



Democratic Socialist Republic of Sri Lanka

**STATEMENT OF CORPORATE INTENT
CENTRAL ENGINEERING CONSULTANCY BUREAU**

**Agreement between Ministry of Finance,
Ministry of Mahaweli Development & Environment
and
Central Engineering Consultancy Bureau**

10th June 2019

Ministry of Finance

Colombo 01

Statement of Corporate Intent
between
Ministry of Finance, Ministry of Mahaweli Development & Environment
and
Central Engineering Consultancy Bureau
2019 - 2021

The Statement of Corporate Intent is agreed between the Ministry responsible for the subject of Finance (hereinafter referred to as 'Ministry of Finance') and the Ministry of Mahaweli Development & Environment (hereinafter referred to as 'Line Ministry') as one party, and the Board of Directors of the Central Engineering Consultancy Bureau (hereinafter referred to as 'the Board'), a State Owned Enterprise (SOE), as the other party.

WHEREAS

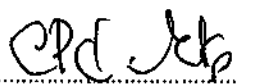
The Ministry of Finance and the Line Ministry are committed to clearly defining the working relationship between themselves and the Central Engineering Consultancy Bureau (CECB) with a focus on performance;

The parties recognize the need for adequate and reasonable managerial and operational autonomy to facilitate achievement by the Board and management of the CECB of the agreed and freely negotiated performance targets set out in this Agreement with a shared objective to improve performance, efficiency and the quality of public services;

The parties are committed to improve the corporate governance of the CECB and are desirous of enhancing transparency in the management of public resources and accountability for results;

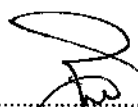
The Board and CECB management have indicated its capacity and competence to perform duties and undertake functions specified under this Agreement.

SCI shall be updated annually with the agreement of all the signing parties, to reflect the performance achieved in the past year and the updated performance targets for the next three years, making it a rolling and agile management tool for the SOEs as well as for the shareholders.




Chairman

Central Engineering
Consultancy Bureau



Secretary

Ministry of Mahaweli
Development & Environment



Secretary

Ministry of Finance

Colombo 01

10.06.2019

Eng. G.D.A. Piyatilake
Chairman
Central Engineering Consultancy Bureau
415, Bauddhaloka Mawatha,
Colombo 07.

Anura Dissanayake
Secretary
Ministry of Mahaweli Development
and Environment
No:500, T.B.Jayah Mawatha
Colombo 10.

DR. R. H. S. SAMARATUNGA
Secretary
Ministry of Finance
Colombo 01
Sri Lanka.

**CENTRAL ENGINEERING CONSULTANCY BUREAU (CECB)
STATEMENT OF CORPORATE INTENT (SCI)**

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	ii
1. INTRODUCTION.....	1
2. MACRO-ECONOMIC POLICY OF THE SECTOR	3
3. GOALS OF CENTRAL ENGINEERING CONSULTANCY BUREAU	4
4. OBJECTIVES OF CENTRAL ENGINEERING CONSULTANCY BUREAU	4
5. KEY PERFORMANCE INDICATORS (KPIs)	5
6. FACTORS AFFECTING THE SCI	7
7. ASSUMPTIONS UNDERLYING THE SCI	8
8. MAJOR RISKS TO DELIVER THE SCI OUTCOMES AND MITIGATION STRATEGIES	8
9. COMPETITIVE NEUTRALITY	8
10. NON-COMMERCIAL GOODS OR SERVICES	9
11. FINANCING POLICY	9
12. LEVY POLICY	9
13. RESPONSIBILITIES OF TRI-PARTIES.....	10
14. FINANCIAL INFORMATION	11

EXECUTIVE SUMMARY

The Statement of Corporate Intent (SCI) among Ministry of Finance, Ministry of Mahaweli Development & Environment and Central Engineering Consultancy Bureau (CECB) contains information such as the strategic goals, initiatives and key performance indicators to achieve the goals in three years from 2019 to 2021, and summary of the performance targets.

This document brings forward the background of CECB, its evolution over the last 46 years. It further includes an analysis of the industry at which CECB operates including the current economic and market conditions, contribution of the consultancy & construction industry to the GDP of Sri Lanka, challenges faced by CECB due to various factors, of which some are beyond CECB's control. Further, Key Performance Indicators (KPIs) have been set against objectives of CECB whereby the performance can be monitored.

Document further highlights the reasons behind setting up this SCI, whereby CECB will be supported by the Ministry of Finance and Ministry of Mahaweli Development & Environment to achieve its objectives. The SCI further highlights the risk management policies, financial policies, financial information of CECB together with the financial forecast with assumptions made based on the support given by the Ministry of Finance and Ministry of Mahaweli Development & Environment as laid down in this agreement.

It is expected that the SCI agreement will support CECB to achieve its financial & non-financial goals set down in the strategic plan while assisting the government in achieving its development forecasts over the three years period.

1. INTRODUCTION

1.1 Establishment

The Central Engineering Consultancy Bureau (CECB) is a State Corporation established in 1973 under the provisions of the State Industrial Corporations Act No. 49 of 1957 to provide engineering consultancy services with a commitment to sustainable development.

The Gazette notification dated 12th April 1973 states the purpose of the industrial undertaking as to provide Engineering consultancy services and to provide training for engineering and Technical personnel in achieving such purposes.

The purposes of the Bureau were enhanced by the Gazette notification dated 11th August 1995 to undertake "Design-Build" and "Turn Key" projects and to invest in BOO and BOT projects.

The Gazette notification dated 27th November 1998 further enhanced the objectives to form Joint Ventures and limited liability companies for the purpose of providing Consultancy services and Construction works.

1.2 Vision

"To be a World Class Engineering Organization".

1.3 Mission

"To be a World Class Sri Lankan Engineering Organization, acquiring excellence in Engineering, Architecture, and Quantity Surveying, utilizing state of the art technology, with a highly motivated, trained and skilled work force rewarded appropriately for their contribution in the optimum use of resources for the maximum benefit to mankind".

1.4 Core Business/ Principal Activities

Core business of the Bureau is to provide Engineering Consultancy services and to undertake construction work on "Design-Build" or "Turnkey" basis.

1.5 Subsidiaries

Central Engineering Service (Private) Limited (CESL) is a fully owned subsidiary of CECB which is in the business of undertaking and executing construction work in the fields of civil, electrical and mechanical engineering.

1.6 Market Share

Statistics relevant to construction Industry are not readily available except in the form of secondary data in reports compiled by the Central Bank of Sri Lanka and the Department of Census and Statistics. According to available reports, construction industry makes a significant contribution to the Gross Domestic Product (GDP) of the country. During 2016, its contribution to GDP is 7.6%.

According to limited research conducted by the Department of Census and Statistics, formal construction projects consists about 40% in the total contribution of the construction industry to GDP. The Bureau is engaging in the formal construction projects in the Construction Industry which are fairly large capital projects.

On this basis, market share for 2017 of the Bureau is 12% in the consultancy business and 3% in the construction business.

1.7 Performance of Past 10 Years and Cadre Information

Following tables list the achievements of the Bureau during last 10 years. The data shows the statistics of the performance of the consultancy and construction services.

Table 1: Performance of Past 10 Years – Consultancy Service

Rs. Mn

Year	Revenue	Expenditure	Profit Before Tax	Total Assets	Total Liabilities
2009	430	405	25	420	299*
2010	553	498	55	516	344
2011	919	823	95	951	708
2012	1,281	1,137	143	996	481
2013	1,556	1,374	182	1,056	427
2014	1,647	1,395	251	1,231	321
2015	1,664	1,406	258	1,972	225
2016	2,224	1,427	568	2,854	517
2017	2,522	1,698	602	3,502	603
2018	2,783	2,365	418	3,515	736

Source: Central Engineering Consultancy Bureau

Table 2: Performance of Past 10 Years – Construction Service*Rs. Mn*

Year	Revenue	Expenditure	Profit Before Tax	Total Assets	Total Liabilities
2009	8,429	8,187	225	3,063	2,193
2010	5,376	4,766	611	4,331	2,996
2011	7,598	7,382	217	8,961	7,210
2012	11,698	11,147	551	10,953	8,322
2013	13,541	13,114	428	11,542	9,340
2014	11,723	11,291	432	11,920	8,521
2015	9,647	9,193	455	11,199	7,749
2016	9,450	8,426	357	13,320	9,640
2017	12,697	11,621	311	16,904	12,227
2018	7,035	6,918	117	13,425	11,312

*Source: Central Engineering Consultancy Bureau*** Including the construction work undertaken by Subsidiary CESL***Table 3: No. of Employees**

Year	No. of Employees as at end of the year
2011	882
2012	833
2013	1,814
2014	1,664
2015	1,522
2016	1,356
2017	1,396
2018	1,446

Source: Central Engineering Consultancy Bureau

2. MACRO-ECONOMIC POLICY OF THE SECTOR

Research in Sri Lanka and elsewhere has shown that growth of Construction Industry contributes to growth of Gross Domestic Production and not vice versa. Therefore any economic policies adopted by the Government that would affect the growth of Construction industry is bound to have an impact on the growth of GDP.

In its latest statement on the Economy made in October 2017, the government has acknowledged that growth of economy of Sri Lanka has heavily relied on huge public investments in infrastructure. In fact the statistics show that nearly 50% of the value of construction activities in the country are financed by the Government. Government has declared its intention to move

towards export led economy and encourage private investments, especially the Foreign Direct Investment.

However, such measures would require continued heavy public investments. Therefore, the prevailing economic policies would not have a significant impact on the construction industry.

3. GOALS OF CENTRAL ENGINEERING CONSULTANCY BUREAU

- Goal 1 : Foster Sustainability and Financial Independence
- Goal 2 : Develop Information Technology as a Strategic Resource
- Goal 3 : Sustain and Enhance Service Excellence
- Goal 4 : Develop Human Capital as a Strategic Asset

4. OBJECTIVES OF CENTRAL ENGINEERING CONSULTANCY BUREAU

CECB had been engaged in providing engineering consultancy services as well as Construction services under one roof. In 2016, Bureau took steps to undertake all Construction related services by its subsidiary Central Engineering Services (Pvt) Ltd.

- Goal 1: Foster Sustainability and Financial Independence**
 - To increase revenue by 10% each year.
- Goal 2: Develop Information Technology as a Strategic Resource**
 - To develop an in-house ERP system by 2020.
- Goal 3: Sustain and Enhance Service Excellence**
 - To retain existing customer base using customer centric approach.
- Goal 4: Develop Human Capital as a Strategic Asset**
 - To develop the capabilities of staff and staff retention.

5. KEY PERFORMANCE INDICATORS (KPIs)

Table 4: Goal 1 - Foster Sustainability and Financial Independence

Objective	KPIs		Unit of Measurement	Base Year 2018	Target		
					2019	2020	2021
To increase revenue by 10% each year.	Input	No. of Projects Undertaken	No. of Projects				
			Consultancy		95	105	120
			Construction		55	70	90
	Process	Completion on Time	%		95	95	95
	Output	No. of Jobs Completed as a % of Total Jobs in Hand	%		75	75	75
	Outcome	Measure Revenue Growth	Rs.Mn				
			Consultancy		2,850	3,100	3,150
Construction				11,962	13,530	15,559	
		Total		14,812	16,930	18,709	
Impact	Contribution to GDP						

Table 5: Goal 2 - Develop Information Technology as a Strategic Resource

Objectives	KPIs		Unit of Measurement	Base Year 2018	Target		
					2019	2020	2021
To develop an in-house ERP system by 2020.	Input	Investment in ERP Modules.	Rs. Mn	10	10	5	5
	Process	Design, Develop, Testing & Modification, Staff Training	%	08	40	100	
	Output	Number of Modules	No.	01	10	06	01
	Outcome	Reduction in Processing Time	Time - Days	02	02	02	02
	Impact	Customer Satisfaction					

Table 6: Goal 3 - Sustain and Enhance Service Excellence

Objectives		KPIs	Unit of Measurement	Base Year 2018	Target		
					2019	2020	2021
To retain existing customer base using customer centric approach.	Input	Investment in Customer Promotional Programmes	Rs.Mn.	1.0	2.0	3.0	5.0
	Process	Identify Customer Needs and Implementation of Programmes	No.	01	04	08	12
	Output	% Client Retention	%	80	85	90	95
		Increase of New Business Relationships	No.	04	05	05	06
	Outcome	Customer Retention and Increase in Number of Customers	%	80	85	90	95
	Impact	Service Excellence					

Table 7: Goal 4 - Develop Human Capital as a Strategic Asset

Objectives	KPIs	Unit of Measurement	Base Year 2018	Target			
				2019	2020	2021	
To develop the capabilities of staff and staff Retention.	Input	Training and Development Expenditure	Rs Mn	44.0	32.0	35.0	40.0
	Process	Number of Training Programme Conducted.	No	115	120	125	135
	Output	No. of Trained Staff	No.	432	450	475	500
			%	30	31	33	34
	Outcome	No. of Qualified Personnel Delivered to the Nation	No.	432	450	475	500
	Impact	Service Excellence					

6. FACTORS AFFECTING THE SCI

The key factors that will affect the performance of the Bureau are as follows;

6.1 Direct Assignment of Consultancy Services

Bureau depends on the Public Sector Capital Projects for the revenue both in the Consultancy services and Construction services business. Of them, Bureau finds assigning Consultancy services on a direct award basis was the most crucial aspect in continuing the Bureau operations as a financially viable entity.

6.2 Following of Salary Scales as Approved by the Government

Bureau employees nearly 625 professionals at present consisting of Engineers, Architects, Quantity Surveyors, Accountants etc. They belong to socially upward mobile section of the society and their aspirations move with the economic development taking place in the country while Sri Lanka moves to a middle income economy.

However, Bureau is compelled to follow the archaic salary scales as dictated by the Government without any room for making compensation for the changes taking place in the market at least by way of allowances. This has led many of most important and productive a professionals to leave when they start to feel pressure especially in mid careers.

6.3 Prohibition by the World Bank (IDA) and Asian Development Bank (ADB) for the CECB to take part in Competitive Bidding for Projects funded by them

Both IDA and ADB do not allow the CECB to bid for Consultancy services in projects financed by them reasoning that CECB is owned by the Government and therefore it does not have financial autonomy as required by the participants as allowed in the procurement procedures of these institutions.

6.4 Long Outstanding Debts from the Government Institutions

Out of the total current assets of Rs 19 Billion as at 31.12.2018, Rs Billion remains as trade receivable which is of the total assets. Almost all the debt is due from the Government Institutions.

This has become a critical issue and affects the management of working capital.

6.5 Impact of implementing Scheme of Recruitment as designed by the Management Services Department

Currently Bureau practices a Grade system which provides reasonable salary increases with grade promotions for the professionals who are recruited to the Middle Manager Level. This scheme has been conceived, designed and perfected by the Bureau in consultation with the various Associations of the different professionals serving the Bureau.

Imposition of the Management Services Department designed Scheme of Promotions is bound to disturb the prospects of Career mobility of the professionals and may lead to a situation where Bureau ceases to be an attractive place of employment to them.

7. ASSUMPTIONS UNDERLYING THE SCI

Following are the assumptions underlying the period covered by this agreement;

- It is assumed that Government will continue to assign the Consultancy and Construction work in levels sufficient to manage the operations of the Bureau.
- Government will facilitate to release the long outstanding debts from the Government Institutions at least by 50% from the current levels.
- Positive support of the Treasury to minimize the adverse effect indicate in section 6.

8. MAJOR RISKS TO DELIVER THE SCI OUTCOMES AND MITIGATION STRATEGIES

Table 8: Major Risks to Deliver the SCI Outcomes and Mitigation Strategies

No.	Anticipated Risks	Mitigation Strategies
1.	Non assignment of consultancy and construction works related to Government projects	▪ Getting the approval from the Cabinet of Ministers to having works of agreed percentage related to consultancy and construction
2.	Non settlement of long outstanding debts by the Government institution	▪ Make sure to the long outstanding debts from the Government Institutions at least by 50% from the current levels
3.	Environmental changes	▪ Phase out the construction work by paying attention to recent weather patterns

9. COMPETITIVE NEUTRALITY

Bureau receives almost all of its revenue by the Consultancy and Construction services opportunities awarded by the Government on direct award basis. Other than this, Bureau does not receive any other concession which can be regarded as Competitive Neutrality.

10. NON-COMMERCIAL GOODS OR SERVICES

One of the founding objectives of the Bureau as spelled out in the first Gazette notification is to impart training on Engineering and Technical personnel in the country. Bureau has been continuing with this service to the nation from its inception and by now it has become one of the most sought after institutions for training of Technical and Engineering personnel at all levels by Universities and Technical colleges owned by the Government.

In addition to this, the training received by the employees of the Bureau in the form of preparing them for the professional examinations has become one of the main reasons for the young engineers to join the Bureau just after graduation. By now more than 1,000 technical personnel who have undergone training in the early stage of their careers are living abroad or working in public and private institutions within the country.

Therefore the training imparted on the engineering and technical personnel of the country while they are following the course or after graduation can be considered as the most valuable non-commercial service provided by the Bureau.

Table 9: Non-commercial service provided by the CECB

Year	No. of persons participated for training			Total Cost Incurred for training (Rs. Mn)
	In-house staff	External Trainees	Total	
2014	293	470	763	32.9
2015	307	465	767	34.2
2016	312	653	965	46.0
2017	367	465	832	39.3
2018	432	482	914	43.9

Source: Central Engineering Consultancy Bureau

11. FINANCING POLICY

Since its inception, Bureau has been operating as a self-financing organization and therefore the financing is mostly done through internally generated funds. Occasional Situations of cash flow inadequacies in the past have been managed through temporary over draft facilities arranged through state owned banks.

12. LEVY POLICY

Payment to the Consolidated Fund of a return on the capital grants of the Government at such rate or payment to the Consolidated Fund of such amount as may be determined from time to time by the Minister of Finance.

13. RESPONSIBILITIES OF TRI-PARTIES

13.1 Secretary, Ministry of Finance

- As the trustee of the public property signs the tripartite agreement. Moreover, the Ministry of Finance will make policy directives affecting the SOEs and ensure the compliance of the SCI process.
- Submit progress reports on SOE's progress to the Cabinet of Ministers bi-annually.
- Arrange meetings and discussions as and when required.

13.2 Secretary, Line Ministry

- Supervise and provide policy directives to the SOEs at all stages of SCI process through the audit and management committee of the ministry.
- Appoint a liaison officer to coordinate the SCI process with the respective agencies.
- Advise and guide on submission of the monthly, quarterly and annual progress reports of the SCI with his/her recommendations to the Department of Public Enterprises.

13.3 Board of Directors of Central Engineering Consultancy Bureau

- Should responsible for the operational and financial performance of bureau. This Statement of Corporate Intent set out for agreed financial and non-financial targets for the period of 2019 -2021.

13.4 Chairman and Top Management of Central Engineering Consultancy Bureau

- Should ensure the implementation of the SCI process efficiently and effectively and ensure sub-agreements have been signed with the management to implement the SCI and to achieve the stipulated targets.
- Should actively negotiate the targets and expectations of SCI, Corporate Plan to be achieved and other limitations.
- Should empower the SOE management to ensure the achievement of the objectives and targets stipulated in the SCI and hold it accountable for results.
- Should introduce proper risk management strategies to identify, assess and mitigate the potential risks of SOEs.
- Should submit a board memorandum to discuss the progress and monitor the achievements against KPIs as stipulated in SCI at monthly Board meetings and provide directives to the management.
- Should establish a proper mechanism to ensure the timely submission of relevant information and progress reports of SCI to the relevant Line Ministry and to the Ministry of Finance.
- Should appoint a liaison officer to coordinate the SCI process with the respective ministries - line ministry and MOF.
- Should report and actively participate at the audit and management committee meeting of the line ministry.

14. FINANCIAL INFORMATION

14.1 Forecasted Financial Statements

Table 10: Forecasted Comprehensive Income Statement

(Rs. '000)

Description	Unaudited 2018	Forecasted		
		2019	2020	2021
Revenue	14,221,707	14,812,000	16,630,919	18,709,783
Cost of Sales	(12,381,362)	(12,317,879)	(13,987,835)	(15,904,862)
Gross Profit	1,840,345	2,494,122	2,643,084	2,804,921
Other Income	148,197	291,489	313,620	325,573
Administration Expenses	(1,406,041)	(2,015,322)	(2,167,947)	(2,298,025)
Selling and Distribution Expenses	(282,011)	(102,653)	(107,913)	(110,611)
Results from Operating Activities	300,490	667,636	680,844	721,858
Finance Income	440,950	115,159	126,102	132,385
Finance Cost	(56,981)	(21,229)	(23,288)	(27,262)
Net Finance Income	383,969	93,930	102,814	105,123
Profit Before Income Tax	684,459	761,566	783,658	826,981
Income Tax Expense	(167,019)	(223,429)	(220,663)	(254,792)
Profit/(Loss) for the Year	517,440	538,137	562,995	572,189
Actuarial Gain / (Loss) on Defined Benefit Plans	(13,401)	-	-	-
Revaluation of plan and machinery	119,386	-	-	-
Total Comprehensive Income for the Year	623,425	538,137	562,995	572,189

Table 11: Forecasted Statement of Financial Position

(Rs.'000)

Description	Unaudited 2018	Forecasted		
		2019	2020	2021
Assets				
Non-Current Assets				
Property, Plant and Equipment	2,822,471	2,772,766	2,705,524	2,687,956
Lease Hold Assets	74,948	72,423	69,898	67,373
Intangible Assets	8,574	6,430	4,286	2,142
Investments	436,275	342,614	293,423	144,025
Differed Tax	-	-	-	-
Total Non-Current Assets	3,342,268	3,194,233	3,073,131	2,901,496
Current Assets				
Inventories	807,796	752,368	626,805	783,745
Working Progress	458,274	432,155	395,450	375,480
Trade and Other Receivables	12,407,807	11,703,965	11,139,739	10,558,181
Short term Investments	4,802,109	3,313,241	2,516,799	3,883,280
Cash and Cash Equivalents	853,372	631,792	790,006	785,658
Intercompany current accounts	-	-	-	-
Total Current Assets	19,311,358	16,833,521	15,468,799	16,386,344
Total Assets	22,653,626	20,027,754	18,541,930	19,287,840
Equity and Liabilities				
Contributed capital	500	500	500	500
Capital Reserve	122,414	3,028	3,028	3,028
Retained Earnings	6,078,618	6,616,755	7,154,891	7,154,891
Total Equity	6,201,532	6,620,283	7,158,419	7,158,419
Non-current Liabilities				
Lease Creditors	-	7,777	4,500	3,200
Retirement Benefit Obligation	176,870	174,861	176,475	182,852
Deferred Tax	6,877	25,794	33,582	35,388
Total Non-Current Liabilities	183,747	208,432	214,557	221,440
Current Liabilities				
Trade and Other Payables	15,283,746	12,532,043	10,654,405	11,396,352
Income Tax Payables	968,960	658,247	504,926	501,875
Lease Creditors	-	8,749	9,623	9,754
Inter base current accounts	-	-	-	-
Intercompany current accounts	-	-	-	-
Bank Overdraft	15,641	-	-	-
Total Current Liabilities	16,268,347	13,199,039	11,168,954	11,907,981
Total Liabilities	16,452,094	13,407,471	11,383,511	12,129,421
Total Equity and Liabilities	22,653,626	20,027,754	18,541,930	19,287,840

Table 12: Forecasted Statement of Cash Flow

(Rs.'000)

Description	Unaudited	Forecasted		
	2018	2019	2020	2021
Cash Flows from Operating Activities				
Profit Before Tax	684,459	761,566	783,658	826,981
Adjustments for:				
Depreciation on Property, Plant and Equipment	299,553	275,000	265,800	289,000
Amortization of lease hold property	816	2,525	2,525	2,525
Amortization of intangible assets	243	2,144	2,144	2,144
Provision for Bad and Doubtful Debts	389,033	252,650	185,650	150,890
Reversal of Bad and Doubtful Debts	(72,505)	(150,560)	(179,800)	(179,800)
Provision / (Reversal) for Gratuity	34,310	34,158	34,758	34,758
Provision (benefit) for deferred taxes	-	(18,917)	(7,788)	(7,788)
Net Finance Income	(383,969)	(93,930)	(102,814)	(105,123)
Previous Period Adjustments	(438,071)	-	-	-
(Profit) / Loss on disposal of Property, Plant and Equipment	(6,543)	-	(67,242)	(17,568)
Operating Profit Before Working Charges	507,326	1,064,636	916,891	996,019
(Increase)/Decrease in Inventories	25,053	55,428	125,563	(156,940)
(Increase)/Decrease in Work in progress	(458,274)	26,119	36,705	19,970
(Increase)/Decrease in Trade and Other Receivables	2,054,667	264,432	377,528	339,314
(Increase)/Decrease in Amounts Due from Related Companies	-	-	-	-
Increase/(Decrease) in Trade and Other Payables	(841,127)	(2,751,703)	(1,877,638)	541,947
Cash Generated from Operating Activities	1,287,645	(1,341,088)	(420,951)	1,740,310
Interest paid	(56,981)	(21,229)	(23,288)	(27,262)
Tax paid	(186,157)	(252,053)	(153,321)	(320,663)
Gratuity paid	(36,661)	(45,000)	(20,000)	(45,000)
Net Cash Flows from Operating Activities	1,007,846	(1,659,370)	(617,560)	1,347,385
Cash Flows from Investing Activities				
Investment in Property Plant and Equipment	(145,370)	(225,295)	(198,558)	(271,432)
Investment in Capital Work in Progress	(9,868)	(5,000)	-	-
Investment in Leased hold property	(75,765)	-	-	-
Investment in Intangible Assets	(8,817)	-	-	-
Sales Proceed on Disposal of Property Plant and Equipment	11,845	7,500	5,000	6,800
Investment / Disposal of Long Term Deposit	(385,157)	93,661	49,191	149,398
Investment / Disposal of Short Term Deposit	(707,574)	1,488,868	796,442	(1,366,481)
Interest Income	440,950	115,159	126,102	132,385
Net Cash Flows from Investing Activities	(879,756)	1,474,893	778,177	(1,349,330)
Cash Flows from Financing Activities				
Payment of Finance Lease Liabilities	-	(3,461)	(2,403)	(2,403)
Net Cash from Financing Activities	-	(3,461)	(2,403)	(2,403)
Net Increase/(Decrease) in Cash and Cash Equivalents	128,090	(187,938)	158,214	(4,348)
Cash and Cash Equivalent at the beginning	691,640	819,730	631,792	790,006
Cash and Cash Equivalent at the end	819,730	631,792	790,006	785,658

14.2 Capital Investment Plan

Table 13: Capital Investment Plan

(Rs.Mn)

Description	Forecasted		
	2019	2020	2021
Use of Capital			
Apartment Building at "Sarana Road" Colombo 07.	100	150	150
CECB Office Building at Battaramulla	100	150	150
Development Of Land at Hyde Park Corner	100	150	150
Improvement & Renovation of CECB Head Office Building, 415, Bauddhaloka Mawatha, Colombo 07.	-	50	50
Purchase of Vehicles		100	100
Total	300	600	600
Source of Finance			
Retained Earnings	300	600	600
Total	300	600	600