

காரீச சா஁ன லாரீனால  
வருடாந்தச் செயலயாற்றுகை அறிக்கை  
**ANNUAL PERFORMANCE REPORT**

**2021**



கரீலாநீன ஂலாநலாண்டல  
கைத்தொழில் அமைச்சு  
**Ministry of Industries**



# Annual Performance Report for the Year 2021

Ministry of Industries  
Expenditure Head No. 149



This Report has been translated in to Sinhala and Tamil Languages as well.

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## **Introduction**

Annual performance report- 2021 of the Ministry of industries has been prepared according to the requirement of the public finance Circular No: 2/2020 of 28<sup>th</sup> August 2020.

The first chapter of the report produces the Institutional profile of the Ministry. Accordingly, Vision, Mission, Objectives, Duties and Functions, Organizational structure as well as the Divisions of the ministry, Public Institutions and Projects comes under purview of the ministry are included in this chapter.

The second chapter of the report produces the progress and future outlook of development programmes and projects implemented by the Divisions and the Public Institutions coming under purview of the Ministry.

The third chapter of the report produces annual overall financial performance of the Ministry. Progress of the performance indicators of the Ministry which is aligning to the Annual action plan is included in the fourth chapter.

The fifth Chapter of the report produces achievement of Sustainable Development Goal and its contribution by the Ministry is also included in this chapter.

Human resource profile of the Ministry is produces by the chapter six. In this chapter included summary report of the cadre and human resources development programmes and their progress. Compliancy reports are included in chapter seven of the report according to the format introduced in the above circular.



# **Chapter 01**

## **Institutional Profile**





## 1.1 Vision, Mission, Objectives of the Institution

### Vision

“A globally competitive, sustainable and unique Sri Lankan manufacturing industry sector”

### Mission

“To create a conducive environment which is technology intensive, knowledge and innovative thinking driven in order to encourage diversified, high value added and innovative products, green practices, better market access and inclusive industrial development.”

### Objectives

- To establish a conducive structure to provide an efficient service delivery for all stakeholders in the manufacturing sector.
- To augment the application of technologies, value addition, product diversification, usage of local resources and sustainability in the manufacturing sector.
- To promote regional industrial development and expand investment opportunities to ensure inclusive industrial development.
- To enhance local and global market access in manufacturing industry sector.

## 1.2 Key Functions

### Duties & Functions of the Ministry

As per the extra ordinarily gazette notification no: 2187/27 dated 06.10.2020, the duties and functions of the Ministry of industry.

### Purview

Strengthening and promoting local industrial sector by adoption of advanced strategies in order to earn relatively large profit in the context of global competition by establishing links with the local, regional and international supply network through diversification of industries.

### Subjects and Functions

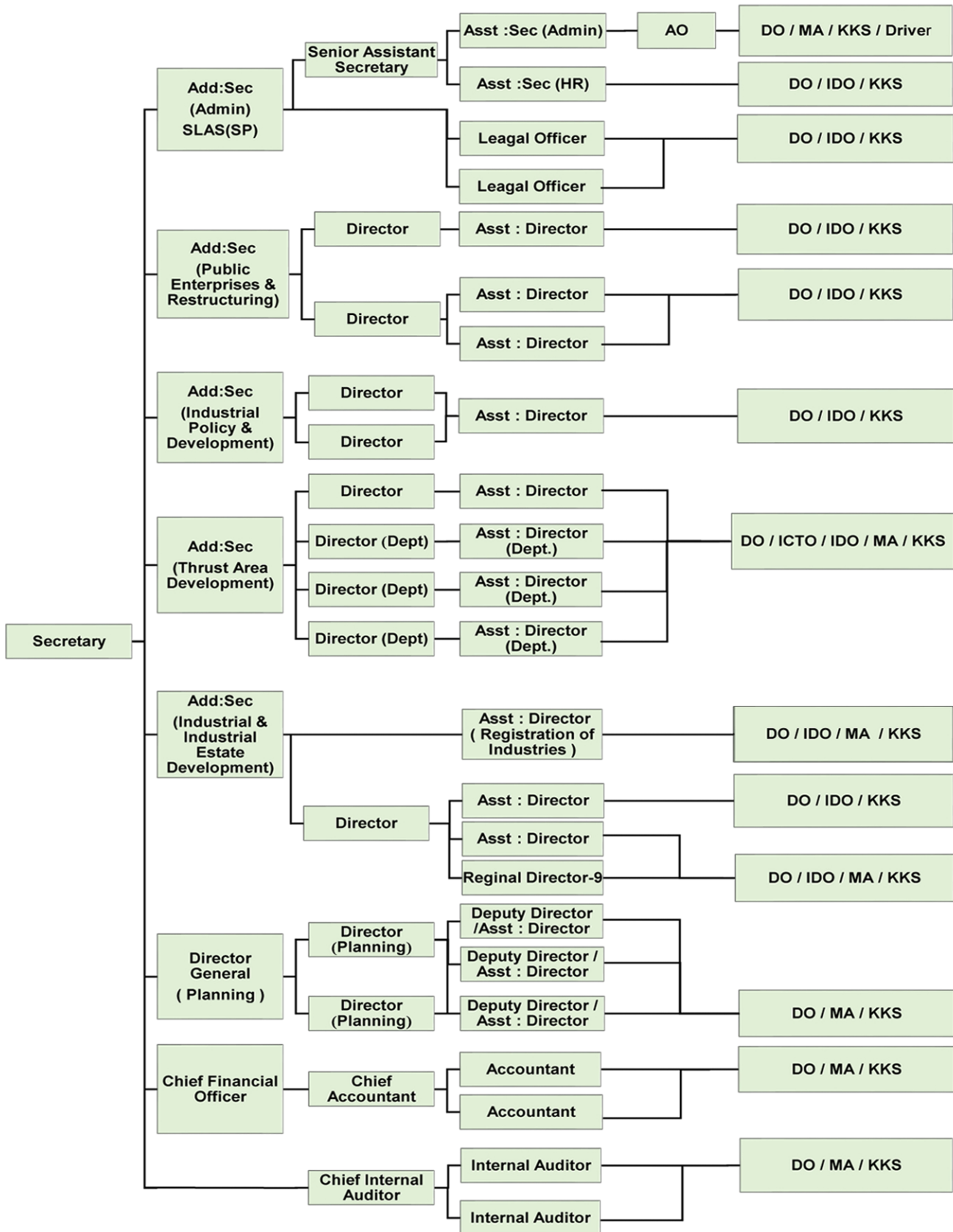
Providing policy guidance to relevant State Ministries, and formulating policies in relation to the subject of Industries, in conformity with the prescribed Laws, Acts and Ordinances, implementation of projects under the national budget, state Investment and National Development Program, and formulating, implementing, monitoring and evaluating policies, programs and projects, related to subjects and functions under below mentioned State Corporations and Statutory Institutions for the creation of a "conducive business environment to promote domestic industries" based on the national policies implemented by the government, and in accordance with the policy statement "Vistas of Prosperity and Splendour".

### Special Priorities

- (1) Implementing a program for jointly resolving with the relevant institutions, the issues all industrialists are confronted with.
- (2) Establishing a single integrated mechanism in order to efficiently handle the import and export processes without interruption and within a minimum period.
- (3) Formulating and implementing policies, programs and projects covering all provinces to strengthen export related production process.
- (4) Developing and implementing methodologies required to economically strengthen existing industries and to create access to new industrial fields broadening investment opportunities.

- (5) Introducing and implementing policies, programs and projects required to resuscitate businesses and failed industries.
- (6) Formulating a program for protection and strengthening of local entrepreneurs and businessmen
- (7) Providing all infrastructure facilities required to establish the apparel city that has already been planned to be established in Eravur area in collaboration with the Board of Investment and the Land Reforms Commission.
- (8) Explore by adoption of modern high-technology, the mineral resources that are expected to be found underground and, in the sea, and exploiting such resources to strengthen the countries' production process

### 1.3 Organization Structure



## 1.4 Divisions and Institutions under the Ministry

### Division

01. Policy Development Division
02. Industrial Development Division
03. Development Division 1
04. Development Division 11
05. Development Division 111
06. Industry Registration Division
07. Small & medium enterprises sector development program (SMILE III - Revolving Fund)
08. Restructuring Division

### Authorities, Boards and Commissions

01. National Enterprise Development Authority (NEDA)
02. Ceylon Industrial Development Board (IDB).

### Public Institutions

01. Kahatagaha Graphite Lanka Ltd
02. Paranthan Chemicals Limited
03. Lanka Mineral Sands Ltd
04. Mantai Salt Ltd (MSL)
05. National Paper Corporation Ltd
06. Sri Lanka Cement Corporation
07. Lanka Cement Ltd
08. Elephant Pass Saltern
09. Centre of Excellence for Robotic Applications
10. Lanka Phosphate Company Ltd
11. Ceylon Ceramics Corporation (Brick and Tiles Division)
12. BCC Lanka Limited
13. Kahagolle Engineering Services Company Ltd. (KESCO)
14. Lanka Leyland Ltd
15. Lanka Ashok Leyland Ltd



## **Chapter 02**

# **Progress and the Future Outlook**





## 2.1 Policy Development Division

### Progress/ Achievement

- Steps are being taken to formulate a National Policy for Industrial Development.
- Comments have been received from both the public and private sectors regarding the amendment of the Industrial Promotion Act No. 46 of 1990
- The Standard Procedure (Version 1.0) for the manufacture, assembly and manufacture of vehicle accessories in Sri Lanka was launched on 2021.03.15.
- There are currently 13 companies registered under this Ministry for the assembly of vehicles in Sri Lanka from the date of implementation of SOP while there are 28 registered model under 5 main categories (Car/Jeep, Freight vehicle, Motro- Cycle, Electric three wheel and All-Terrain Vehicle (ATV).
- In collaboration with other relevant agencies, also recommends the exemption from excise duty for locally manufactured electrical equipment (Under the HS chapters 84 and 85) with a local value addition of 30%.
- The continuously holds discussions with the industry sectors and provides assistance in resolving tariff related issues through the Ministry of Finance.

### Future Target

- In 2022, the National Policy for Industrial Development and the Strategic Action Plan for the implementation of the same would be implemented.
- It is planned to review the Standard Operation Procedure by 2022, taking into consideration the problems and practical experiences faced by automobile manufacturers in assembling of motor vehicles locally.
- It is expected to continue to contribute to the formulation of a stable tariff structure.
- Encourage foreign and local investments by way of joint ventures with local companies to engage in the local automobile manufacturing and assembling industry, as well as for the manufacturers of automotive components.

## 2.2 Industrial Development Division

### Progress/ Achievement

- The Ministry has developed 1,024.25 acres of land with infrastructure facilities such as electricity, water and road in 20 districts throughout the country and established 33 Industrial Estates.
- The Government has invested Rs.3, 980.05 Million for the infrastructure development of above mentioned 33 Industrial Estate and the Private sector has invested Rs. 49,094.16 Million by establishing their factories in those Industrial Estates.
- During the year 2021, 419 industries have been started their commercial operations under the industrial development program and 22,807 employment opportunities were generated.
- 96 plots of land have been handed over to investors from the existing industrial estates in the year 2021 and construction work is in progress to start 70 industries.
- 95% of the construction work of the administration building of Raigama Industrial Estate has been completed.
- Construction work of the canal of Ratmalana Industrial Estate has been completed.
- Construction of rainwater drainage system at Templeburg Industrial Estate has been completed.
- Construction of drainage system and by roads in Ulapane Industrial Estate have been developed.
- Construction of security fence at Batatha Industrial Estate has been commenced.
- Renovation of security fence at Nalanda Ellawala Phase I Industrial Estate has been completed.
- Access road has been developed in the Buttala Industrial Estate.
- Infrastructure development of Embilipitiya Industrial Estate has been developed.
- In Eravur Industrial Zone -
  - 80 % of the work on the sewerage project has been completed.
  - 65 % of the power supply has been completed.
  - 60 % of the access road development has been completed.

### Future Target

- To develop Infrastructure of the industrial estates. (Millewa, Karandeniya, Uva Paranagama, Dankotuwa, Raigama, Buttala, Nalanda Ellawala).
- New industrial estates are expected to be built in Katunayake, Palindanuwara and Trincomalee.
- According to the Budget Proposals 2022, it is expected to establish 40 small and medium Industrial Estates at the Divisional Secretariat level at a cost of Rs. 5000 million and in the first phase, the construction work of 20 industrial estates is to be commenced.

## 2.3 Thrust Area Development

### Development Division I

#### Progress/Achievement

- Industrial productivity, market competitiveness and sustainability improvement program (ISO 9001, ISO 14001, ISO 22000, ISO 50001) has been implemented for the processed food, packaging, tea, coir and spices sector industries to obtain quality, safety and system certificates. Under this programme successfully 58 industries have been completed.
- Around 475 internationally recognized laboratory reports have been issued for food products submitted by industry from the Chemical Laboratory of the Accredited Food Laboratory.
- Lanka Pack Exhibition (2021) was held successfully.

#### Future Target

- Introduce new technology required for local industries by organizing international exhibitions locally and assist in shaping local and foreign markets for those industries.
- Facilitate the duty free import of raw materials required for the production of export goods with the objective of encouraging the export of goods.
- Discuss the problems faced by the industrialists and take necessary steps to solve those problems.
- Implementing local and foreign training programs to increase the productivity of the manufacturing industry and increase the efficiency of the employed workers.
- Implement development programs to increase revenue and employment generation potential and enhance productivity in those industries by increasing market competitiveness and sustainability.
- Implementation of quality assurance program to improve food safety and product quality in industries in line with international standards.
- Develop and implement development plans for each sector based on the recommendations and ideas of the reconstituted Advisory Committee

### Development Division II

#### Progress/Achievement

- Approval was granted for the Cabinet Paper on Establishment of Steam Generators and Pressure Receiver Research, Development and Regulation Center in Sri Lanka.

## **Future Target**

- Expected to implement skills development programs for the Rubber and Plastics Manufacturing sector, the Wood and Wood Manufacturing Industry sector and the Automotive Assemblies and Accessories Manufacturing sector.
- Expected to issue Sri Lanka Standards Certificates for local clay roofing tile products.
- An exhibition for boats and boat related products is expected to be held in Port City, Colombo in 2022 and industrialists are expected to participate in such international exhibitions.
- Registration of boat docks is expected to be done in accordance with the Regulatory Framework developed by the Export Development Board.
- Anticipated to obtain international standard certificates for the manufacture of local car spare parts

## **Development Division III**

### **Progress/Achievement**

- Areas along the Mahaweli River have been identified as areas where bamboo for Incense Sticks has been cultivated using GIS technology as part of the project to procure bamboo sticks for matchsticks.
- Conducting training programs to create a new entrepreneur related to home footwear manufacturing in 7 areas in the Colombo District and providing tools, kits and raw materials.
- The Best Industrialist Awards of the Year Awards Ceremony was held.
- Banning the export of scrap metal other than the scrap metal approved by the Cabinet decision to use scrap metal to assist local small scale industrialists and establishing related industries in the country.

## **Future Target**

- To implement various programs to promote value addition in the metallurgical industry.
- The supply of specialized bamboo sticks used as a raw material for the production of matches and the need for bamboo sticks for the project related to the production of matches are expected to be produced entirely in the country.
- Expected to improve the technical knowledge and skills development programs of those engaged in small and medium scale industries.
- Planned conduct programs and provide facilities required to obtain international quality certification for industrial products with the aim of entering the international market.
- Planned to facilitate industrialists to participate in international industry and trade fairs

## **Industry Registration Division**

### **Progress/Achievement**

- Newspaper advertisements were published in Sinhala, Tamil and English mediums on 28.04.2021 with the objective of educating the industrialists of Sri Lanka to expedite the industry registration mechanism.
- 242 industries were registered in 2021.

### **Future Target**

- Introducing Automated Industrial Registration Process (Automation of Industrial Registration Process) It is expected to register industrialists online and build a comprehensive data management system.
- Raising awareness on industry registration through Divisional Secretariats and the media
- Preparation of a program to take legal action in accordance with the Industrial Promotion Act No. 46 of 1990 for unregistered industrialists.

## 2.4 Projects for Small and Medium Enterprise Development

### Small and Micro Industries Leader and Entrepreneur Promotion Project III - Revolving Fund (SMILE III Revolving Fund)

#### Progress/Achievement

The SMILE III Revolving Fund is granting low interest rate loans to establish new enterprises or to enhance either productivity or their level to operation and improve quality of their products. The loan scheme also provides loans to small and medium enterprises to enhance their institutional capacity and productivity. This loan scheme was implemented with effect from 1st of May 2012, in consultation with Ministry of Finance and Planning with the above objectives.

During the review period, the PMU has released sum of Rs.1,024 Million for the 142 sub projects.

- Allocation for the year –Rs 1,050 Mn
- Disbursement – Rs 1,024 Mn.

### Environmentally Friendly Solution Fund Project II (E-Friends II) Revolving Fund Loan Scheme

#### Progress/Achievement

Under this loan scheme, loans are provided to entrepreneurs at concessionary interest rates for activities such as mitigation of pollution and pollution, resource recovery and protection, control and mitigation of pollution caused by the industrial production process. This loan scheme also provides financial assistance to initiate the necessary basic strategies to comply with the standards set out in the National Environmental Act. This loan scheme will be implemented for the above purposes from 2018 on the instructions of the Ministry of Finance.

During the review period, the PMU has released sum of Rs.200.9 Million for the 17 sub projects.

- Allocation for the year –Rs 250 Mn.
- Disbursement – Rs 200.9 Mn.

#### Future Target

- Generating 200 new jobs by providing funds for 90 projects under the revolving fund loan scheme next year.
- 32 projects under E-Friend II are expected to be funded by 2022.

## 2.5 Government Institutions

### 2.5.1 Industrial Development Board of Ceylon (IDB)

#### Progress/Achievement

- An inaugurated a Facilitation Center at the Hambantota Port premises established under the “Smart One Stop Shop”
- The newly installed Medium Frequency Induction Furnace in the Engineering Casting Division has officially commenced.
- Laid the foundation stone of Ashok Machinery (Pvt) Ltd, which is the initial industry established under the Phase II of Pannala Industrial Estate.
- Industrial Development Board has signed an agreement with the Spices and Allied Products Marketing Board under the State Ministry of Industries and Investment Promotion on Small Plantation Crop Development, to establish a Modern Spice Processing Factory and to provide advisory services.
- Implementation of “Deyata Punarudaya Karmanayata Jewayak” Program under the guidance and guidance of the Ceylon Industrial Development Board.

#### Other Project/Programs Progress

- Opening Bamboo Training and Development center funded by UNIDO.
- Modernizing the engineering foundry with advancement of technology by installation of induction furnace.
- Acquisition of the land of Panaluwa Industrial Estate which was a long overdue was resolved.
- Leather fairs were held Island-wide including at “DiyathaUyana” fair to support local leather product manufacturers.
- Trade fairs were conducted at Gampaha, Kandy, Kegalle, Anuradapura, Matara, Galle to support MSMEs badly affected by Covid 19.
- Completed first phase of Preparation of Industry Directory for local MSMEs.
- Enterprise Resource Planning information system was established at IDB for smooth, efficient and reliable operations.
- Local metal industries were assisted in exporting scrap metals by supervising and providing relevant recommendations.
- IDB joined hands with People’s Bank to offer credit facilities for promising industrialists.
- Supported to 250 local metal-based manufacturers by means of providing metal raw materials.
- Provided online training facility to support industrialists for selling their products through web during the pandemic situation.



### **Future Target**

- Production, Research, Experiment and Certification Center for Boiler and Hyper Pressure Products.
- Initiation of manufacturing in new industries by activating and modernizing the infrastructure of IDB's industrial estates.
- Implementation of village development program.
- Building a research and development culture in Sri Lanka - Food Based Pilot Project.
- Promoting industries to obtain organic certification

### **2.5.2 National Enterprise Development Authority (NEDA)**

#### **Progress/Achievements**

- Establishment of Made in Sri Lanka Trade Portal to promote and facilitate sales of Sri Lankan entrepreneurs.
- Steps have been taken by the Authority to update the database of Micro Small and Medium.
- “Made in Sri Lanka” brand Awarded to 37 entrepreneurs.
- Two “Made in Sri Lanka” fairs were held in the Colombo and the Anuradhapura District.
- About 200 graduates have been directed into the business sector under the “Upadhidari Vivasayake Udanaya” program.
- Regional Enterprise Awards Ceremonies were held in Western, North Central, Sabaragamuwa, Southern and Central Provinces.
- Provided training to 4759 entrepreneurs under the Regional Entrepreneurship Development Program.

#### **Future Target**

- Jack promotes the promotion program as a substitute for staple food and as a diversified value-added product.
- The Authority is planning to set up a National and Regional Level Co-operative Societies for the promotion and provision of necessary facilities for micro, small and medium enterprises.
- It is expected to establish a new office premises for the National Enterprise Development Authority so that local products can be displayed.
- Establishment of a new Technology Advancement Center in the Central Province.

### **2.5.3 Mantai Salt Limited (MSL)**

#### **Progress**

- Value Added Project of Mannar Saltern has been directed to the Procurement Process.

#### **Future Target**

- Establishment of Table Salt Plant in Elephantpass Salten

# **Chapter 03**

## **Overall Financial Performance**



ACA- F

### 3.1 Statement of Financial Performance

#### Statement of Financial Performance for the period ended 31<sup>st</sup> December 2021

6.

Budget 2021	Note	Actual			
		2021	2020		
-	<b>Revenue Receipts</b>	-	-		
-	Income Tax	1	-	} ACA-1	
-	Taxes on Domestic Goods & Services	2	-		
-	Taxes on International Trade	3	-		
-	Non Tax Revenue & Others	4	-		
-	<b>Total Revenue Receipts (A)</b>		-		
-	<b>Non-Revenue Receipts</b>		-		
-	Treasury Imprests		2,623,229,810.48	3,075,414,190.40	ACA-3
-	Deposits		23,753,162.29	17,944,099.92	ACA-4
-	Advance Accounts		25,008,560.48	45,298,859.09	ACA-5/5(A)
-	Other Receipts			30,587,124.41	
-	<b>Total Non-Revenue Receipts (B)</b>		<b>2,671,991,533.25</b>	<b>3,169,244,273.82</b>	
-	<b>Total Revenue Receipts &amp; Non Revenue Receipts C = (A)+(B)</b>		<b>2,671,991,533.25</b>	<b>3,169,244,273.82</b>	
-	<b>Remittance to the Treasury (D)</b>		<b>963,940.98</b>		
-	<b>Net Revenue Receipts and Non Revenue Receipts E= (C) -(D)</b>		<b>2,671,027,592.27</b>	<b>3,169,244,273.82</b>	
-	Less: Expenditure				
-	<b>Recurrent Expenditure</b>				
452,560,200.00	Wages, Salaries & Other Employment Benefits	5	378,958,652.28	422,404,223.20	} ACA-2 (ii)
141,276,800.00	Other Goods & Services	6	103,886,661.57	223,041,449.90	
543,340,000.00	Subsidies, Grants and Transfers	7	509,394,781.22	429,423,324.94	
	Interest Payments	8			
	Other Recurrent Expenditure	9			
<b>1,137,177,000.00</b>	<b>Total Recurrent Expenditure (F)</b>		<b>992,240,095.07</b>	<b>1,074,868,998.04</b>	
	<b>Capital Expenditure</b>				
42,100,000.00	Rehabilitation & Improvement of Capital Assets	10	18,831,340.57	15,340,413.65	} ACA-2 (ii)
14,435,000.00	Acquisition of Capital Assets	11	12,788,432.12	11,256,466.58	
328,000,000.00	Capital Transfers	12	142,454,677.91	292,814,291.14	
1,440,000,000.00	Acquisition of Financial Assets	13	1,225,563,567.98	1,684,194,605.40	
3,800,000.00	Capacity Building	14	1,236,045.00	2,132,136.18	
1,309,850,000.00	Other Capital Expenditure	15	833,991,911.69	824,025,818.66	
<b>3,138,185,000.00</b>	<b>Total Capital Expenditure (G)</b>		<b>2,234,865,975.27</b>	<b>2,829,763,731.61</b>	
	Deposit Payments		25,241,896.35	21,027,012.71	ACA-4
	Advance Payment		18,140,192.21	27,597,006.76	ACA- 5/5A
	<b>Main Ledger Expenditure (H)</b>		<b>43,382,088.56</b>	<b>48,624,019.47</b>	
	<b>Total Expenditure I = (F+G+H)</b>		<b>3,270,488,158.90</b>	<b>3,953,256,749.12</b>	
-	<b>Balance as at 31<sup>st</sup> December J = (E-I)</b>		<b>(599,460,566.63)</b>	<b>(784,012,475.30)</b>	
	<b>Balance as per the Imprest Reconciliation Statement</b>		<b>(605,465,298.13)</b>		ACA-7
	<b>Imprest Balance as at 31<sup>st</sup> December 2021</b>		<b>6,004,731.50</b>		ACA -3
			<b>(599,460,566.63)</b>		




ACA-P

### 3.2 Statement of Financial Position

ACA-P			
Statement of Financial Position As at 31st December 2021			
	Note	Actual	
		2021 Rs	2020 Rs
<b>Non Financial Assets</b>			
Property, Plant & Equipment	ACA-6	1,703,475,097.33	1,671,411,553.63
<b>Financial Assets</b>			
Advance Accounts	ACA-5/5(a)	56,333,663.28	63,202,031.55
Cash & Cash Equivalents	ACA-3	6,004,731.50	-
<b>Total Assets</b>		<b>1,765,813,492.11</b>	<b>1,734,613,585.18</b>
<b>Net Assets / Equity</b>			
Net Worth to Treasury		(9,591,766.36)	(4,212,132.15)
Property, Plant & Equipment Reserve Rent and Work Advance Reserve	ACA-5(b)	1,703,475,097.33	1,671,411,553.63
<b>Current Liabilities</b>			
Deposits Accounts	ACA-4	65,925,429.64	67,414,163.70
Unsettled Imprest Balance	ACA-3	6,004,731.50	-
<b>Total Liabilities</b>		<b>1,765,813,492.11</b>	<b>1,734,613,585.18</b>

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from .....7.....to.....64..... and Notes to accounts presented in pages from .....65..... to .....66..... form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

 Chief Accounting Officer Name : Designation : Date : 28/02/2022 <b>General Daya Ratnayake</b> Secretary Ministry of Industries 72/1, Galle Road, Colombo 03.	 Accounting Officer Name : Designation : Date : 28/02/2022 <b>General Daya Ratnayake</b> Secretary Ministry of Industries 72/1, Galle Road, Colombo 03.	 Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance) Name : Date : 2022. 02. 25 <b>S.H. Fernando</b> Chief Financial Officer Ministry of Industries 73/1, Galle Road, Colombo 03.
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ACA-C

### 3.3 Statement of Cash Flows

#### Statement of Cash Flows for the Period ended 31<sup>st</sup> December 2021

	Actual	
	2021	2020
	Rs.	Rs.
<b><u>Cash Flows from Operating Activities</u></b>		-
Total Tax Receipts		
Fees, Fines, Penalties and Licenses		
Profit		
Non-Revenue Receipts		
Revenue Collected on behalf of Other Revenue Heads	33,420,559.22	
Imprest Received	2,623,229,810.48	3,096,899,554.81
Recoveries from Advance	22,675,628.07	
Deposit Received	23,753,162.29	
<b>Total Cash generated from Operations (A)</b>	<b>2,703,079,160.06</b>	<b>3,096,899,554.81</b>
<b><u>Less - Cash disbursed for:</u></b>		
Personal Emoluments & Operating Payments	482,665,123.85	418,513,920.29
Subsidies & Transfer Payments	15,187,659.22	21,848,986.44
Expenditure on behalf of Other Heads	(410,372.23)	44,772,970.80
Imprest Settlement to Treasury	963,940.98	
Advance Payments	19,507,893.39	
Deposit Payments	19,529,567.35	
<b>Total Cash disbursed for Operations (B)</b>	<b>537,443,812.56</b>	<b>485,135,877.53</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (C) = (A)-(B)</b>	<b>2,165,635,347.50</b>	<b>2,611,763,677.28</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Interest		
Dividends		
Divestiture Proceeds & Sale of Physical Assets		9,101,760.00
Recoveries from On Lending		
Recoveries from Advance		14,092,538.46
<b>Total Cash generated from Investing Activities (D)</b>		<b>23,194,298.46</b>
<b><u>Less - Cash disbursed for:</u></b>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	2,159,630,616.00	2,635,071,314.17

Advance Payments		5,996,050.00
<b>Total Cash disbursed for Investing Activities (E)</b>	<b>2,159,630,616.00</b>	<b>2,641,067,364.17</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (F) = (D)-(E)</b>	<b>(2,159,630,616.00)</b>	<b>(2,617,873,065.71)</b>
<b>NET CASH FLOWS FROM OPERATING &amp; INVESTMENT ACTIVITIES (G) = (C) + (F)</b>	<b>6,004,731.50</b>	<b>(6,109,388.43)</b>
<b><u>Cash Flows from Financing Activities</u></b>		
Local Borrowings		
Foreign Borrowings		
Grants Received		
Deposit Receipts		13,108,205.38
<b>Total Cash generated from Financing Activities (H)</b>		<b>13,108,205.38</b>
<b><u>Less - Cash disbursed for:</u></b>		
Repayment of Local Borrowings		
Repayment of Foreign Borrowings		
Repayment Deposits		6,998,816.95
<b>Total Cash disbursed for Financing Activities (I)</b>		<b>6,998,816.95</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)</b>		<b>6,109,388.43</b>
<b>Net Movement in Cash (K) = (G) -(J)</b>	<b>6,004,731.50</b>	
<b>Opening Cash Balance as at 01<sup>st</sup> January</b>	<b>0.00</b>	
<b>Closing Cash Balance as at 31<sup>st</sup> December</b>	<b>6,004,731.50</b>	

ACA - 2

## Summary of Expenditure by Programme for the period ended 31st December 2021

Expenditure Head No : 149

Ministry : Ministry of Industries

Programme Number given in Annual Estimates	Title of the Expenditure	Annual Budgetary Provision (1)	Supplementary Estimate Provision (2)	FR 66/69 Transfers (3)	Total Net Provision (4)=(1)+(2)+(3)	Total Expenditure (5)	Net Effect Savings / (Excesses) (6)=(4)-(5)
Programme (1)	(1) Recurrent	464,362,000.00	-	(8,235,000.00)	456,127,000.00	352,526,782.31	103,600,217.69
	(2) Capital	34,400,000.00	10,500,000.00	4,235,000.00	49,135,000.00	26,545,358.27	22,589,641.73
	<b>Sub Total</b>	<b>498,762,000.00</b>	<b>10,500,000.00</b>	<b>(4,000,000.00)</b>	<b>505,262,000.00</b>	<b>379,072,140.58</b>	<b>126,189,859.42</b>
Programme (2)	(1) Recurrent	677,050,000.00	-	4,000,000.00	681,050,000.00	639,713,312.76	41,336,687.24
	(2) Capital	2,389,200,000.00	699,850,000.00	-	3,089,050,000.00	2,208,320,617.00	880,729,383.00
	<b>Sub Total</b>	<b>3,066,250,000.00</b>	<b>699,850,000.00</b>	<b>4,000,000.00</b>	<b>3,770,100,000.00</b>	<b>2,848,033,929.76</b>	<b>922,066,070.24</b>
	<b>Grand Total</b>	<b>3,565,012,000.00</b>	<b>710,350,000.00</b>	<b>-</b>	<b>4,275,362,000.00</b>	<b>3,227,106,070.34</b>	<b>1,048,255,929.66</b>

.....  
 Chief Financial Officer /Chief Accountant/Director (Finance)  
 Commissioner (Finance)

Date : 25.02.2022

**S.H. Fernando**  
 Chief Financial Officer  
 Ministry of Industries  
 73/1, Galle Road, Colombo 03.



## **3.4 Notes to the Financial Statements**

### **Basis of Reporting**

#### **1. Reporting Period**

The reporting period for these Financial Statements is from 01st January to 31st December 2021.

#### **2. Basis of Measurement**

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

#### **3. Recognition of Revenue**

Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

#### **4. Recognition and Measurement of Property, Plant and Equipment (PP & E)**

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will follow to the entity and the cost of the assets can be reliably measured.

PP & E are measured at a cost and revaluation model is applied when cost model is not applicable.

#### **5. Property, Plant and Equipment Reserve**

This revaluation reserve account is the corresponding account of Property Plant and Equipment

#### **6. Cash and Cash Equivalents**

Cash and cash equivalents include local currency notes and coins on hand as at 31st December 2021

#### **7. Changes in Formats of Financial Statements and Adjustment of Comparative Figures**

Relevant adjustments have been made to comparative figures for the year 2020 in line with the changes made in the financial statement for the year 2021.

### 3.5 Performance of the Revenue Collection: N/A

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate

### 3.6 Performance of the Utilization of Allocation

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
<b>Recurrent</b>	1,141,412,000	1,137,177,000	992,240,095.07	87.25%
<b>Capital</b>	2,423,600,000	3,138,185,000	2,234,865,975.27	71.22%

**3.7 In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments: N/A**

Rs. ,000

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		

**3.8 Performance of the Reporting of Non-Financial Assets**

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2021	Balance as per financial Position Report as at 31.12.2021	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	74,200,000.00	74,200,000.00		100%
9152	Machinery and Equipment	577,775,097.33	577,775,097.33		100%
9153	Land	1,051,500,000.00	1,051,500,000.00		100%

**3.9 Auditor General's Report\*\***

- Scanned Auditor General Report is included in page 31 to 41 in Sinhala Report of this Book.

# **Chapter 04**

## **Performance Indicators**



### 4.1 Performance indicators of the Institute (Based on the Action Plan)

No	KPIs	Baseline (Actual figure in 2020)	Target 2021	Performance 31.12.2021	Forecast			2021 Performance as a percentage (%)
					2022	2023	2024	
1.	No. of cumulative Industries in commercial production.	674	844	723	863	916	969	85.66
2.	No. of new industries in commercial production (Industrial Estates).	68	55	72	140	53	53	130.91
3.	No. of cumulative employment opportunities generated.	26,545	27,445	31,134	31,484	31,859	32,244	113.44
4.	No. of new employment opportunities generated (Industrial Estates)	109	2,400	2,474	3,398	3,798	4,183	103.08
5.	No. of manufacturing industries assisted in quality improvement/ quality certification	112	450	215	733	875	1,000	47.78
6.	No. of manufacturing related training opportunities provided (Skills/Capacity/ Technical)	241	396	447	892	1,066	1,164	112.88
7.	No. of cumulative industries/Enterprises financially assisted through loan schemes	3,170	3,400	3,331	3,453	3,763	4,128	97.97



**Chapter 05**

**Performance of the achieving**  
**Sustainable Development Goals**  
**(SDG)**





## 5.1 Performance of the achieving Sustainable Development Goals

### 5.1 Indicate the identify respective Sustainable Development Goals

Goal/ Objective	Targets	Indicators of the Performance	Progress of the achievement to date 2021		
			0%- 49%	50%- 74%	75%- 100%
<b>Goal 9:</b> Industry, Innovation and Infrastructure – Build resilient infrastructure, promote inclusive and sustainable Industrialization and foster innovation	9.2 Promote Inclusive and sustainable Industrialization and, by 2030, increase at least 50% the industry's share of employment and gross domestic product.	9.2.1 Manufacturing value added as a proportion of GDP and Per capita.			
		<ul style="list-style-type: none"> <li>No. of new industries in commercial production (Industrial Estates)</li> </ul>			130.91
		<ul style="list-style-type: none"> <li>No. of manufacturing industries assisted in quality improvement/quality certification</li> </ul>	47.78		
		9.2.2 Manufacturing employment as a proportion of total employment by occupation, age and sex			
	9.3 increase the access of small- scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chain and markets.	<ul style="list-style-type: none"> <li>No. of new employment opportunities generated (Industrial Estates) by age, sex, and occupation types)</li> </ul>			103.08
		9.3.2 Proportion of small - scale industries with loan or line of credit.			
		<ul style="list-style-type: none"> <li>No. of industries/ enterprises financially assisted through loan schemes.</li> </ul>			97.97

## **5.2 Briefly explain the achievements and Challenges of the Sustainable Development Goals:**

To achievement and challenges of the Sustainable Development Goals are presentably explain in chapter 5.1, goal 9.2 and 9.3.

# **Chapter 06**

## **Human Resource Profile**



## 6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies / (Excess)**
Senior	55	40	15
Territory	05	03	02
Secondary	489	504	+15**
Primary	109	94	15

Letters have been submitted to the Ministry of Public Administration from time to time to fill the vacancies mentioned in the above table and the relevant officers will be attached by the Ministry of Public Administration.

### **6.2\*\* Briefly state hoe the shortage or excess in human resources has been affected to the performance of the institute.**

Due to the appointment of new Development Officers to the Ministry, there were more Development Officers than the approved number. A letter has been sent to the Department of Management for the approval of these Development Officers.

## 6.3 Human Resource Development

### Local Training Programs – 2021

No	Name of Program	No of Participants/ Trained	Time period (days)	Investment Rs.	Nature of the program	Acquired Knowledge
1	Diploma in internal Auditing - 2021	1	1 Year	75,000.00	On Line	To develop further knowledge of internal auditing and gain an understanding of new strategies.
2	Advanced Multimedia Web Design and Development Techniques	1	8	30,500.00	Local	To study all aspects of web site design and development technology
3	Government Payroll System	2	3	10,000.00	On Line	Gain a better understanding of the government payroll system.
4	On line meeting	38	1	12,000.00	Local	To provide awareness on distance education, participation in workshop discussions etc. using Zoom technology etc. online.
5	Training Program on Information Technology Devices	50	1	12,000.00	Local	Gained knowledge of the accessories used in connection with computer usage and an understanding of how we can fix minor errors in their use.

No	Name of Program	No of Participants/ Trained	Time period (days)	Investment Rs.	Nature of the program	Acquired Knowledge
6	File Management	16	1	10,000.00	Local	Gained an understanding of the need for proper filing for efficient and manageable duties in the public sector.
7	Government Payroll System	1	3	5000.00	On Line	Gain a better understanding of the government payroll system
8	Pre-assessment skills development program for graduate trainees (HRM)	17	1	456,000.00	Local	Gained an understanding of personality development through decision making, skill development, change of attitudes and the creation of perfect public servants from all walks of life.
9	Master of Development Studies (MDS) 2021/2022	1	1 Year	172,500.00	Local	Service Requirements
10	Diploma in English for Junior Executives (DEJE)	1	1 Year	75,000.00	Local	To be able to understand the use of English language in order to carry out the duties of the workplace productively and expeditiously and to develop public relations.



### Foreign Direct Training – 2021

No	Name of Program	No of Participants / Trained	Time period (days)		Investment Local / Foreign Rs.	Nature of the program	Acquired Knowledge
01	XXIV Petersburg International Economic Forum	03	2021.06.02	2021.06.05	US \$ 11,950 + £ 150	Foreign	Visit by the Hon. Minister
02	Acceleration of Industry 4.0 for inclusive and sustainable industrialization	03	2021.11.08	2021.11.14	Rs. 829,900.00	Foreign	Visit by the Hon. Minister

### Foreign Scholarship and Visit Through External Resource Department 2021

No	Program	No of Participants	Time period (days)		Investment Local / Foreign Rs.	Nature of the program	Acquired Knowledge
01	Japanese Grant Aid for human Resource Development Scholarship Programme (JDS) for the Academic year 2020/2022	01	2021	2022	US \$1200	Foreign	Acquired knowledge on Human Resource Development
02	Seminar on Building & operation of Industrial Parks under Belt and Road Initiatives	01	24.11.2021	07.12.2021	Foreign - Online		Gain an understanding of advanced technical knowledge and use of tools for building industrial parks in Sri Lanka
03	Seminar on coordinated Development of E-Commerce & Retail Industry for Developing Countries	01	07.12.2021	20.12.2021	Foreign - Online		The importance of e-commerce for developing countries and gaining knowledge on the use of e-commerce for retail industries.

# **Chapter 07**

## **Compliance Report**



## Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
<b>1</b>	<b>The following Financial Statements/ accounts have been submitted on due date</b>			
1.1	Annual financial statements	Complied	-	-
1.2	Advance to public officers account	Complied	-	-
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Applicable	-	-
1.4	Stores Advance Accounts	Not Applicable	-	-
1.5	Special Advance Accounts	Not Applicable	-	-
1.6	Others	Not Applicable	-	-
<b>2</b>	<b>Maintenance of books and registers (FR445)/</b>			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied	-	-
2.2	Personal emoluments register/ Personal emoluments cards have been maintained and update	Complied	-	-
2.3	Register of Audit queries has been maintained and update	Complied	-	-
2.4	Register of Internal Audit reports has been maintained and update	Complied	-	-
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied	-	-
2.6	Register for cheques and money orders has been maintained and update	Complied	-	-
2.7	Inventory register has been maintained and update	Complied	-	-

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
2.8	Stocks Register has been maintained and update	Complied	-	-
2.9	Register of Losses has been maintained and update	Applicable	-	-
2.10	Commitment Register has been maintained and update	Applicable	-	-
2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied	-	-
<b>3</b>	<b>Delegation of functions for financial control (FR 135)</b>			
3.1	The financial authority has been delegated within the institute	Complied	-	-
3.2	The delegation of financial authority has been communicated within the Institute	Complied	-	-
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied	-	-
3.4	The controls have been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied	-	-
<b>4</b>	<b>Preparation of Annual Plans</b>			
4.1	The annual action plan has been prepared	Complied	-	-
4.2	The annual procurement plan has been prepared	Complied	-	-
4.3	The annual Internal Audit plan has been prepared	Complied	-	-
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied	-	-

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied	-	-
<b>5</b>	<b>Audit queries</b>			
5.1	All the audit queries have been replied within the specified time by the Auditor General	Complied	-	-
<b>6</b>	<b>Internal Audit</b>			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019	Complied	-	-
6.2	All the internal audit reports have been replied within one month	Complied	-	-
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied	-	-
6.4	All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied	-	-
<b>7</b>	<b>Audit and Management Committee</b>			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Held in 3 meetings Complied	-	-

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
<b>8</b>	<b>Asset Management</b>			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied	-	-
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied	-	-
8.3	The boards of survey were conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied	-	-
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied	-	-
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied	-	-
<b>9</b>	<b>Vehicle Management</b>			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied	-	-
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied	-	-

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
9.3	The vehicle logbooks had been maintained and updated	Complied	-	-
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied	-	Committees have been appointed to investigate.
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied	-	This test was not carried out due to insufficient fuel supply in the year 2020.
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied	-	-
<b>10</b>	<b>Management of Bank Accounts</b>			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied	-	-
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Not Applicable	-	-
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied	-	-
<b>11</b>	<b>Utilization of Provisions</b>			
11.1	The provisions allocated had been spent without exceeding the limit	Complied	-	-
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied	-	-



No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
<b>12</b>	<b>Advances to Public Officers Account</b>			
12.1	The limits had been complied with	Complied	-	-
12.2	A time analysis had been carried out on the loans in arrears	Complied	-	-
12.3	The loan balances in arrears for over one year had been settled	Complied	-	-
<b>13</b>	<b>General Deposit Account</b>			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied	-	-
13.2	The control register for general deposits had been updated and maintained	Complied	-	-
<b>14</b>	<b>Imprest Account</b>			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied	-	-
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied	-	-
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied	-	-
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied	-	-
<b>15</b>	<b>Revenue Account</b>			
15.1	The refunds from the revenue had been made in terms of the regulations			
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account			
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176			

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
<b>16</b>	<b>Human Resource Management</b>			
16.1	The staff had been paid within the approved cadre	Complied	-	-
16.2	All members of the staff have been issued a duty list in writing	Complied	-	-
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied	-	-
<b>17</b>	<b>Provision of information to the public</b>			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation	Complied	-	-
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied	-	-
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied	-	-
<b>18</b>	<b>Implementing citizens charter</b>			
18.1	A citizen's charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied	-	-
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied	-	-

No.	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for Non-Compliance	Corrective actions proposed to avoid non-compliance in future
<b>19</b>	<b>Preparation of the Human Resource Plan</b>			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied	-	-
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied	-	-
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not Applicable	-	-
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied	-	-
<b>20</b>	<b>Responses Audit Paras</b>			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied	-	-