narrow body and wide body aircraft.

2. Major Activities in 2017

2.1. Financial

SriLankan Airlines' financial year runs from April 1st to March 31st and therefore financial performance discussed in this report is pertaining to the first nine months (April – December 2017) of the 2017/18 Financial year. (Figures are based on unaudited management accounts)

The airline's traffic revenue for the April – December period was USD 693.6 million (LKR 105.8 billion) and 2.5% above the budget. The recorded revenue was 15.0% above the same period of previous year in dollar terms (20.1% in rupee terms). Both passenger and cargo revenues contributed positively towards the performance improvement, driven by the successful network expansion.

The airline's Unit Revenue – measured as Revenue per Available Seat Kilometer – was 5.18 US Cents, 2.2% above last year.

The total operating expenditure of the air transportation business was 3.5% above the budget, primarily as a result of the fuel price exceeding the budgeted price. The total fuel cost for the period of April – December was 8.8% above the budget in dollar terms, incurring an additional cost of over USD17 million.

The aircraft lease cost was 10.6% above budget as three expensive Airbus A330-300 aircraft, which had been planned to be sub-leased to a third party, were retained.

Cost savings made in other areas, such as corporate overheads, aircraft maintenance and advertising, were not sufficient to offset the above increases which were largely beyond the control of the management.

For the nine months of the 2017/18, the airline reported a net loss of LKR 13.85 billion from Air Transportation which was 16% higher than the budgeted loss of LKR 11.9 billion. At Company level, which includes the net income from auxiliary business units and dividends from SriLankan Catering, the loss was LKR 3.1 billion against the budgeted loss of LKR 1.4 billion. (This does not include Finance charge for the period – LKR 6.5 billion)

The company cash in-flow during the period was USD15.7 million above the budgeted target, while the cash out-flow was USD 47.1 million less than the budget – resulting in an improved cash balance position.

During the October – December quarter, the company completed the repayments for one term loan that had been obtained from Commercial Bank of Ceylon PLC and Cabinet Decision was received for the extension of the Bank of Ceylon and People's Bank loan facility worth USD 65M for a period of 01 year with effect from 31 December 2017, until 31 December 2018.

The Company's Stated Capital remained unchanged during the period while long term interest bearing liabilities have increased by LKR 12 billion due to the USD 125 million loan obtained through Credit Suisse. The current liquidity ratio, which measures a company's ability to pay off its current liabilities with its current assets, improved to 0.28 as at 31st December 2017 – compared to 0.21 as at the end of previous financial year on 31st March 2017

2.2. Network & Commercial

The Airline continued to successfully implement its Corporate Plan, with the launch of four new routes during the period.

- Coimbatore, India, effective July 2017
- Hyderabad, India, effective July 2017
- Visakhapatnam, India, effective July 2017
- Melbourne, Australia, effective October 2017

During the period, foreign airline capacity into Sri Lanka increased considerably, with a significant increase of capacity on routes where SriLankan operates.

	2017 Apr- Dec	2016 Apr - Dec	Change
Total foreign airline seats	4,692,854	4,361,633	331,221
Of which, on routes competing with SriLankan	4,360,174	4,054,934	305,240

Figure 1: Foreign airline seat capacity

The airline recorded a significant enhancement of operating performance, driven by the addition of new aircraft as well as being the first full financial year of operations with the routes formerly operated by Mihin Lanka.

The airline's seat capacity production for the period of April - December, measured in terms of Available Seat Kilometers rose 12.5% against the same period last year. The corresponding increase in Revenue Passenger Kilometers (utilised seat kilometers) was 16.1% - comfortably exceeding the addition of capacity and highlighting the airline's success in attracting new demand. Passenger carriage increased 26% year-over-year during the same period. As a result, the airline's Passenger Load Factor – the percentage of seats filled – increased to 82% for both Apr – Dec and Oct – Dec periods, respectively 3% and 4% above the prior year levels.

The cargo carried increased 12.3% year-over-year.

	APR - DEC 2017/18	APR - DEC 2016/17	Var %
Passengers Carried (millions)	4.29	3.39	26%
Available Seat KM (Millions)	13,392	11,905	12%
Revenue Pax KM (Millions)	11,005	9,476	16%
Passenger Load Factor (%)	82%	80%	3%
Cargo Tonnes	100,657	89,643	12%
No. of Flights	12,601	10,074	25%

Figure 2: Operating statistics

The new routes launched by the airline during the year performed satisfactorily, better than expected performance recorded on Hyderabad and Melbourne contributing to the improved operating performance.

The passenger growth recorded by the airline, surpassing the added capacity, is noteworthy considering the influx of new competitor capacity to the Sri Lankan market.

The agents' commission paid by the airline which was lowered to 5% (from 7%) in April 2015, was replaced with the introduction of "zero per cent commission" scheme effective from 01st July 2017. Today, the zero per cent Agent Commission concept is practiced widely across world, with the aim of reducing the cost of Airline sales. Leading Airlines in the Colombo market such as Qatar Airways, Etihad, Saudi Air and Thai Airways are also following the zero per cent commission concept. Following successful implementations in the Europe and Middle East regions, this is SriLankan's third step of making a worldwide agent base of zero per cent commission. However Global Distribution System (GDS) such as Sabre, Amadeus, Travelport etc. costs continue to be a significant burden to the airline and directly impacts revenue. This too needs to be addressed moving forward.

2.3. Fleet

As of December 2017, the airline operated a fleet of 27 aircraft which is the largest fleet operated by the airline in its 38 year old history. The fleet consist of all-Airbus aircraft with the capacity to operate both short haul and long haul flights.

Following is the composition of the current fleet of SriLankan:

Aircraft Type	No. of Aircraft
A320	6
A320 - NEO	2
A321	3
A321 - NEO	3
A330-200	6
A330-300	7

Figure 3: Fleet composition

SriLankan Airlines inducted several new narrow body aircraft to its fleet, as replacements for older aircraft which were returned to respective lessors following the completion of the contracted lease period. Accordingly two new A320 Neo (New Engine Option) and three A321 Neo aircraft joined the fleet during the period. SriLankan is the first airline in Asia and fourth in the world to take delivery of A321-Neo aircraft.

The A320 Neo family aircraft incorporate the latest technologies including new generation CFM-LEAP engines and “sharklet” wingtips both of which enhance the fuel efficiency while delivering superior levels of comfort to passengers. They are 15% more fuel efficient than the previous generation A320 family aircraft and deliver an almost 50% reduction in noise footprint.

2.4. Customer Experience

Marking another milestone to evolve with modern innovations, FlySmiLes, the frequent flyer programme of the Airline launched its Digital Card for its customers. This initiative seeks to enhance convenience to our customers whilst also spurring the Airline’s efforts to reduce its carbon foot print. The benefit of the digital version is that the card can be displayed on smartphones or tablets for greater convenience of passengers. The digital card can be accessed through Apple or Android devices. The first digital card was presented to the cricketing legend Kumar Sangakkara who was flying on SriLankan Airlines to London.



3. Financial Statements - April to December 2017/18 Financial Year

3.1. Profit & Loss account - April to December 2017 (Unaudited)

	Actual (LKR'Mn)	Budget (LKR'Mn)	%Var Budget
Operating Revenue			
Passenger	91,975	91,385	1
Excess Baggage	749	737	2
Mail	145	238	(39)
Cargo	10,950	9,226	19
Non - scheduled Services	13	-	-
FFP net accruals	(147)	399	(137)
Write-back Revenue	2,116	2,075	2
Net Traffic revenue	105,800	104,061	2
Operating Expenditure			
Aircraft Standing Charges	811	1,138	29
Aircraft Lease	17,299	15,751	(10)
Aircraft Maintenance and Overhaul	18,842	19,291	2
Aviation Fuel and Oil	32,498	30,048	(8)
Flight Operations	6,575	6,725	2
Passenger Services	10,225	10,443	2
Stations and Traffic	17,804	17,605	(1)
Commercial	12,462	11,545	(8)
Advertising and Promotions	837	856	2
Administration	1,393	1,519	8
Lease & Insurance of 2 A330-300	1,269	1,518	16
Total Operating Expenditure	120,015	116,439	(3)
In-flight duty free sales	357	447	(20)
Loss from Air Transportation	(13,857)	(11,931)	(16)
Airport Services (BIA)	7,273	7,141	2
Engineering profit centre	(91)	(65)	(40)
Airport Services Mattala (HIA)	(20)	(3)	(686)
SriLankan Aviation College	28	110	(75)
SriLankan Holidays	36	37	(4)
Miscellaneous Income	561	573	(2)
Simulator	44	79	(45)
Provision for Bad Debts	(108)	-	-
Net impact from MSN 1008 sub-lease	(187)	-	-
Net Loss of the company Before Dividends	(6,323)	(4,059)	(56)
Dividends from SLC	3,176	2,648	20
Net Loss of the company (Excluding Finance Cost)	(3,147)	(1,411)	(123)

3.2. Summary Balance Sheet

Particulars	31st December 2017* LKR'Mn	31st March 2017 (Audited) LKR'Mn
Assets:		
Non-Current Assets	25,891	24,733
Current Assets	37,418	26,900
Total Assets	63,308	51,634
Equity & Liabilities:		
Stated Capital	51,617	51,617
Reserves	2,430	2,371
Accumulated Loss	(179,979)	(169,755)
Total Equity	(125,932)	(115,767)
Interest Bearing Liabilities:		
Short Term	63,059	62,423
Long Term	40,087	27,915
Total Interest Bearing Liabilities	103,146	90,338
Sales in Advance of Carriage	24,100	18,779
Other Short and Long Term Liabilities	61,993	58,284
Total Equity & Liabilities	63,308	51,634

*Unaudited management accounts.

Hotel Developers (Lanka) PLC

1. Introduction

Hotel Developers (Lanka) PLC (HDL) is a Public listed Company, was incorporated on 15th March 1983, owning Hilton Colombo, and the entire shares of the company are vested with the Government in terms of Revival of the Underperforming Enterprise or Underutilized Assets Act No. 43 of 2011.

The land on which the Hilton Colombo building is constructed consists of a land extent of 4.4 acres and the Company has entered into a lease agreement with the Government of Sri Lanka for a period of 99 years commencing from June 2012. A similar lease has been approved by the Cabinet of Ministers for the Sports Centre land consisting of approximately 2.2 acres and the Company is in the process of signing the lease Agreement.

The Company signed a new Management Agreement in 2012 with Hilton International Management Corporation, and the current Agreement ends in December 2019 with option to extend for further 10 years with mutual consent.

The Company has a total number of 706 employees at present.

In terms of the new Management Agreement, HDL has undertaken to refurbish Hilton Colombo at an initial budget of US\$ 35 million, (excluding duties) as there was no refurbishment carried out since inception. Subsequently in the absence of duty concession and the changes in designs the budget has increased to US \$ 54 Mn.

The refurbishment which commenced in 2014 is being carried out in a phased out manner while the Hotel is in operation and the Phase 1 covering the Main Kitchen, Lobby, All Day Dining Restaurant, Executive Lounge, Coffee Shop and the Reception have been completed in August 2017. Phase 2 of the Refurbishment program covering the Rooms and the Chinese Restaurant will commence in May 2018 and is expected to be completed in July 2019.

Although a syndicated Bank loan of US\$ 27 million was obtained for this purpose, the Company managed the Phase 1 of the refurbishment at a cost of US\$ 22 Mn entirely with the internally generated funds from operations. Phase 2 of the Refurbishment has been estimated at US \$ 32 Mn.

2. Major Activities and Key Performance Indicators

2.1. Successfully completing the 1st Phase (Phase 1A & 1B) of Refurbishment in Sept 2016 & Aug 2017

- The 1st phase of the refurbishment was segregated to Phase 1A & 1B for the purpose of progressive handover of completed areas to the operator with the objective of expediting operation of public areas and restaurants to enhance the revenue and room occupancy. The Phase 1A included the Main kitchen, All Day Dining Restaurant (Graze Kitchen), Lobby, Bar Lounge and Bard walk. Phase 1A was handed over for operation in Sept 2016. Phase 1B included the Coffee shop, Executive Lounge, reception which were completed and handed over in Aug 2017. Currently the lobby level refurbishment is fully completed and the revenue stream have improved drastically as a result for 2017.
- Despite delays in completion of the 1st Phase of the Refurbishment, company is making every attempt to expedite the phase 2 Fit Out tender process and the other procurements such as Chillers/ Lifts so that the implementation can be coordinated with the completion of the project.

2.2. Negotiation of US\$ 30 million Term Loan Facility with DFCC to part finance the 2nd Phase of the Hilton Refurbishment

- The Company successfully negotiated a US\$ 30 million Term Loan facility with DFCC on a competitive process replacing the existing Syndicate term loan facility contracted with BOC and Sampath Bank. The estimated savings of interest of approx. Rs 80 million will annually improve the bottom line after the complete loan drawdown. Apart from this, the grace period was also extended to 2.5 years which will no doubt provide the comfort of time to raise the required cash flow for repayment since the refurbishment of Phase 2 is expected to extend for at least 2 years for completion in Aug 2019.

2.3. Receiving the Corporate Compliance award for the 5th Successive year from the Institute of Chartered Accountants.

HDL has been awarded with the compliance award for the fifth consecutive year by the Institute of Chartered Accountants of Sri Lanka at the Annual Report Awards Ceremony held in 2017.

Winning this award has demonstrated the company's commitment and ability to sustain the governance requirements with strict compliance to SEC regulations and IFRS standards for the Financial Reporting

Partial operation of the Hotel while the refurbishment is being carried out has an impact on the performance of the Hotel during the period under review as in the previous year. However the performance has substantially improved during the year under review in comparison with last year. The profit for the year 2017 before tax has increased upto Rs 220 Mn as against the profit of Rs 172 Mn for 2016.

2.4. Room Occupancy

- The growth in profits for 2017 was supported by an increase in room occupancy rate to 57% during this period. Large tranche of contribution came from the hotel hosting several corporate conference and events from regional countries packaged with room occupancy. This is a tremendous achievement given while the hotel partially closed for refurbishment during this period.
- The strategy of focusing on promoting MICE business from both local and regional countries has significantly contributed to the performance of 2017. Tapping this emerging market was possible for Hilton with the competitive advantage of the Hilton Brand loyalty in the region and the availability of the required infrastructure with the introduction of additional events spaces etc.
- Furthermore the main public areas including the All-day dining restaurant were refurbished and opened for business from Sept 2016 onwards, hence a substantial contribution from their operations were reflected in 2017 period. The introduction of additional mulita event venue (BLUE) has also immensely contributed to the peak revenue achieved from F&B operations.
- The trend is expected to grow moving forward with the company planning to include additional event spaces and banquet halls as a strategic plan to meet the envisaged challenges from new competitors and the growing demand for event spaces in the city.

2.5. Overview of Financial Performance

The financial Year 2017 has been a commendable year for the operations of Hilton Colombo with several significant milestones achieved, despite of all the setbacks from an ongoing refurbishment program while the hotel in operation. It is also important to emphasize the fact that the company has managed to secure a cash flow of approx. Rs 3.0 billion from partial operations with strategically planned closure of areas which facilitated the company to fully finance the Phase 1 of the refurbishment program. Though the negative setback of the refurbishment extending for more than 2 years for completion of 1st Phase is obvious due to phased refurbishment, the cash generated during this period has relieved the company of early debt burden and repayments at a time when the room refurbishment as part of Phase 2 is expected to go till late 2019.

2.6. Increase in Pre- Tax profit by 28% YoY to Rs 220 million in 2017

- The company recorded a Net Profit (Pre- Tax) of Rs 220 million against Rs 172 million in 2016 which coincide with the revenue growth from Rs 2.5 billion to Rs 3.0 billion in 2017.

The following comparative information of the company's financial performance for the financial year 2017 as against 2016 is given below:

	Unaudited 2017	Audited 2016
	Rs Mn	Rs Mn
Revenue		
Rooms	1,317	1,152
Food and Beverage	1,635	1,331
Other Operating Departments/Sundry Income	63	58
Total Revenue	3,015	2,541
Cost of Operations	2,795	2,369
Profit before Tax for the Period	220	172

3. Key Performance Indicators of the Hotel Operations

	2017	2016
Average Room Rate (Rs)	21,077	20,424
Occupancy (%)	57%	50 %
Gross Profit Margin (%)	82 %	83 %

Increase in room occupancy in 2017 (growth of 14% against 2016) due to improvement in F&B sales mainly contributed from banquet, event spaces sold for conventions and regional corporate conferences with cross selling of rooms which peaked the occupancy levels. The peaking of the F&B sales and room occupancy commenced from last quarter of 2016, hence the quarterly performance in the room occupancy remained almost the same.

- The room turnover in 2017 increased by 14% compared to 2016 period as a result of high occupancy levels as stated above. Hilton has also focused on preparation of additional meeting spaces including temporary
- The occupancy was supported by a 22% increase in F&B sales mainly from banquet and events spaces during this period. It is also important to emphasize the addition of the Blue Multi event venue which was introduced in Aug 2015 has played a pivotal role in capturing many corporate events such as cocktails, weddings, conferences both local and in the region. Ruby event space is earmarked for the development of 2nd ballroom with the refurbishment in the 2nd phase.

4. Draft Financial Statements for the year 2017

4.1. Statement of Comprehensive Income (For the Twelve Months Ended 31st December, 2017)

	Unaudited 12 months 31.12.2017 Rs. '000	Audited 12 months 31.12.2016 Rs. '000
Revenue	3,015,361	2,540,680
Cost of sales	(550,824)	(440,698)
Gross profit	2,464,537	2,099,982
Investment income	23,008	27,575
Other gains and losses	40,320	39,914
Administrative expenses	(1,470,415)	(1,331,329)
Depreciation	(459,265)	(368,254)
Other expenses	(378,431)	(294,905)
Finance costs	(81)	(35)
Profit before taxation	219,673	172,948
Income tax expense	84,207	(31,933)
Profit after tax	303,880	141,015
Other comprehensive income		
Actuarial Gain /(loss) on employee benefit obligation	(402)	(5,065)
Total Comprehensive income/ (expense) for the period	303,478	135,950
Earnings per share - Basic	0.15	0.07

4.2. Statement of Financial Position as at 31st December, 2016

	Unaudited 31.12.2017	Audited 31.12.2016
Assets		
Non- current Assets		
Property, plant & equipment	7,604,890	7,449,712
Leasehold land	6,610,530	6,681,237
Capital work-in-progress	479,504	215,748
	14,694,924	14,346,696

Current Assets		
Inventories	71,065	51,488
Trade and other receivables	170,481	148,843
Amounts due from related party	1,354	1767
Other assets	157,671	216,145
Current financial assets	135,608	202,660
Cash and bank balances	225,599	395,104
	761,778	1,016,007
Total Assets	<u>15,456,703</u>	<u>15,362,703</u>
Equity and Liabilities		
Shareholders' Equity		
Stated capital	20,466,456	20,466,456
Reserves	2,557	21,896
Accumulated loss	-6,392,638	-6,715,455
Total Equity	14,076,376	13,772,897
Non - Current Liabilities		
Interest bearing loans and borrowings		
Retirement benefit obligations	96,236	125,326
Defferend tax liability	394,848	499,215
	491,085	624,541
Current Liabilities		
Trade and other payables	493,188	511,209
Amounts due to related party	12,558	10,598
Retention Fees & other payables - Refurbishment Project	111,028	103,208
Bank overdraft	272,468	340,250
Total Current Liabilities	889,242	965,265
Total Liabilities	<u>1,380,327</u>	<u>1,589,806</u>
Total Equity and Liabilities	<u>15,456,703</u>	<u>15,362,703</u>
Net Assets per share - (Rs.)	6.88	6.73

5.3 Plantation and Agro-based

Janatha Estate Development Board

1. Introduction

The Land Reform (Amendment) Law which came into effect in 1975, vested all company owned plantation lands, in the state. With this nationalization of the plantations, the management of Estates were somewhat broad based, as the lands vested were given over to several managing organizations. There was the State Plantations Corporation which managed a few plantations prior to the nationalization and a new organization by the name Janatha Estates Development Board was created in 1976 under the State Agricultural Corporations Act No. 11 of 1972. In addition to these two organizations, new forms of organizations were created to manage some of the nationalized plantations. These included USAWASAMA (Up Country Co-Operative Estates Development Board) and JANAWASAMA and electoral co-operatives.

1.2. Our Vision

To be the most diversified and profitable plantation sector organization in Sri Lanka

1.3. Our Mission

To manage JEDB producing high quality Tea, Rubber, Spices and promoting new ventures utilizing its natural resources, personnel and geographical placements of the estates in Sri Lanka, in order to yield the greatest sustainable benefits for the present and future generations.

In continuously improve the quality of our employees, and their dependents keeping in mind the protection of the environment whilst earning an acceptable return to the workforce and the Government of Sri Lanka

1.4. Estate Information

All 17 Estates under JEDB fall into 4 main Groups :-

1.4.1. Tea

- | | | |
|-------------------|---|-----------|
| 1) Hewaheta Group | - | 4 Estates |
| 2) Galaha Group | - | 4 Estates |
| 3) Nawalapitiya | - | 7 Estates |

1.4.2. Rubber – 2 Estates

- 4) Kumarawatte
- 5) Diyaluma/ Thelipatenne

1.4.3. Summary of all Groups – Extent in Hectares

	VP	Good Seed	Marginal Seed	Poor seed	Bare land
Tea	1228.95	943.04	763.82	870.36	1252.47
	Good Rubber	Marginal Rubber	Poor Rubber	Bare Land	
Rubber	212.87	64.08	259.98	157.39	

- **Hewaheta Group**

The Hewaheta Valley claims the oldest Tea growing district, in fact our model estate to be Loolecondera is the 1st ever commercial tea plantation in the country.

Estate	VP	Good Seed	Marginal Seed	Poor seed	Bare land
Loolecondeera	130.50	221.15	0.00	103.00	19.00
Hope	81.25	109.75	58.00	88.74	
Rookwood	64.74	221.64	0.00	28.47	31.20
Rahatungoda	64.73	19.96	87.06	51.43	17.63
Total	341.22	572.50	145.06	271.64	67.83

- **Galaha Group**

There are 4 Estates fall under this group.

Estate	VP	Good Seed	Marginal Seed	Poor seed	Bare land
Levallon	129.80	247.50	192.25	14.50	195.79
Bopitiya/GV	62.99	14.39	51.75	87.25	316.75
Hantane	111.14	3.16	212.65	161.05	110.07
Deltota	50.80	21.25	65.62	77.75	75.00
Total	354.73	286.30	522.27	340.55	697.61

- **Nawalapitiya Group**

The following 7 Estates fall under this group:-

Estate	VP	Good Seed	Marginal Seed	Poor seed	Bare land
Kolapathana	94.00	42.75	5.75	48.00	18.00
Bowhill	56.00	0.00	20.75	33.50	80
Kandaloya	52.30	24.99	8.00	61.10	29.00
Nagastenne	72.60	0.00	25.50	63.23	188.60
Galabodde	93.40	16.50	0.00	23.25	68.10
Mahavilla	107.82	0.00	0.00	0.00	18.65
Mount Jean	56.88	0.00	36.49	29.09	84.68
Total	533.00	84.24	96.49	258.17	487.03

- **Rubber Estates**

There are 2 Estates fall under this group. Thelipatenne Estate has amalgamated with Diyaluma Estate in 2017.

Estate	Good Rubber	Marginal Rubber	Poor Rubber	Bare Land
Kumarawatte	212.87	59.46	188.98	8.19
Thelipatenne/ Diyaluma	0.00	4.62	71.00	149.20
Total	212.87	64.08	259.98	157.39

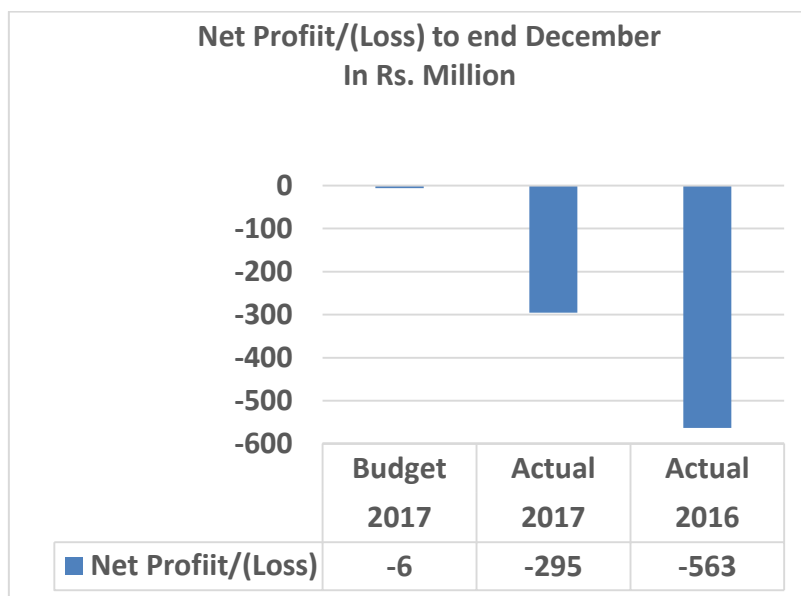
2. Financial Statement for the year 2017

Description	To end December 2017			End Dec-16		2017 vs 2016	
	Actual (Rs.)	Budget (Rs.)	Var. %	Actual (Rs.)	Variance (Rs.)	Var. %	
1. ESTATE							
COP	Tea	648.99	592.82	9	584.21	64.78	11
	Rubber	286.93	318.29	-10	263.83	23.10	9
	Coconut	460.35	341.18	35	159.43	300.92	189
NSA	Tea	436.44	424.05	3	303.51	132.93	44
	Rubber	294.96	346.22	-15	195.80	99.16	51
	Coconut	38.94	27.50	42	29.04	9.90	34
Rev. Expenditure	Tea	937,478,443	1,165,489,214	-20	778,515,510	158,962,933	20
	Rubber	108,773,093	104,080,264	5	92,916,151	15,856,942	17
	Coconut	6,030,118	10,986,069	-45	6,063,178	(33,060)	-1
	Total	1,052,281,654	1,280,555,547	-18	877,494,839	174,786,815	20

Income	Tea	630,444,856	833,691,525	-24	404,455,324	225,989,532	56
	Rubber	111,817,297	113,212,500	-1	68,957,502	42,859,795	62
	Coconut	510,127	885,500	-42	1,104,509	(594,382)	-54
	Sundry Income	48,441,173	228,645,778	-79	910,931	47,530,242	5218
	Total	791,213,453	1,176,435,303	-33	475,428,266	315,785,187	66
Profit/ (Loss)	Tea	(307,033,587)	(331,797,689)	-7	(374,060,186)	67,026,599	-18
	Rubber	3,044,204	9,132,236	-67	(23,958,649)	27,002,853	-113
	Coconut	(5,519,991)	(10,100,569)	-45	(4,958,669)	(561,322)	11
	Sundry Income	48,441,173	228,645,778	-79	910,931	47,530,242	5218
	Total	(261,068,201)	(104,120,244)	151	(402,066,573)	140,998,372	-35
2. HEAD OFFICE							
Income	Land Lease	39,759,377	131,562,318	-70	44,541,880	(4,782,503)	-11
	Building Rent	32,127,265	67,500,000	-52	10,041,700	22,085,565	220
	Security	167,832	1,967,832	-91	1,967,832	(1,800,000)	-91
	Sundry Income	1,610,278	375,000	329	6,779,525	(5,169,247)	-76
	Bank Interest		17,550,000		71,131	(71,131)	-100
	Sale of Timber		-		12,978,954	(12,978,954)	-100
	Jana Tea -Nett	88,661,208	33,561,172	164	(4,239,389)	92,900,597	-2191
	Total Income	162,325,960	252,516,322	-36	72,141,633	90,184,327	125
Expenditure	Head Office	164,085,408	116,286,158	41	204,495,511	(40,410,103)	-20
Profit/(Loss)		(1,759,448)	136,230,164	-101	(132,353,878)	130,594,430	-99
Expenditure	Regional office	(10,160,105)	(8,462,256)		-	(10,160,105)	
3.COMBINED							
Combined Profit/(Loss)		(272,987,754)	23,647,664	-1254	(534,420,451)	261,432,697	-49
Less: Finance Cost		(22,501,979)	(29,415,080)	-24	(29,540,562)	7,038,583	-24
Profit/(Loss) after Finance cost		(295,489,733)	(5,767,416)	5023	(563,961,013)	268,471,280	-48
Treasury Grant Received		-	-			-	
Net Profit / (Loss)		(295,489,733)	(5,767,416)	5023	(563,961,013)	268,471,280	-48

2.1. Net Profit in Million

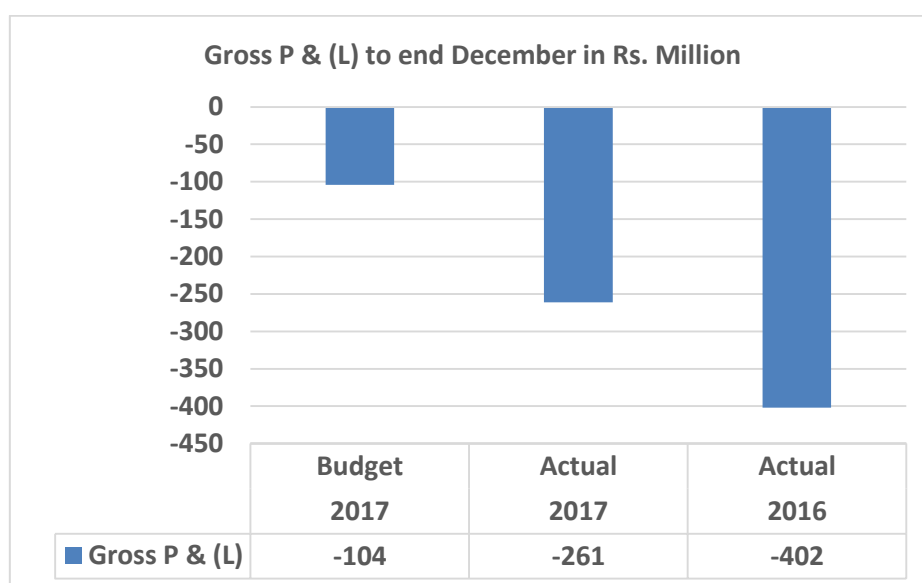
	2017 Budget	2017 Actual	2016 Actual
Net Profit/(Loss)	-6	-295	-563



* Loss has been reduced by Rs. 268 Million in 2017 over the season 2016

2.2. Gross Profit/(Loss) end of December 2017 in Mn

	2017 Budget	2017 Actual	2016 Actual
Gross P & (L)	-104	-261	-402



* Loss has been reduced by Rs. 141 Million in 2017 over the season 2016

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 amended under subsequent Act Nos. 12 of 1962 , 49 of 1979 and 34 of 1985.

1.2. Plantations

The Sri Lanka State Plantations Corporation (SLSPC) manages 14 Plantations, out of which, 13 Tea Plantations are situated in Kandy / Matale Districts and 01 Rubber Plantation in Galle District. The Organization comprises of 3,92659ha Tea and 127.47 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 9,966.19 ha.

2. Progress up to December 2017 is as follows

	Actual Up to 2017 December (Rs,000)	Actual Up to 2016 December (Rs,000)	Budgeted 2017 December (Rs,000)	2017 Variance (+/-) Budget
Revenue (Tea)	621,975,383	425,316,989	754,638,000	-18%
Cost of Sales (Tea)	679,790,706	587,955,383	933,479,468	-27%
Gross Profit/(Loss) - Plantations Level (Tea)	(57,815,323)	(162,638,394)	(178,841,468)	-78%
Other Income (Sundry) Plantations Level (Tea)	56,379,278	104,276,915	356,950,095	-84%
Revenue (Rubber)	12,762,901	8,327,241	13,800,000	-8%
Cost of Sales (Rubber)	16,752,630	13,180,421	13,387,511	25%
Gross Profit/(Loss)-Plantations Level (Rubber)	(3,989,729)	(4,853,180)	415,489	-1067%
Other Income (Sundry) Plantations Level (Rubber)	1,647,754	706,915	3,419,729	-52%
Head Office Income	56,267,073	36,414,098	47,355,000	19%
Other Operating Expenses (Administration Cost & Personal Cost)	108,006,866	83,948,474	136,612,047	-21%
Finance Cost	6,135,859	7,262,235	14,764,324	-58%
Net Profit/(Loss) at the end of the Period	(61,654,429)	(117,304,518)	74,499,745	-183%
Made Tea (Kg)	1,532,486	1,451,188	2,453,475	-38%
Rubber – Latex (Kg)	42,472	37,525	55,200	-23%

The total Crop to end of December-2017 is 1,532,487 Kilos Made Tea compared to 1,451,188 kilos Made Tea produced for the same period last year (2016) which shows an increase equivalent to 6 5.6%. The estimated Crop for the period of Jan – Dec. 2017 has been 2,439,500kg.

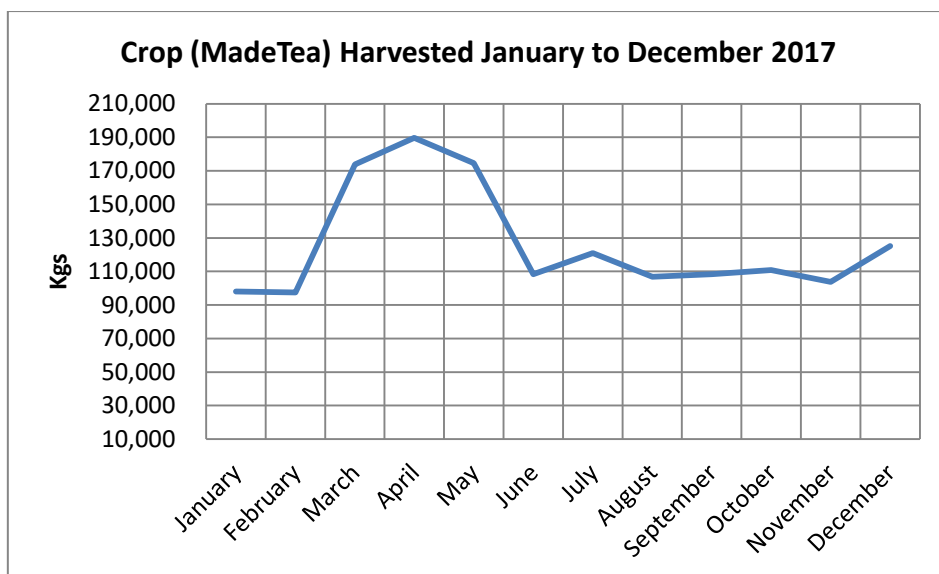
The Crop produced to end of December 2017 shows deficit equivalent to 37.18% over estimated Crop for the above period ending at December 2017. The estimated crop could not be achieved by the Plantations due to adverse weather condition prevailed in the districts of Kandy and Matale where prolonged drought prevailed over the period.

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 ensuing months of Season 2017.

2.1. Crop Harvested (Tea) Comparison of the season 2017/2016 Month wise

Month	2017		2016		Variance %	
	Month	Todate	Month	Todate	Month	Todate
January	98,014	98,014	101,834	101,834	(4)%	(4)%
February	97,534	195,548	124,127	225,961	(21)%	(13)%
March	173,929	369,477	135,272	361,233	29%	2%
April	189,612	559,089	146,701	507,934	29%	10%
May	174,592	733,681	155,496	663,430	12%	11%
June	108,321	842,002	150,215	813,575	(28)%	3%
July	120,899	963,045	95,393	901,266	27%	7%
August	106,818	1,069,861	96,257	1,005,952	11%	6%
September	108,290	1,178,150	74,444	1,079,396	45%	9%
October	110,905	1,158,426	50,050	1,129,446	122%	3%
November	103,717	1,407,321	109,888	1,238,254	(6)%	14
December	125,165	1,532,486	212,785	1,452,336	(41)%	6

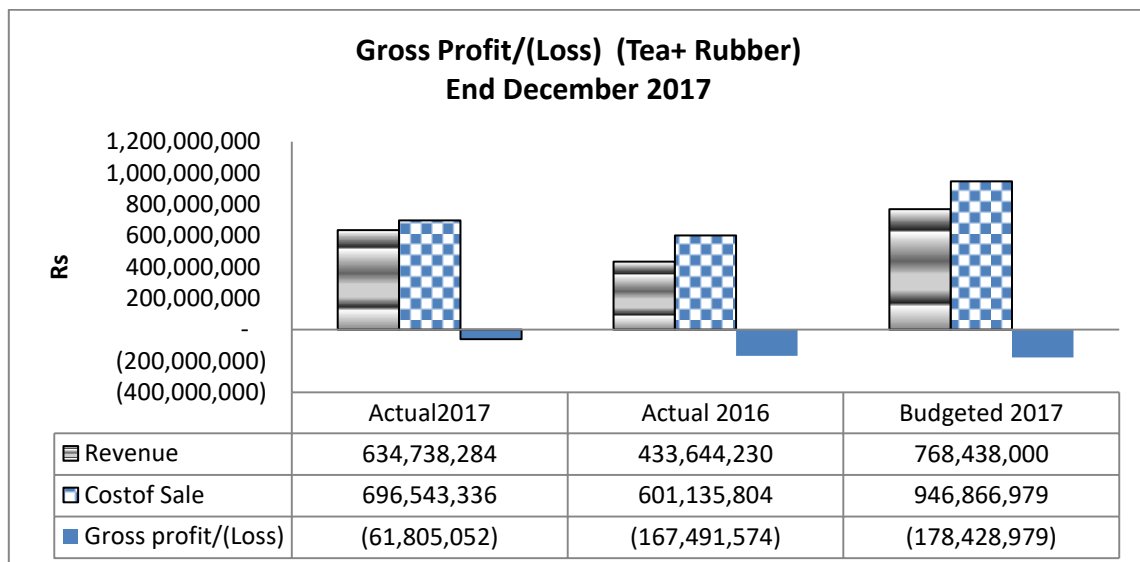
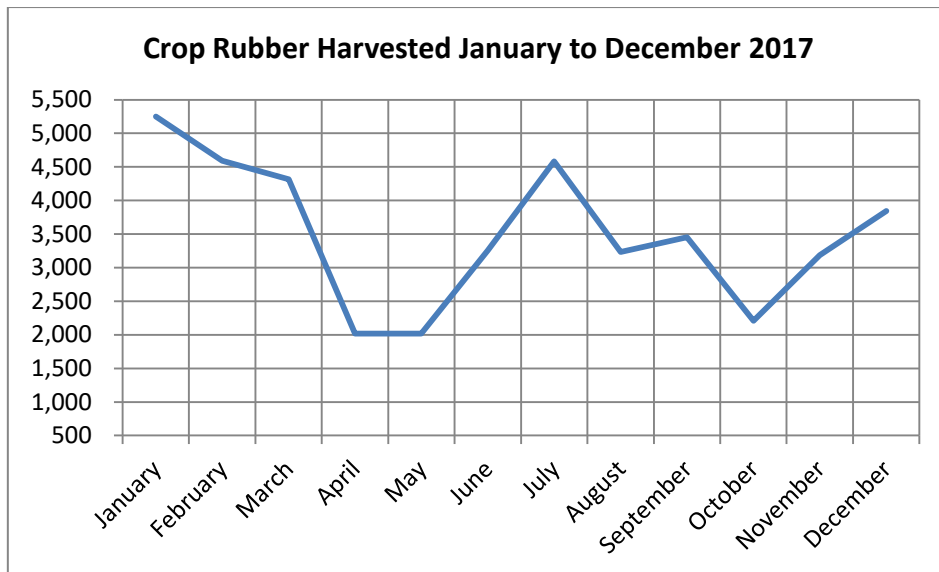


2.2. Rubber (Latex) – Revenue – kg.

Walahanduwa S.P. in Galle, has harvested 42,472 kg Rubber (Latex) this year 2017 against a crop of 37,525 kg for the same period last year (2016).

2.3. Crop Harvested (Rubber) Comparison of the season 2017/2016 Month wise

Month	2017		2016		Variance %	
	Month	Todate	Month	Todate	Month	Todate
January	5,249	5,249	4,208	4,208	25%	25%
February	4,590	9,839	3,549	7,757	29%	27%
March	4,318	14,157	2,789	10,546	55%	34%
April	2,019	16,176	1,746	12,292	16%	32%
May	2,535	18,711	1,724	14,016	47%	33%
June	3,257	21,968	2,505	16,521	30%	33%
July	4,582	26,551	2,949	19,470	55%	36%
August	3,232	29,783	2,977	22,447	9%	33%
September	3,451	33,234	3,701	26,148	-7%	27%
October	2,208	35,442	2,671	28,819	-17%	23%
November	3,185	38,627	3,460	32,279	-8%	20%
December	3,845	42,472	5,246	37,525	-27%	13%



2.4. Gross (Loss) – Rs.

The Plantations have incurred a Loss of Rs. 61,805,052/= during the period from January to December 2017 compared to the Loss of Rs.167,491,574/= incurred for the same period last year (2016). The budgeted Loss for Season 2017 (Jan – December 2017) has been Rs.178,428,979/=.

2.5. Plantations (TEA) - Other Income and Head Office Income

The Sundry Income, which is in respect of disposal of Minor Crops, Trees, Rentals, etc. generated by the Plantations for Season 2017 has been below for the same period last year. The main reason for the same is attributed to the delay in felling of Trees available in Plantations due to non-receipt of approval from the relevant authorities such as Forest Department, Central Environment Authority, etc.

2.6. Sundry Income – Plantations (RUBBER)

For the period from January to June 2017, Walahanduwa S.P. has generated sundry income of Rs. 360,000/= by way of disposing minor crops, etc., as against an income of Rs. 716,000/= for the same period in last season (2016).

2.7. Other Income – Head Office Level

The above is in respect of Rentals on buildings / lands, disposal of redundant items, etc., which shows an income of Rs. 56,267,073/= for the year 2017 against the income of Rs. 36,414,098/= last year (2016).

Elkaduwa Plantations Ltd

1. Introduction

The Government of Sri Lanka, as part of its restructuring plan for the Plantation Industry privatized this sector and in June 1992 incorporated 22 Regional Plantation Companies. Then the Government assigned these Companies, Estates that had been previously vested with the Government and managed by JEDB/SLPC on a 53 year lease agreement. Separate Managing Agents were also selected to manage each of these Companies.

The decision taken by the government with of view a relive, the treasury of the burden of providing financial assistance to the two major Plantations Managing Organisation, Janatha Estate Development Board (JEDB) and Sri Lanka State Plantations Corporation (SLSPC) which have been incurring massive losses over a period of time and as a measure to introduce new techniques and concepts in to plantations industry this sector through private sector management. However the number of estates located In Matale, Kandy & Nawalapitiya area were not considered under this concept but allowed to remain with the SLSPC & JEDB. This was probably due to the fact that majority of the estates in this region were considered non-viable properties which record low yields compared to other planting region of the Island.

Despite these adverse reasons which would have certainly distracted investors, Elkaduwa Plantations Limited (EPL) was incorporated on July 23rd, 1993 being the 23rd and the last RPC established under this process and it is the smallest unit in comparison to the previous 22 RPC's. EPL was formed under the companies act No. 23 of 1987 and re registered under new companies act No.7 of 2007, to take over the following 10 Estates and 02 divisions in Kelebokka Estate Plantations owned and /or managed by the SLSPC.

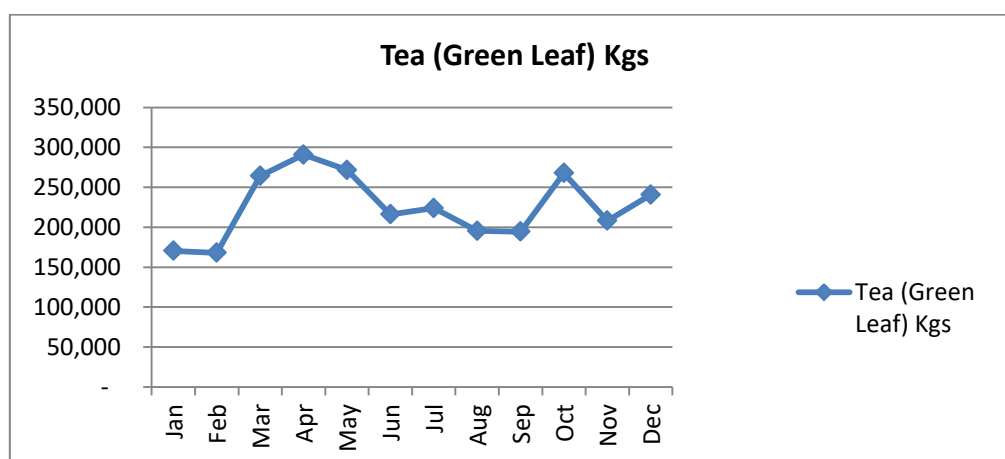
The notice in respect of formation of EPL was published in the Extra Ordinary Gazette Notification No. 776/13 of July 1993. The entry of the shareholding of EPL is held by Secretary to the Treasury on behalf of the state.

2. Progress for the year 2017 is as follows

	Draft up to Dec. 2017 (Rs. 000)	Actual up to Dec. 2016 (Rs. 000)	Budgeted Dec. 2017 (Rs. 000)	2017 Variance (+/-) Budget
Revenue - Tea	245,715	164,138	208,720	11%
Cost of Sale	-290,593	-221,379	-336,623	-14%
Gross Profit/(Loss)	-44,877	-57,241	-127,903	-65%
Revenue - Rubber	22,010	16,051	26,900	-18%
Cost of Sale	-37,207	-28,071	-42,739	-13%
Gross Profit/(Loss)	-15,197	-12,019	-15,839	-4%
Revenue - Coconut	33,708	28,160	51,030	-34%
Cost of Sale	-26,976	-19,101	-23,832	13%
Gross Profit/(Loss)	6,732	9,059	27,198	-75%
Revenue - Cocoa	1,219	1,319	6,800	-82%
Cost of Sale	-758	-847	-4,467	-83%
Gross Profit/(Loss)	461	472	2,333	-80%
Revenue - Other Crops	42,384	1,726	10,800	292%
Cost of Sale	-22,959	-352	-3,359	584%
Gross Profit/(Loss)	19,426	1,374	7,441	161%
Total Gross Profit/(Loss)	-34,915	-58,355	-106,770	-67%
Other operating income	87,524	36,754	285,280	-69%
Gain arising from changes in fair value less cost to sell of consumable biological assets	-	-	-	-
Administrative expenses	-38,585	-26,482	-22,690	70%
Profit/(loss) from operations	-14,024	-46,083	155,820	-91%
Finance income	4,411	2,341	-	-
Finance costs	-6,939	-8,684	-10,560	-34%
Net finance income	-2,528	-6,343	-10,560	-76%
Profit/(loss)before taxation	11,497	-62,756	145,260	-92%
Income tax expenses	-	-	-	-
Profit/(loss) for the year	11,497	-62,756	145,260	-92%
Treasury Grants	173,372	75,831	-	-
Total Comprehensive income for the year	184,869	13,075	145,260	27%
Tea - Green Leaf - (Kgs)	2,711	2,541	3,884	-30%
Rubber - Latex (Kgs)	78	76	107	-27%
Coconut - Nut	842	1,359	1,470	-43%

2.1. Green Leaf (Kgs) - From January to December 2017

	2017		2016		2017 vs 2016 %	
	Month	To date	Month	To date	Month	To date
January	170,304	170,304	226,515	226,515	75%	75%
February	167,888	338,192	202,498	429,013	83%	79%
March	264,167	602,359	190,969	619,982	138%	97%
April	290,790	893,149	200,764	820,746	145%	109%
May	271,616	1,164,765	296,287	1,117,033	92%	104%
June	216,103	1,380,868	274,925	1,391,958	79%	99%
July	223,801	1,604,669	208,936	1,600,894	107%	100%
August	195,408	1,800,077	180,265	1,781,159	108%	101%
September	194,473	1,994,550	114,059	1,895,218	171%	105%
October	267,710	2,262,260	56,210	1,951,428	476%	116%
November	208,068	2,470,328	230,426	2,181,854	90%	113%
December	240,753	2,711,081	359,611	2,541,465	67%	107%



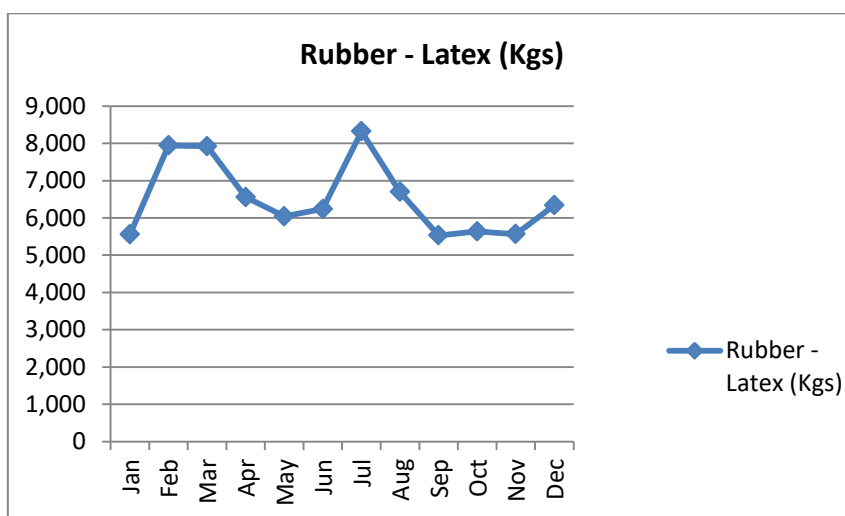
The total green leaf crop to end December -2017 is 2,711,071 kilos compared to 2,541,465 kilos of Green Leaf harvested for the same period last year (2016) which has increased by 7%.

The estimated green leaf crop for the year 2017 is 3,884,342 kilos. The Crop harvested during year 2017 shows a deficit of 30% over estimated Crop for the year 2017. The estimated crop could not be achieved by the Plantations due to adverse weather conditions prevailed in the district of Matale where prolonged drought prevailed over the period.

Further, the Organization's failure to undertake the required application of Fertilizer to Tea Fields to boost the Crop Intake, due to poor weather conditions, attributed to the inability to achieve the estimated crop for the said period.

2.2. Rubber (Latex) - (Kgs) From January to December 2017

	2017		2016		2017 vs 2016 %	
	Month	Todate	Month	Todate	Month	Todate
January	5,561	5,561	8,294	8,294	67%	67%
February	7,942	13,503	9,020	17,314	88%	78%
March	7,920	21,423	7,198	24,512	110%	87%
April	6,554	27,977	3,495	28,007	188%	100%
May	6,043	34,020	3,772	31,779	160%	107%
June	6,240	40,260	6,807	38,586	92%	104%
July	8,320	48,580	7,802	46,388	107%	105%
August	6,696	55,276	8,752	55,140	77%	100%
September	5,531	60,807	6,453	61,593	86%	99%
October	5,639	66,446	4,494	66,087	125%	101%
November	5,565	72,011	4,753	70,840	117%	102%
December	6,337	78,348	5,185	76,025	122%	103%

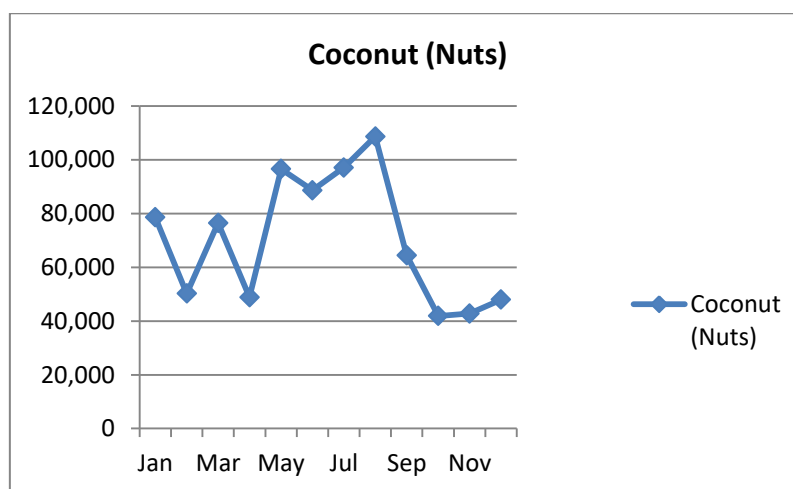


The total crop harvested during year 2017 is 78,348 kilos of Latex compared to 76,025 kilos harvested for the same period last year (2016) which shows an increase of 3%.

The estimated crop for the year 2017 is 107,520 kilos of Latex. The crop harvested for year 2017 shows a deficit of 27% over estimated crop for the year 2017. The estimated crop could not be achieved by the Plantations due to adverse weather conditions (since 75% of available trees are overage)

2.3. Coconut (Nuts) - From January to December 2017

	2017		2016		2017 vs 2016 %	
	Month	Todate	Month	Todate	Month	Todate
January	78,550	78,550	113,123	113,123	69%	69%
February	50,190	128,740	107,169	220,292	47%	58%
March	76,437	205,177	125,322	345,614	61%	59%
April	48,871	254,048	91,856	437,470	53%	58%
May	96,520	346,483	106,750	544,220	90%	64%
June	88,638	439,206	101,120	645,340	88%	68%
July	97,044	536,250	131,847	777,187	74%	69%
August	108,640	644,890	147,039	924,226	74%	70%
September	64,463	709,353	116,792	1,041,018	55%	68%
October	41,877	751,230	128,560	1,169,578	33%	64%
November	42,797	794,027	98,182	1,267,760	44%	63%
December	47,937	841,964	91,798	1,359,558	52%	62%



The total crop for the year 2017 is 841,964 nuts compared to 1,359,558 nuts which was picked for the same period last year (2016). It shows a decrease of 38%.

The estimated Crop for the year 2017 has been 1,470,000 nuts. The Crop harvested year shows a deficit of 43% over estimated Crop for the year 2017. The estimated crop could not be achieved by the Plantations due to prolonged drought prevailed over the last year.

2.4. Profit/(Loss)

The Plantations made the profit of 11.4 Mn (Draft) during the year 2017 compared to the Loss of 62 Mn for the last year (2016). The budgeted Profit for year 2017 is Rs. 145 Mn.

2.5. Other Income

The Sundry Income, which is in respect of disposal of Minor Crops, Rentals, Eco tourism projects income etc. generated by the Plantations during the year 2017 has been increased by 137% compared to last year.

Kurunegala Plantations Limited

1. Introduction

Kurunegala Plantations Limited comprises of 08 Area Estates with the land extent of 4971 Hectares that encompass different agro climatic zones spanning in Kurunegala, Gampaha and Anuradhapura districts. The company has created direct employment of around 1066 and has supported many people to uplift their living condition.

Kurunegala Plantations Limited from 1992 to 2004 had been managed by the private sector. The management of the Company was brought under the Government with effect from 01st January 2005. Kurunegala Plantations Limited has operated under the purview of several Ministries, and since 21st September 2015 it comes under the purview of the Ministry of Public Enterprise Development.

The company under the guidance of the Minister and the present government policy of good governance is expanding its operations to achieve the sustainable development.

1.1. Vision

To be the model plantation and agribusiness management company in the South East Asian Region

1.2. Mission

To manage the plantation and other agribusiness productively, profitably and sustainably through effectively harnessing natural, physical and human resources in an environment-friendly and socially responsible manner to the benefit of all stakeholders and the country at large.

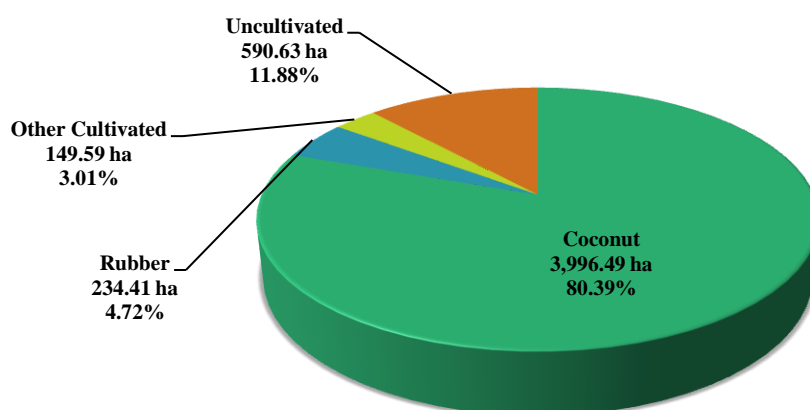
1.3. Other Information

- No.of Estates - 8 Estates

1.3.1. Distribution Of Land

Estate	Coconut (ha)	Rubber (ha)	Other Cultivated (ha)	* Uncultivat ed(ha)	Total Extent (ha)
Attanagalla	441.10	118.99	8.28	99.90	668.27
Dambadeniya	398.14	0.00	11.05	52.99	462.18
Dodangaslanda	445.92	26.09	15.21	203.51	690.73
Hiriyala	766.70	0.00	78.30	135.21	980.21
Katugampola	606.92	0.00	0.20	10.00	617.12
Kurunegala	525.93	12.80	0.00	17.07	555.80
Mahayaya	354.47	72.74	7.85	11.20	446.26
Narammala	457.31	3.79	28.70	60.75	550.55
Total	3,996.49	234.41	149.59	590.63	4,971.12

* Uncultivated - Roads, Buildings ,Reservations & Jungle ,unsuitable for Planting etc..



1.3.2. Employees Summary

	Head Office	Estates	Total
Executives	11	22	33
Clerical and Allied Grades	30	109	139
Minor and Allied Grades	19	34	53
Watchers & Check Roll Laborers	-	841	841
Total	60	1006	1,066

2. Major Activities Performed during the period of 01st January to 31st December 2017

2.1. Financial Statement

	Actual (2017)	Budget (2017)	Last Year (2016)	Variance %	
				Bud.	LY
Coconut Production (Nuts)	10,647,351	12,200,000	16,652,531	-13%	-36%
NSA (per Nut)	43.63	36.81	24.71	19%	77%
COP - (per Nut)	23.58	24.14	15.25	-2%	55%
Rubber (Kgs)	119,486	154,987	144,376	-23%	-17%
NSA (per Kg)	309.00	305.00	211.00	1%	46%
COP - (per Kg)	324.00	277.00	333.00	17%	-3%
Revenue (Rs.)					
Coconut	459,162,402	449,046,847	413,661,122	2%	11%
Rubber	34,990,910	47,301,883	29,902,334	-26%	17%
Others	58,879,109	28,157,494	46,986,053	109%	25%
	553,032,421	524,506,224	490,549,509	5%	13%
Cost of Sales (Rs.)					
Coconut	248,225,685	294,537,236	255,344,179	-16%	-3%
Rubber	36,757,076	42,998,025	47,296,161	-15%	-22%
Others	19,876,806	18,879,254	17,316,959	5%	15%
	304,859,567	356,414,515	319,957,299	-14%	-5%
Gross Profit (Rs.)					
	248,172,855	168,660,879	170,292,210	47%	46%
Other Operating Income	89,443,118	84,142,060	78,408,014	6%	14%
Administration & General Expenses	139,651,896	124,336,465	119,655,132	12%	17%
Net Finance Income/ (Expenditure)	41,992,141	32,872,343	15,045,573	28%	179%
Profit Before Tax (Rs.)	239,956,218	170,951,792	144,090,665	40%	67%

2.2. Crop Achievement

Crop/ Project	Unit	Physical Progress			Annual Reforecast Budget	Achievement	% Against Annual Reforecast Budget
		Annual Reforecast Budget	Achievement	% Against Annual Reforecast Budget			
Coconut	Nuts	12,200,000	10,647,351	87%	449,046,847	459,162,402	102%
Rubber	Kg	154,987	119,486	77%	47,301,883	34,990,910	74%
Dry cashew	Kg	16,947	15,350	91%	6,077,779	6,207,284	102%
Cinnamon (Leased out)	Kg	Leased			620,258	1,001,265	161%
Cocoa	Kg	1,106	952	86%	756,000	375,436	50%
Dragon fruit	Kg	2,500	2,510	100%	500,000	781,232	156%
Guava fruits	Kg	3,583	2,977	83%	376,375	360,324	96%
Mango (TOM EJC)	Kg	16,000	21,737	136%	3,203,980	5,498,638	172%
Manioc	Kg	21,597	11,413	53%	696,465	508,595	73%
Dry pepper	Kg	Leased			6,386,275	4,343,034	68%
Pineapple fruits	Kg	500	1,516	303%	30,000	65,380	218%
Areca nut	Nuts	33,000	24,960	76%	74,130	67,436	91%
Rambutan fruits	No. of fruits	Leased			7,859,012	7,827,142	100%
Mangosteen fruits	No. of fruits	Leased			116,844	147,207	126%
Milk	Liters	15,794	16,032	102%	1,010,658	1,075,426	106%
Cattle	No. of cattle	13	8	62%	234,000	625,828	267%
Coconut Husk	Nos.	6,058,895	6,865,645	113%	15,039,408	24,494,539	163%
Coconut Trees	Nos.	9,459	6,728	71%	30,160,300	21,470,764	71%
Rubber Trees	Nos.	4,077	3,056	75%	7,167,100	7,285,504	102%
Firewoods	Yrds	2,141	1,832	86%	594,537	689,509	116%
Total					577,251,851	576,977,855	100%

2.3. Achievement of the Field Work

No.	Name of the Project/ Programme	Allocation for 2017 (Rs.)	Total Output Targets	Progress as at 31.12.2017			
	Field Works			Physical	%	Financial (Rs.)	%
1	New fencing (Mtr.)	10,800,630	19,670	19,025	97	9,839,474	91
2	Fencing Repairs (Mtr.)	2,840,100	41,125	52,197	127	3,080,299	108
3	Under Planting (Plants)	11,792,564	6,752	6,752	100	9,576,831	81
4	Coconut Infilling (Plants)	2,821,226	9,777	10,552	108	2,585,848	92
5	Mature Area Fertilizing Inorganic (APM) & Organic - Palms	52,395,574	174,797	149,699	86	31,925,105	61
6	New Draining & Desilting (Mtr.)	1,547,000	32,200	30,228	94	1,023,679	66
7	Mulching - Frond (Palms)	2,125,235	354,678	271,791	77	1,918,132	90



New Fencing



Under Planting



Mature Area Fertilizer – Inorganic



New Draining & Desalting



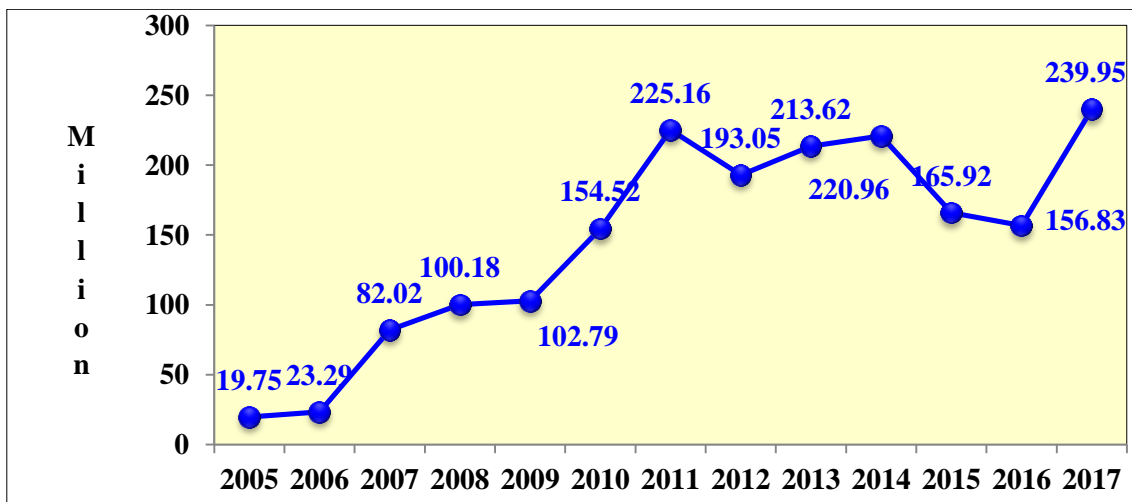
New Draining & Desalting



Mulching - Frond

2.4. Other Activities

- Kurunegala Plantations Limited has Achieved highest ever recorded profit of Rs.239,956,218/- (Profit before tax)



- Kurunegala Plantations Limited was awarded "BEST PEPPER GROWER" Award from International Pepper Community for the year 2016 .The ceremony was held in Year 2017.



- Incentive has been paid for all the employees of KPL considering the profit made in the year 2016. The ceremony was held in Year 2017.



- Contracted of 15 Watcher Quarters, Work in Progress of 9 Staff Quarters, and 1 watcher Quarters for the improvement of living stranded for the employees.



- Commenced to Establish two Irrigation Systems in year 2017 to mitigate the drought effect on plantations.



Chilaw Plantations Ltd

1. Introduction

The Chilaw Plantations Limited (CPL) was incorporated as a public company on 11/06/1992 under the Conversion of Public Corporations or government owned Business Undertakings into the Public companies Act no. 23 of 1987 and registered under the Companies Act no. 17 of 1982 and 7 of 2007. The company registration No. is PB 703

In terms of the gazette notification no. 718/16 of 11/6/1992, the all plantation assets including all estates owned and managed by the Janatha Estate Development Board were vested with the Chilaw Plantations Limited.

2. Financial Performance 2017

2.1. Statement of Comprehensive Income

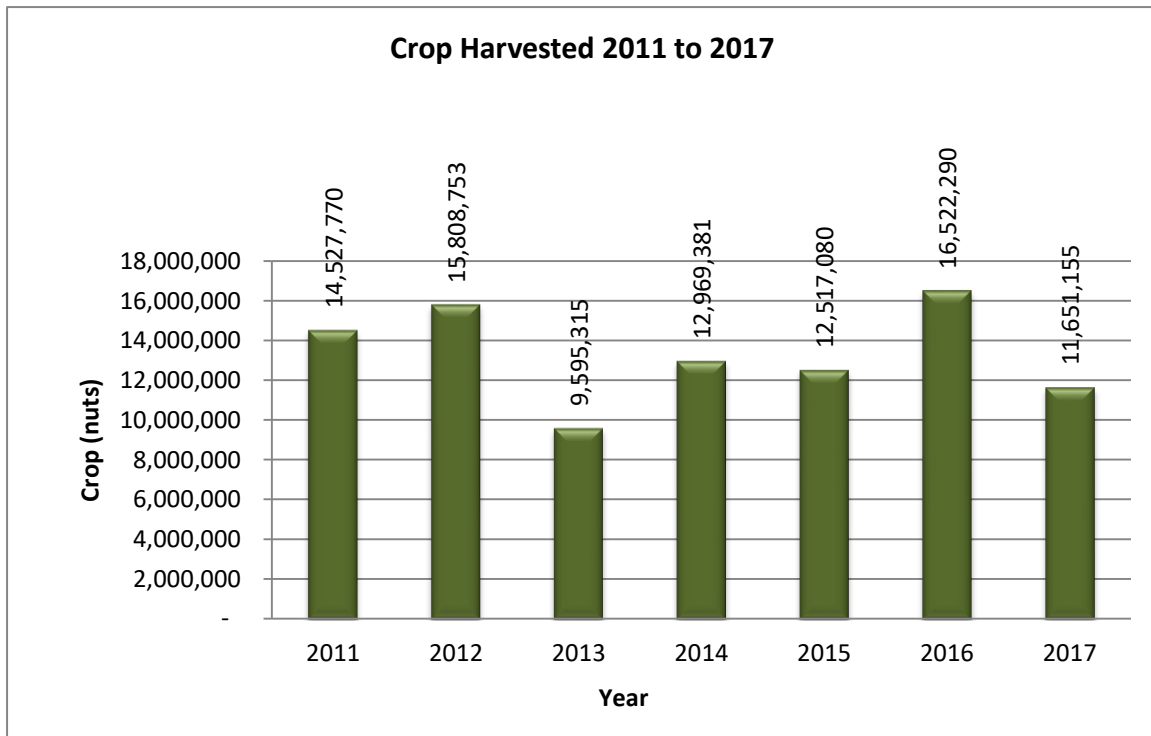
For the Year ended 31st December,	2017	2016
	(Draft Accounts)	
	Rs.	Rs.
Revenue	516,178,934	383,089,914
Cost of Sales	(310,604,719)	(234,382,941)
Gross Profit	205,574,215	148,706,973
Other Operating Income and Gains	59,119,115	65,941,736
Administrative Expenses	(110,679,954)	(102,545,104)
Other Operating Expenses	(12,352,180)	(8,692,761)
Profit from Operations	141,661,197	103,410,843
Net Finance Income /(Expenses)	(15,286,608)	(18,594,219.75)
Profit before Tax	126,374,589	84,816,623
Tax Expense (Provisions)	(15,874,397)	(15,144,615)
Profit for the Year	110,500,192	69,672,008
Other comprehensive Income		
Defined benefit plan actuarial gains/(losses)	702,850	1,091,543
Total Comprehensive Income for the year, Net of Tax	111,203,042	70,763,551
Basic Earnings Per Share	5.53	3.48

3. Progress of Field activities – 2017

Activity		Unit	Physical Progress		%completed on annual estimate
			Actual	Annual Estimate	
			up to 31/12/2017		
Weeding	Manual (3 rounds)	ha	3,536.77	3,035.19	117%
	Chemical (2 rounds)	ha	-	-	-
	Mechanical	ha	1,797.12	2,838.78	63%
Harrowing		ha	442.26	502	88%
Manuring	N.P.K	palms	186,712	219,281	85%
	Dolomite	palms	225,671	225,222	100%
	Y.P.M.(2 rounds)	palms	1,400	2,500	56%
	Organic Manure(2 rounds)	palms	7,593	7,021	108%
Burying Husks		pits	13,037	16,800	78%
Infilling/ Re-supplying Vacancies		seedlings	952	3,100	31%
Draining	New	m	1,500	13,850	11%
	De-silting	m	3,694	18,750	20%
Fencing	New	m	22,037	24,803	89%
	Repairing	m	46,166	32,050	144%
	Opening fire gaps	m	11,019	17,500	63%
Mulching	Frond (2 rounds)	palms	430,215	413,202	104%
	Husk	palms	1,380	-	-

3.1. Crop Harvested (Nuts)

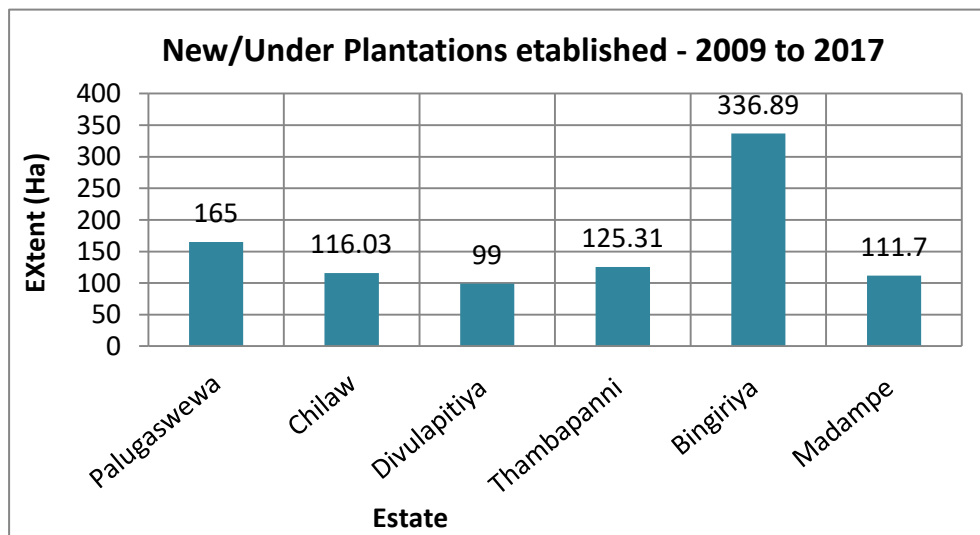
As at 31.12.2017	Annual Estimate	As at 31-12-2016	Annual Estimate
11,651,155	17,050,000	16,522,290	14,734,000



4. Other activities

4.1. Coconut Under/New Plantations

Estate	Extent (Ha)
Palugaswewa	165.00
Chilaw Area	116.03
Divulapitiya Area	99.00
Thambapanni Area	125.31
Bingiriya Area	336.89
Madampe Area	111.70
Total	953.93



4.2. Coconut Under/ New Plantations established since 2009

Year	Extent (Ha)	Number of Seedlings
2009	101.10	12,517
2010	107.93	13,932
2011	128.17	14,096
2012	266.84	28,915
2013	173.76	18,759
2014	118.57	13,311
2015	68.00	6,051
2016	39.64	4,730
2017	14.02	1,840
Total	1,018.03	114,151

5. Projects

5.1. Hand Pollination project

The Hand Pollinated seed nut nursery was established at Palugaswewa Estate in 2011. It is successfully continued to produce hybrid seedlings. The seedlings thus derived and planted in the under plantations appear to be strong and well growing, promising and with all signs of a healthier and high yielding palms.



Year	Hand pollinated flowers	Seed Nuts Harvested	Laid In Nursery Nuts
2014	1,976	17,452	17,112
2015	1,956	13,446	13,446
2016	1,816	11,273	10,017
2017	1,591	6,966	6,033

5.2. Isolated Seed Garden at Kiniyama Estate (CRI-CPL joint project)

This project was established in 2012 as a CRI-CPL joint project to produce Hybrid 'Kapruwana' Cultivar of Coconut Seed nuts / Seedlings.

It is very successful and the growing seedlings appear to be strong and promising



Two seedlings flowering within 2.5 years

5.3. Buffalo Project

Located in Palugaswewa estate.

No. of Buffaloes - 300

No. of Milking cows - 49

Total milk converted into curd and yoghurt

Upgrading the standards of the herd and diary is underway.



5.4. Palugaswewa Sales Centre

The Curd and Yoghurt manufactured using the fresh murreh buffalo milk obtained from the Buffalo project is sold at the above sales center which is located at Palugaswewa Estate, Rajakadaluwa adjoining Chilaw / Puttalam road.

The Pure coconut oil manufactured and cashew nuts processed at Palugaswewa Estate too are sold at the same Sales center.

The sales center has been constructed newly with a view to facilitate the sale of products.



Now



Previously

5.5. Sheep Project

Bingiriya Area Estates - Kinyama estate.

No. of Sheep - 438

Sheep dung is used for coconut under plantations and dragon fruit cultivations.



5.6. Cashew Plantation

Estate	Extent (Ha)	Number of plants
Thambapanni Area Estates	687.59	43467 (Mono crops)
Thambapanni Area Estates	42.65	2923 (Inter crops)
Bingiriya Area Estates	38.20	3748
Chilaw Area Estates	45.12	1833
Madampe Area Estates	6.07	970

Cashew nuts are sold as raw nuts as well as processed nuts.



5.7. Rambutan Plantations

Located in Divulapitiya Area Estates

Estate	Year of planting	Extent (Ha)	Number of plants
Kopiwaththa	1996	10.00	113
Kopiwaththa	2005	10.00	477



5.8. Pepper Plantations

Located in Divulapitiya Area Estates.

Estate	Year of planting	Extent (Ha)	Number of Vines	Number of Vines in bearing
Weeranissankamalla	1998	2.02	859	859
Weeranissankamalla	1999	2.02	1064	1064
Weeranissankamalla	2011	2.02	651	
Hemamali	2012	5.00	636	
Katukenda	2013	2.50	660	
Weeranissankamalla	2014	2.50	440	



5.9. Cinnamon Plantations

Located Divulapitiya and Bingiriya Area Estates.

Estate	Year of planting	Extent (Ha)	Number of Plant	Number of plant in bearing
Saraswathi	2011	3.00	6665	6665
Dombawinna	2011	3.00	17700	17700
Dombawinna	2012	2.00	9600	
Dombawinna	2014	1.40	5350	
Dombawinna	2017	2.00	5000	
Kolamunuoya, Siyambalawewa	2011	0.81	7200	7200



5.10. Dragon Fruit Plantations

As the Project at Bingiriya planted in 2008 has shown good results by offering a steady income, profit having already surpassed the total expenditure / investment on this, and this project was expanded to the other estates also as detailed below:

Estate	Year of planting	Extent (Ha)	Number of plants	Number of plants in bearing
Palugaswewa	2011/2017	0.5	150	75
Bingiriya	2008/2012	4.4	2700	2700
Divulapitiya	2012	4.00	946	946
Madampe	2011/2012/2014	3.64	900	550



5.11. Fibre Mill at Palugaswewa Estate

The fiber mill located at Palugaswewa Estate is functioning and has started producing mixed fibre & coir pith for local market.

6. Special Achievements

The MASSCO National Trophy and Certificate was awarded by Lanka Mass Communicators Associates saluting the dedicated service rendered for the future progress and welfare of the country while safeguarding the honour and pride of the motherland and the ethics and prestige of the state business sector.



Galoya Plantations PLC

1. Introduction

Gal-Oya Plantations was formed in year 2007 as a joint venture between the Government of Sri Lanka and the consortium, where 51% of the ownership retains with the Government of Sri Lanka and 49% of the ownership to the consortium consists with Brown and Company PLC (BCL) and Lanka ORIX Leasing Company PLC (LOLC). However the activities for the refurbishment were commenced after year 2009 since the agreement signed on 29th of August 2009.

This factory was not operated for more than 13 years when we took over. During this period no any cane cultivations had been carried out and paddy was the major crop cultivated in these fields.

During the time of closure, there were two attempts to re start operations of Hingurana Sugar factory, but was a total failure leaving a negative confidence among farmers and people in the Hingurana area.

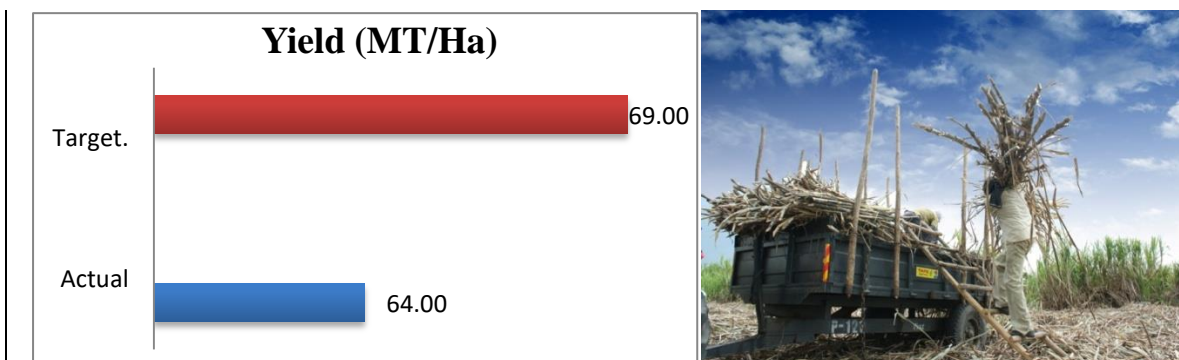
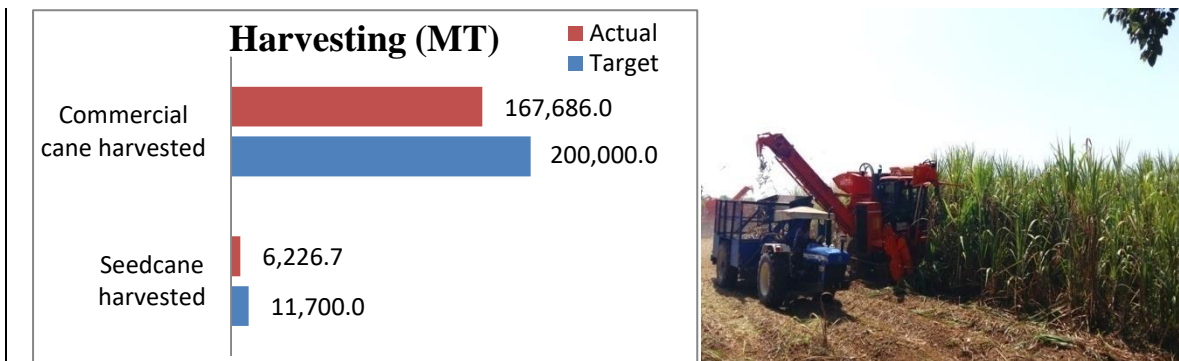
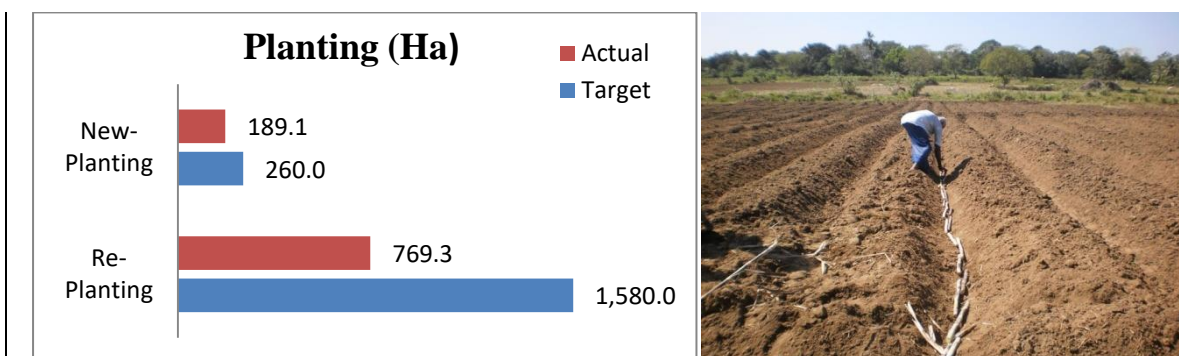
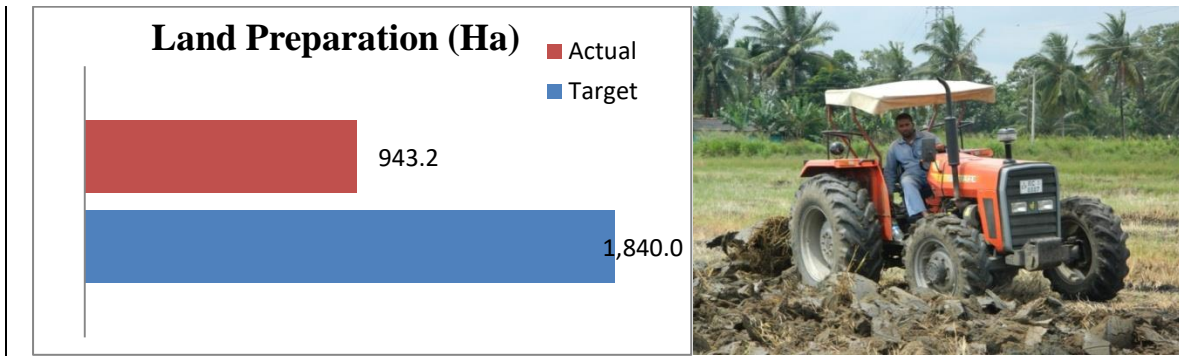
Much effort and resources were put in to renovate the sugar factory which was dysfunctional for more than 13 years and gain the confidence of the farmers in converting back to sugar cane. Despite the volume of work involved we managed to start factory operations within a short period and achieved sugar production in year 2012. The required investment for the refurbishment is completely taken from the credit facilities obtained from private companies & banks.

2. Progress

Financial year of Galoya Plantations is considered from 1st April to 31st March in 2018. According to that, the progress as at 31st December 2017 is as below.

Main Activity	Department	Unit	Target	Actual
			01.04.2017-31.03.2018	01.04.2017-31.12.2017
Planting	Plantation	Ha	1,965	958.44
Planting	Agronomy	Ha	86	39.80
Cane - Commercial	Plantation	MT	200,000	167,685.96
Cane - Commercial	Agronomy	MT	765	2,455.40
Cane - Seed	Plan	MT	12,150	6,226.69
Cane - Seed	Agro	MT	10,153	5,609.31
Rendament	Factory	%	8.16%	7.48%
Sugar	Factory	MT	16,362	12,711.4
Molasses	Factory	MT	10,038	8,668.79

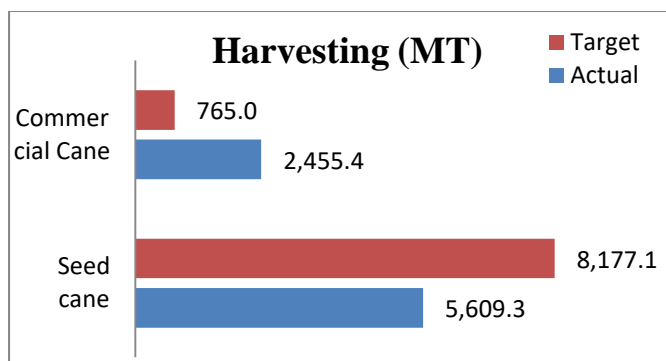
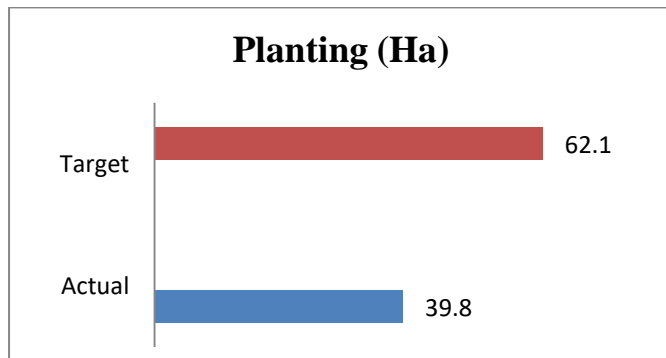
2.1. Targets and achievements as at 31st December 2017



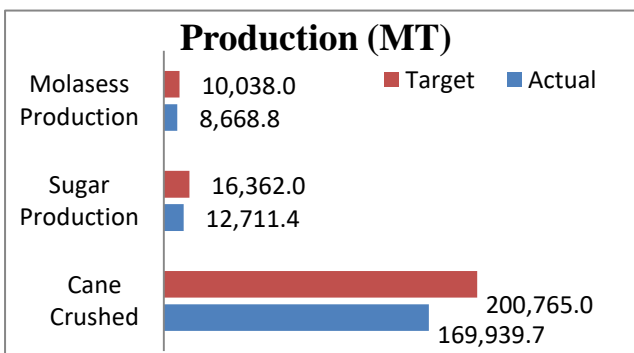
Land preparation and planting program under plantation department for 2017/18 is 1965 ha. Commercial cane planting target is 1840 ha and total nursery planting under plantation department is 125 ha.

However, due to prevailing drought condition in this area, Irrigation Department has controlled the water issues and has increased the dates among the intervals of water issues which has been badly affected to the planting program.

2.2. Agronomy



2.3. Factory



The Crushing season was started on 15th May, 2017 after completing the maintenance work. 169,939.74 MT of Cane was crushed and 12,711.4 MT of Sugar and 8,668.8 MT of Molasses were produced and seasonal. Seasonal Rendement is 7.48.

Expect amount of cane for the season according to the budget	=	200,765 MT
Estimated sugar production	=	16,362 MT
Estimated molasses	=	10,038 MT

3. Human Resource and Administration

A grand total of 912 employees are attached to GOPL as at 31th of December 2017. The breakdown is; Permanent 187, Contract 721 and Trainees 04. A comparison is given below for your easy references.

	September	October	November	December
Total Employees	978	977	948	912

The training facilities offered for two (02) university students during the month of November to December.

4. Finance

Galoya Plantations (Pvt) Ltd had to bear a net loss of Rs 802,601,216/= for the period ended 31st Dec 2017. With a Negative Cash Balance of Rs 2,008,115/= and Bank overdraft balance of Rs 52 Mn and positive marketable sugar/Molasses stock of Rs 587.5 Mn (Sugar 3.6 Mn and Molasses 583.9 Mn)

5. Projects Completed

5.1. Distillery Project

Renovation of existing distillery plant was one of the refurbishments projects. The construction of the distillery having capacity of 21.5 KLPD was commenced in 2014 and completed in 30.01.2017 with the investment of Rs. 850 mn. The company is expecting distillery license for the commercial operation. Once the distillery license received, it is expected to produce 500,000 lts per month and earn a gross revenue of Rs. 225 mn per month.

Sri Lanka Cashew Corporation

1. Introduction

Sri Lanka Cashew Corporation(SLCC) was established under the State Agricultural Corporations Act no: 11 of 1972 and the Extraordinary Gazette No.60/7 dated 25th May 1973. From its inception, the Corporation is functioning as a public enterprise mainly providing services to the industry while engaging in commercial activities on a profit earning basis.

1.1. Vision

Making Sri Lanka one of the leading cashew exporting countries in the world through the production of high quality cashew.

1.2. Mission

To develop the cashew industry towards a long term commercial viability by providing professional guidance to farmers and to developing cashew cultivation, production, processing technology, value addition, researches and marketing activities.

1.3. Objectives

1. Provide instructions to the Minister to create plans and implement plans about cashew cultivation, processing and marketing cashew products.
2. Taking actions to cultivate cashew, processing and marketing cashew products.
3. Undertaking research and investigation initiatives with the objectives of developing cashew cultivation, processing and develop its marketing.
4. Working closely with others on the activities of cultivation of cashew, process and sale, collect information on technical, sale and other information on cashew product processing , marketing, publicize and distribution .
5. Deciding on locations, sizes and technical standards to locate cashew producing and processing factories. Commissioning new factories and also revive the existing factories where necessary.
6. Purchase cashew and cashew products, distributing, selling and exporting them.
7. Providing training facilities to those who cultivate, process, market cashew and processing cashew productions and market them.
8. Formulating the prime organization to enhance cashew cultivation, develop processing facilities and marketing activities and provide grants to formulate such organizations.

9. Advertising on cashew products and take necessary actions to sell them. Promoting the global demand for cashew products and funding for advertising activities or any other matters connected there to, manage those activities and also assist and bear sponsorship for such moves.

1.4. Crops

Cashew is the major crop cultivated in Sri Lanka Cashew Corporation plantations. Coconut, papaw and other fruits are being cultivated as the intercropping crops.

1.4.1. Regional Offices

Districts Covered

1. Puttlam Regional Office	Puttlam/Kurunegala
2. Hambantota Regional Office	Hambantota/Ratnapura
3. Anuradhapura Regional Office	Anuradhapura
4. Nalanda Regional Office	Matale/Polonnaruwa
5. Moneragala Regional Office	Moneragala
6. Mahiyanganaya Regional Office	Kandy/Badulla
7. Ampara Regional Office	Ampara
8. Batticaloa Regional Office	Batticaloa
9. Kilinochchi Regional Office	Kilinochchi/Mulaitivu/Jaffna
10. Mannar Regional Office	Vavunia/Mannar

1.4.2. Estates

District

Total Extent (Acres)

Cultivated (Acres)

1. Kamandaluwa Estate	Puttlam	548	548
2. Puttalama Achchigewatte Estate	Puttlam	961	510
			(approximately 250 acres are not suitable for cultivation purpose)
3. Eluwankulama Estate	Puttlam	200	200
4. Hardy Estate	Batticaloa	365	365
5. Wilachchiya Estate	Anuradhapura	25	25
6. Nalanda Estate	Matale	75	75

1.4.3. Seed Gardens

District

Total Extent (Acres)

Cultivated (Acres)

1. Mahaoya Plant Seed Garden	Ampara	81	81
2. Suduwathura Ara Seed Garden	Moneragala	50	50
3. Oyamaduwa Seed Garden	Anuradhapura	200	85 (Balance extent is not suitable for cultivation purpose)
4. Kondachchi Seed Garden	Mannar	6000	1500
5. Thiriyaya Seed Garden	Trincomalee	50	03
6. Mankerni Seed Garden	Batticaloa	323	100

1.4.4. Central Plant Nurseries	Extent(Acres)	Plant Production Volume(Plants)-2017
1. Mihintale Plant Nursery	2.5	104924
2. Dambulla Plant Nursery	03	24976
3. Kamandaluwa Plant Nursery	01	134655
4. Hardy Plant Nursery	01	6846
5. Kumbukkana Plant Nursery	03	14950
6. Aluththarama Plant Nursery	02	23634
7. Chandrika Wewa Plant Nursery	0.5	18471
		<u>328456</u>

1.4.5. Cashew Processing Centres

1. Nedagamuwa Processing Centre	-	Gampaha
2. Puttlam Processing Centre	-	Puttlam

1.4.6. Research Units

1. Kamandaluwa Research Unit	}	- Having field Laboratories
2. Puttlam Research Unit		

1.4.7. Sales Outlets of the Corporation

1. Rajagiriya
2. Kollupitiya
3. Pinnawala
4. Franchise Shops – 55

1.4.8. Circuit Bungalows

1. Puttlam Circuit Bangalow
2. Hardy Circuit Bangalow

1.5. Staff as at 31.12.2017

Approved Staff	Approved Cadre	Available Staff as at 31.12.2017
Higher Management Grade (HM)	02	02
Middle Management Grade (MM)	07	05
Junior Management Grade (JM)	26	18
Management Assistant Grade (MA)	122	88
Minor Grade (PL)	67	65
Total	<u>224</u>	<u>178</u>

In addition to this, approximately 300 check roll labourers have been employed in accordance with the monthly requirements at processing centers, estates, Seed Gardens and central plant nurseries of the Corporation.

2. Major activities and Key Performance Indicators performed during the year -2017

2.1. Profitability

The Corporation has gained Rs.16.34 as Net Profit from the Commercial Activities while contributing a substantial amount to Service Sector programmes successfully.

2.1.1. Amalgamated Statement of Comprehensive Income For the Year Ended 31.12.2017

Particulars	<u>31.12.2017</u>
<u>Sales/Turn Over</u>	
Cashew Kernels	90,515,369.48
Cashew Mother Seeds	2,866,000.00
Cashew Plants	6,631,300.00
Coconut	1,321,899.23
Return Inward	(383,486.20)
Net Sales	100,951,082.51
<u>Cost of Sales</u>	
(Increase)/Decrease In Stock	1,635,651.00
Cost of Plants Production	1,612,703.11
Cost of Kernels Production/Over Heads	45,034,158.52
Mature Area Admin. Expenditure	24,730,199.52
Mature Area Direct Expenses	7,169,800.48
Total Cost of sales	80,182,512.63
Gross Profit/ (Loss)	20,768,569.88
<u>Expenditure</u>	
Administration Expenses	20,603,576.87
(Processing Centres & Nurseries)	
Profit / (Loss) Before Amortization	164,993.01
Amortization	2,473,266.69
Profit/(Loss) After Amortization	(2,308,273.68)
Profit/(Loss) Wine	239,778.90
Profit/(Loss) Processing Equipments	160,000.00
Profit/(Loss) Papaya Project	(306,544.66)
Profit/(Loss) Training Programmes	(11,831.45)
Profit/(Loss) Thibbatu	(60,198.60)
Profit/(Loss) Other Project	4,681,795.00
Operational profit / (Loss)	2,394,725.51

Other Income	
Government Grant (Recurrent)	18,700,200.00
Under / (Over) Provision Adjustment	9,593,187.00
Interest Income	329,352.28
Sundry Income	6,816,908.27
Amortization - Grant from Other Parties	2,717,036.82
Total Other	
Income	38,156,684.37
Other Expenses	
Administration Expenses (Head Office)	18,288,559.76
Loss of Disposal Fixed Assests	896,103.60
Written off (Mature Area)	5,024,718.24
Total Other Expenses	24,209,381.60
Net Profit/(Loss)	16,342,028.28

2.2. New planting in 4500 acres under cashew subsidy programme

The present total extent of cashew cultivation in Sri Lanka is approximately 150108 acres. In 2017, under the subsidy programme, 2363 acres of bud grafted cashew and 2137 acres of seedling cashew have been cultivated in 19 districts covering 125 Divisional Secretaries divisions. Under this programme 14932 farmers are benefited. It was produced 435936 Budded and Seedling plants at Sri Lanka Cashew Corporation central nurseries and issued 210654 budded plants & 90000 seedling plants for growers, through this subsidy programme.

2.2.1. Cashew Cultivation Programme – 2017

District	Budded Cashew (Acres)	Seedling Cashew (Acres)	Home Garden	
			Budded Cashew (Acres)	Seedling Cashew (Acres)
1. Puttlam	270	95	55	30
2. Kurunegala	205	45	95	30
3.Hambanthota	55	60	55	65
4.Anuradhapura	265	20	115	-
5.Ampara	-	335	83	07
6.Badulla	25	25	-	-
7.Kandy	125	25	-	-
8.Ratnapura	10	10	10	10
9.Matale	150	-	25	-
10.Polonnaruwa	140	-	10	-
11.Moneragala	200	50	20	05

12. Batticaloa	25	200	25	150
13. Trincomalee	15	100	10	125
14. Vaunia	50	150	25	50
15. Mannar	25	100	50	75
16. Mullitiv	75	160	-	40
17. Kilinochchi	50	80	-	40
18. Jaffna	-	25	-	30
19. Kegalle	50	-	50	-
Total	1735	1480	628	657

2.2.2. Plant Production for Cashew Subsidy Programme

During the year 2017, 328456 bud grafted plants from high quality new varieties were produced at central nurseries of the Corporation and issued for the subsidy programme and to private estate owners, as follows.

2.3. Production of Budded plants in 2017

Nursery	No. of Plants Produced	No. of Plants Issued
Kamandaluwa	134655	82947
Dambulla	24976	9679
Mihintale	104924	74494
Aluththarama	23634	18262
Kubukkana	14950	10166
Hardy	6846	5040
Chandrika wewa	18471	10066
Total	328456	210654



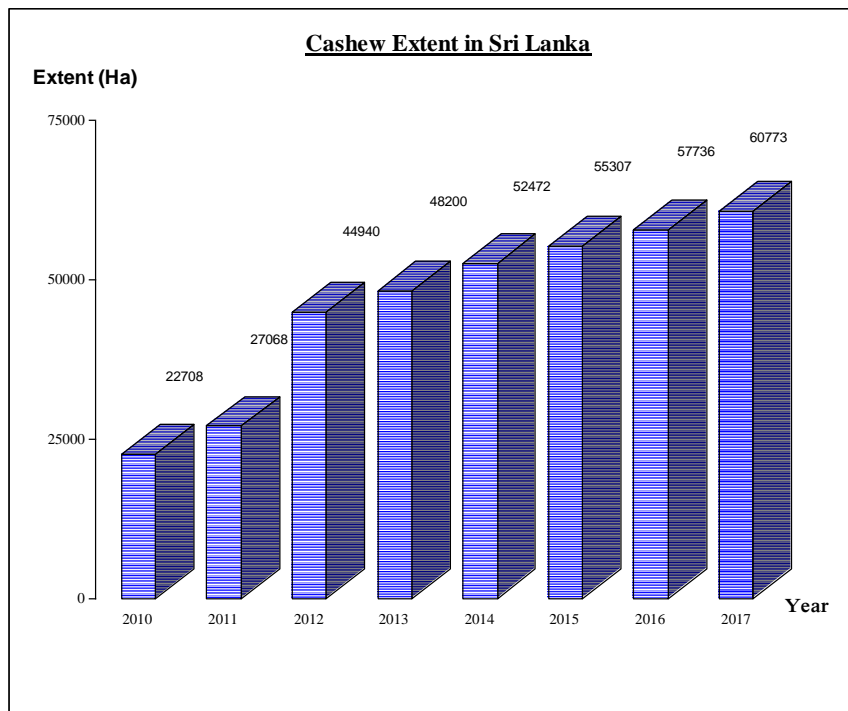
-Mahiyanganaya Nursery-



-Hardy Nursery-

2.4. Northern Province Development Programme

A special Northern Development Project was implemented under the direct supervision of Prime Minister's Office with the financial assistance from the Ministry of National Integration and Reconciliation. Under this project, 76000 seedling cashew plants were produced and distributed among 1100 farmer families to cultivate in 1900 acres in Jaffna and Mullitiv districts.



2.5. Development of Corporation Seed Gardens

The existing 810 acres of Corporation Seed Gardens maintained under Intensified Agricultural Systems to satisfy research standards. Approximately 560000 of mother seeds and 200000 nos. of scion have been collected for the production of quality budded plants and seedling plants. 20 acres of cashew had been planted at Maya Oya Seed Garden as a new planting. Replanting done for following plantations to keep the standard population.

- Kondachchi - 8585 plants
- Maha-Oya - 200 plants
- Oyamaduwa - 400 plants
- Kamandaluwa - 250 plants

2.6. Programmes on Intensified Agricultural Systems

Sri Lanka Cashew Corporation conducted pest controlling programmes, introduced new cashew varieties & new budding technologies for the growers. Meantime the Corporation provided technical know-how and training for the development of cashew processing industry in Sri Lanka. Pest control programmes were conducted to control Helopeltis attack and Stem and Root Borer attack in Island-wide. 20 training programmes were conducted on Good Agricultural Practices in collaboration with National Institute of Plantation Management and trained 1471 farmers and small scale entrepreneurs during the year 2017.

2.7. Plant Rehabilitation/New Planting & Harvesting

A new cashew plantation of 405 acres along with an intercropping programme was successfully completed with the participation of selected private sector entrepreneurs (PPP – Private Public Partnership) as a new strategy to increase the extent at Puttlam Plantation.

Under the new planting scheme, 05 acres of cashew and 07 acres of coconut have been cultivated at Kamandaluwa Plantation.

03 acres were planted with cashew and land clearing is in progress at Thiriyaya Plantation.

66.4 Mt. of raw cashew nuts were collected from SLCC owned plantations even though the adverse weather conditions badly affected the flowering and fruit setting stages.

2.8. Expansion of Local Market and Sales Promotion

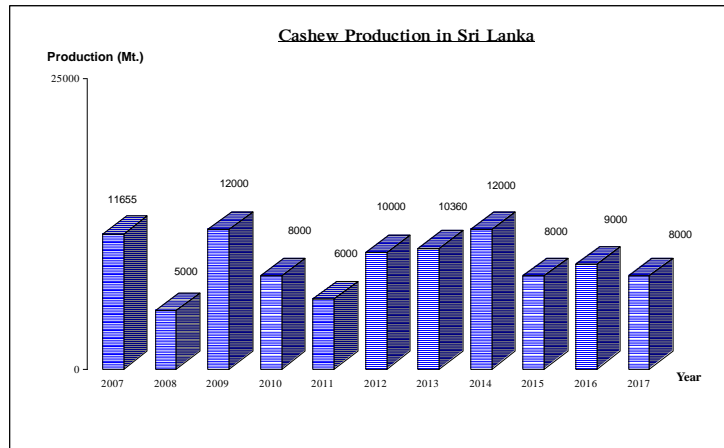
A range of new products have been introduced to the market in commercial quantities and a significant contribution has been made to introduce new technology, professional guidance, training and value addition to the processing industry.

Chutney made by cashew apple was introduced to the market and cheese onion coated cashew is being tested.

Franchise network was increased up to 55 franchise shops to enhance the local marketing network and market promotion.

2.9. Developments in the Processing Industry.

With the objective of establishing competitive market prices and also to provide marketing assistance to cashew farmers, Sri Lanka Cashew Corporation purchased 4.8Mt of cashew kernels and 63.0 Mt. of raw cashew from small scale entrepreneurs and growers at competitive prices in addition to the harvest collected from Sri Lanka Cashew Corporation Plantations. 105.73Mt. of raw cashew have been processed in Puttlam and Nedagamuwa Processing factories and earned Rs.87.96Mn.by selling 27.80Mt.of value added cashew kernels during the year 2017.



2.10. Research & Development activities

Research & Development activities have been carried out in the areas of plant breeding, use of fertilizer, pest control, budding techniques, intercropping and post harvest technology in collaboration with the Faculty of Agriculture and Plantation Management, Wayamba University. The patch budding technology was successfully applied in the production of budded plants and established a new research plot at Kondachchi estate and established 05 new varieties (WUCC 19, WUCC 5, WUCC 23, WUCC 1, WUCC 21) at 10 districts as research plots.

A germoplasm collection of selected mother seeds/cashew varieties of 10 acres was established at Puttlam Plantation and 6.5 acres at Kamandaluwa Plantation for future research activities.

2.11. Human Resource Development

Professional training and guidance have been provided to 60 employees and conducted 02 days residential training programmes for Cashew Development Officers and Field Assistants in collaboration with the National Institute of Plantation Management and 41 employees have been trained during the year to enhance their capabilities and professional standards.

Industrial

Ceylon Ceramic 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 factories 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	Operational
❖ Uswewa	Embilipitiya	19Acr	Operational
❖ Yatiyana	Matara	06Acr	Operational
❖ Bingiriya	Bingiriya	03Acr	Operational
❖ Weuda	Kurunegala	09Acr	Closed
❖ Elayapattuwa	Anuradhapura	33Acr	Closed
❖ Odduchuddan	Mulativu	13Acr	Closed
❖ Bangadeniya	Bangadeniya	07Acr	Vacant Land

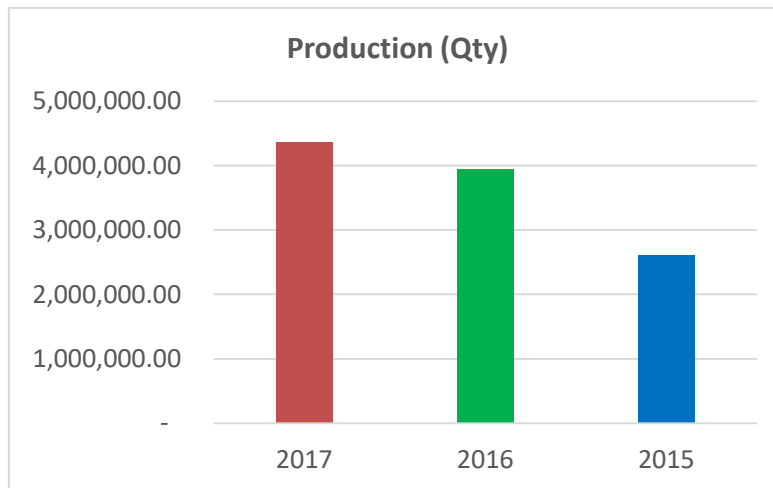
While only five factories out of the above are functioning now, three factories were closed down consequent to the Voluntary Retirement Scheme offered to the staff. Accordingly 497 members were paid off and only 39 permanent staff is remaining of which the details are given below. The Odduchuddan Factory which was in the hands of LTTE and then with SANASA co-operative society was taken over after, the competent Authority assumed duties in March 03rd 2015.

❖ Head Office	06
❖ Eragama Factory	04
❖ Mahiyanganaya Factory	05
❖ Uswewa Factory	18
❖ Yatiyana Factory	05
❖ Bingiriya Factory	01

2. Financial Performance for the year 2016

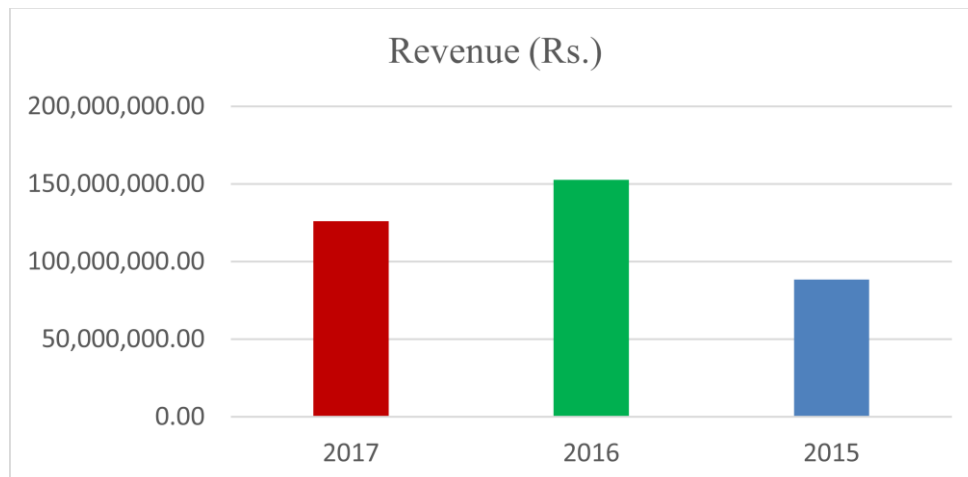
2.1. Production

	2017	2016	2015
Production (Qty)	4,367,700	3,951,149	2,609,256



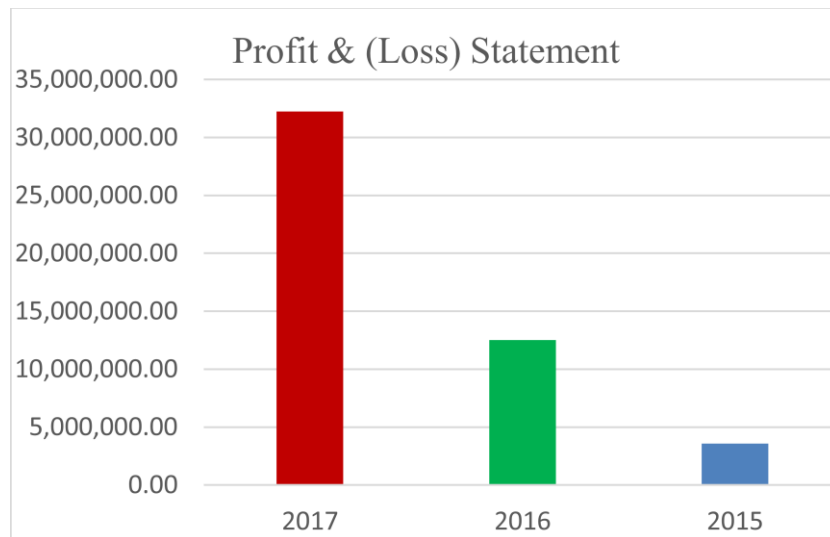
2.2. Revenue

	2017	2016	2015
Revenue (Rs.)	125,910,756.81	152,507,125.93	88,369,371



2.3. Profit & Loss Statement

	2017	2016	2015
Profit & Loss (Rs.)	32,261,377.23	12,500,266.61	3,585,433.62



BCC Lanka LTD

1. Introduction

In 1988, BCC Lanka Ltd was incorporated 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 corporations act No. 23 of 1987.

Since then, the company has continued to function 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. The total number of employees of BCC Lanka Ltd including Executives is 41 up to 31.12.2016.

1.1. Vision

To start Grass root level and achieve our old reputation

1.2. Mission

Our mission should be the most demanded products and a competitive price Range with the present market price

1.3. 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)
- 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, Arpico, Laugfs and Keels Super markets. BCC also does Institutional sales in Ports Authority, Petroleum Corporation and Health Department.

1.4. Employee Profile as at 31th December 2017

Category	Permanent	Contract	Total
Executive	05	01	06
Clerical	03	07	10
Supervisors	05	05	10
Skilled & Unskilled	12	04	16
Total	25	17	42

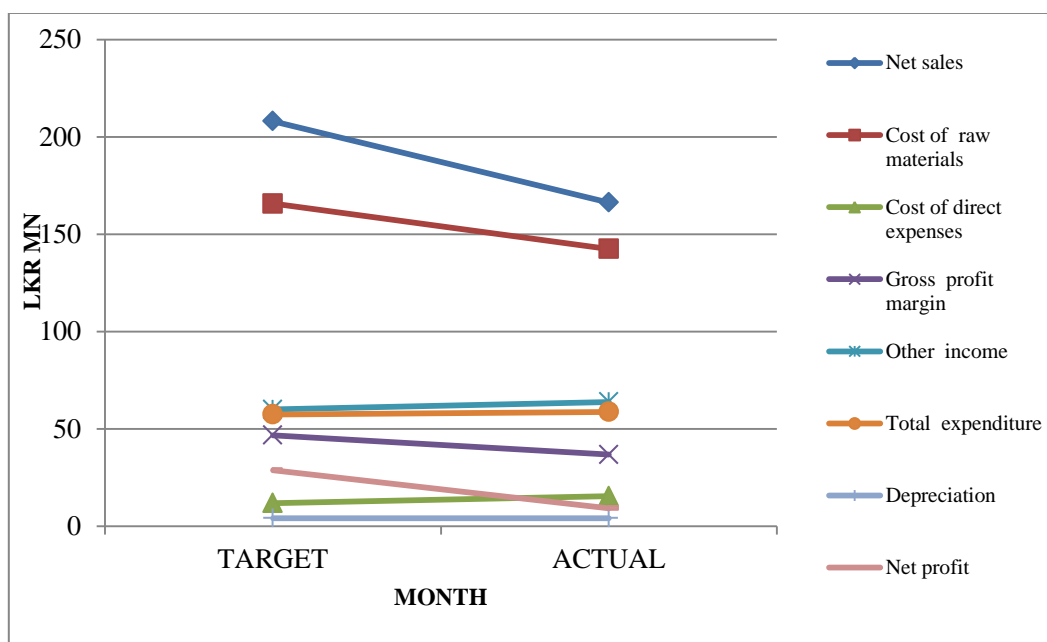
2. Financial Position as at 31.12.2017

	LKR Mn
Current Assets	191.18
Non-Current Assets	8,214.55
Current Liabilities	99.53
Non-Current Liabilities	149.21
Share Capital Value	100.00

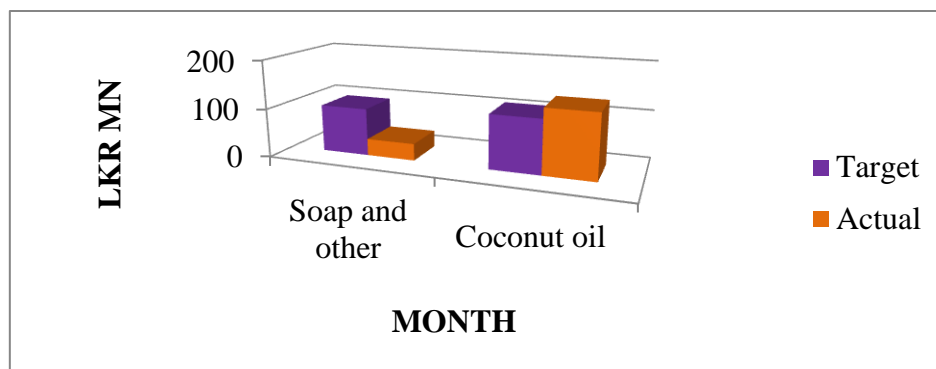
2.1. Financial Performance from 1st January to 31st December – 2017 (Rs. Mn)

	Target	Actual
Net sales	208.12	166.35
Cost of raw materials	165.74	142.52
Cost of direct expenses	11.95	15.44
Gross profit margin	30.43	8.39
Other income	60.00	63.91
Total expenditure	57.47	58.77
Depreciation	4.2	4.2
Net profit	28.76	9.33

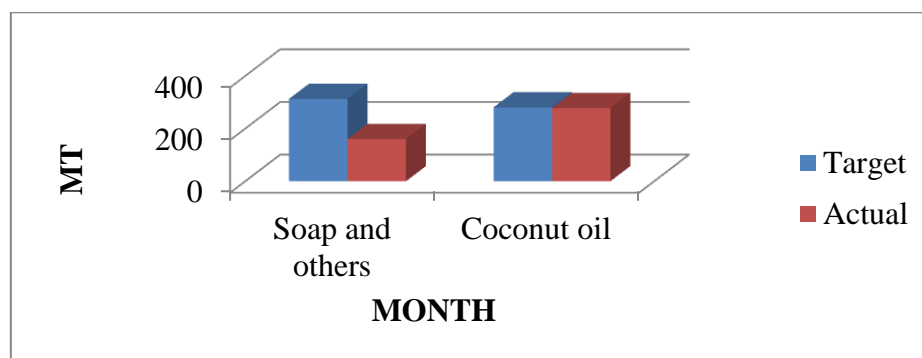
- Financial Performance as at 1st January to 31st December – 2017



- **Financial Progress from January to December – 2017**



- **Physical Progress from January to December – 2017**



- **Progress from January to December 2017**

	Description	Physical Progress (MT)		Financial Progress (MN)		Remarks
		Target	Achievement	Target	Achievement	
1	Project/ Programme: TEC (Rs. Mn): 187.2					
	Main Activities					
I	Soap and Others	313	160	97.5	34.53	The progress shown is without sales promotions, and production with existing machines more than 75 yrs old.
II	Coconut Oil	281	278	110.5	131.81	

6. Allocation of Funds

Head No. - 158
 Programme - 01 Operational Programme
 Project Name and Title - 01 Minister's Office

Object Code	Category / Object Title	Estimate 2017 Rs.	Revised Estimate 2017 Rs	Total Expenditure Rs.	Balance Provision Rs.	Actual Expended Percentage (%)
	Recurrent Expenditure					
	Personal Emoluments					
1001	Salaries and Wages	10,500,000	14,300,000	12,411,369.13	1,888,630.87	86.79
1002	Overtime and Holiday Payments	3,800,000	3,800,000	3,339,847.00	460,153.00	87.89
1003	Other Allowances	6,200,000	7,600,000	7,141,911.12	458,088.88	93.97
	Travelling Expenses					
1101	Domestic	1,000,000	1,100,000	1,075,917.00	24,083.00	97.81
1102	Foreign	2,000,000	660,000	658,388.15	1,611.85	99.76
	Supplies					
1201	Stationery & Offi. Requisites	1,500,000	2,150,000	2,096,392.07	53,607.93	97.51
1202	Fuel	9,000,000	7,450,000	7,128,439.00	321,561.00	95.68
1203	Diets & Uniforms	100,000	-	-	-	
	Maintenance Expenditure					
1301	Vehicles	4,000,000	9,780,000	9,764,769.45	15,230.55	99.84
1302	Plant, Machinery and Equipment	1,000,000	50,000	27,800.00	22,200.00	55.60
1303	Building and Structures	500,000	50,000	45,500.00	4,500.00	91.00

	Services					
1401	Transport	1,200,000	255,000	250,180.00	4,820.00	98.11
1402	Postal & Communications	1,600,000	2,510,000	2,332,263.07	177,736.93	92.92
1403	Electricity and Water	1,900,000	1,820,000	1,394,612.76	425,387.24	76.63
1409	Other	1,000,000	3,780,000	3,542,760.84	237,239.16	93.72
	Capital Expenditure					
	Rehabilitation & Improvements					
2001	Buildings and Structures	500,000	66,328,310	15,376,340.49	50,951,969.51	23.18
2002	Plant, Machinery & Equipment	200,000	200,000	67,010.17	132,989.83	33.51
2003	Vehicles	2,300,000	2,300,000	611,573.20	1,688,426.80	26.59
	Acquisition of Capital Assets					
2101	Vehicles	-	43,000,000	39,698,262.20	3,301,737.80	-
2102	Furniture & Office Equipments	500,000	1,172,000	1,096,209.08	75,790.92	93.53
2103	Plant, Machinery & Equipment	500,000	600,000	597,400.00	2,600.00	99.57
		49,300,000.00	168,905,310.00	108,656,944.73	60,248,365.27	64.33

- Head No. - 158
- Programme - 01 Operational Programme
- Project Name and Title - 02 Administrative and Institutional Service

Object Code	Category / Object Title	Estimate 2017 Rs.	Revised Estimate 2017 Rs	Total Expenditure Rs.	Balance Provision Rs.	Actual Expended Percentage (%)
	Recurrent Expenditure					
	Personal Emoluments					
1001	Salaries and Wages	36,000,000	30,800,000	27,955,006.68	2,844,993.32	90.76
1002	Overtime and Holiday Payments	2,000,000	2,000,000	1,643,346.00	356,654.00	82.17
1003	Other Allowances	18,300,000	18,300,000	18,251,262.47	48,737.53	99.73
	Travelling Expenses					
1101	Domestic	250,000	330,000	300,359.00	29,641.00	91.02
1102	Foreign	2,000,000	5,275,000	2,770,145.74	2,504,854.26	52.51
	Supplies					
1201	Stationery & Offi. Requisites	1,700,000	3,050,000	3,037,311.86	12,688.14	99.58
1202	Fuel	3,500,000	3,805,000	3,802,909.64	2,090.36	99.95
1203	Diets & Uniforms	100,000	50,000	48,000.00	2,000.00	96.00
1205	Other	592,000	62,000	38,100.00	23,900.00	61.45

	Maintenance Expenditure					
1301	Vehicles	2,500,000	1,650,000	1,639,606.85	10,393.15	99.37
1302	Plant, Machinery and Equipment	500,000	190,000	123,308.26	66,691.74	64.90
1303	Building & Structures	600,000	-	-	-	
	Services.					
1401	Transport	5,000,000	4,940,000	4,307,378.17	632,621.83	87.19
1402	Postal & Communications	4,300,000	3,800,000	3,563,797.99	236,202.01	93.78
1403	Electricity and Water	1,700,000	1,200,000	1,145,526.72	54,473.28	95.46
1404	Rents & Local Taxes	83,600,000	95,200,000	94,736,375.11	463,624.89	99.51
1408	Lease Rental for Vehicle Procured	6,750,000	6,750,000	6,483,949.70	266,050.30	96.06
	Under Operational Laesing					
1409	Other	2,000,000	3,940,000	3,893,200.96	46,799.04	98.81
	Transfers					
1506	Property Loan Interest to Public Servants	200,000	200,000	154,204.64	45,795.36	77.10

Object Code	Category / Object Title	Estimate 2017 Rs.	Revised Estimate 2017 Rs	Total Expenditure Rs.	Balance Provision Rs.	Expended percentage (%)
	Capital Expenditure					
	Rehabilitation & Improvements					
2001	Buildings and Structures	500,000	1,010,000	1,008,668.75	1,331.25	99.87
2002	Plant, Machinery & Equipment	200,000	744,000	741,300.00	2,700.00	99.64
2003	Vehicles	1,500,000	1,500,000	506,758.00	993,242.00	33.78
	Acquisition of Fixed Assets					
2101	Vehicles		500,000	265,800.00	234,200.00	53.16
2102	Furniture & Office Equipments	2,000,000	2,000,000	1,950,230.44	49,769.56	97.51
2103	Plant, Machinery & Equipment	2,000,000	2,000,000	728,200.00	1,271,800.00	36.41
	Capacity Building					
2401	Training & Capacity Building	1,000,000	2,612,500	2,610,759.00	1,741.00	99.93
	Other Capital Expenditure					
2501	Restructuring	50,000,000	50,000,000	34,034,707.31	15,965,292.69	68.07
2507	Research & Development	4,000,000	866,000	297,525.00	568,475.00	34.36
		232,792,000.00	242,774,500.00	216,037,738.29	26,736,761.71	88.99

Head No. - 158
 Programme - 02 Development Activities
 Project Name and Title - 03 Development Programme

Sub Project	Object Code	Fin. Code	Category / Object Title	Estimate 2017	Revised Estimate 2017	Total Expenditure	Balance Provision	Actual Expended Percentage
			State Resources Management					
			Corporation Ltd.					
1	2501	11	Restructuring	12,000,000	12,000,000	-	12,000,000	-
				12,000,000	12,000,000	-	12,000,000	-

Head No. - 158
 Programme - 02 Development Activities
 Project Name and Title - 04 Public Institutes

Sub Project	Object Code	Fin. Code	Category / Object Title	Estimate 2017	Supplementary	Revised Estimate 2017	Total Expenditure	Balance Provision	Actual Expended Percentage
			Sri Lanka Cashew Corporation						
2	1503	11	Public Institutions	58,200,000		58,200,000	49,000,000	9,200,000	84.19
	2201	11	Public Institutions	80,000,000		80,000,000	52,000,000	28,000,000	65.00
			SLSPC, JEDB and Elkaduwa Plantation						
3	2501	11	Restructuring		1,902,150,000	1,902,150,000	1,116,600,000	785,550,000	100
				138,200,000	1,902,150,000	2,040,350,000	1,217,600,000	822,750,000	59.68