

Employees' Provident Fund, the largest superannuation Fund in Sri Lanka with an asset base of over Rs. 900 billion, continued to provide an efficient service to its members with maximum retirement benefits while assuring the safety of the Fund.

In 2010, the first full year since the end of the three-decade-long conflict, the Fund performed exceptionally well making a significant progress in the systems and processes in place whilst improving fund management skills of staff. The Fund declared an impressive rate of return of 12.5% to its members for the year.

Employees' Provident Fund

Annual Report - 2010



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Our Vision

**To be the most caring superannuation fund
in the region enabling our members to have
a contented retirement life**

Our Mission

**To provide maximum retirement benefits and
an efficient service to our members through prudent and
innovative management of the Fund**



Message from the Chairman of the Monetary Board and Governor of the Central Bank of Sri Lanka



Sri Lanka entered a new era of growth and prosperity with the ending of the three decade long conflict in May 2009. Reaping the benefits of peace, Sri Lankan economy recorded an impressive growth of 8 per cent amidst a challenging external environment. The economic and political stability and improved macroeconomic conditions that prevailed in the country had led to a low interest rate regime, mid-single digit inflation, stable exchange rate and a low level of unemployment in 2010. These favourable macro-economic conditions boosted investor confidence on the country resulting in increased investment in existing and new areas of activities thus providing further impetus to growth and stability.

The Employees' Provident Fund as the largest superannuation fund in the country, continues to be a catalyst in mobilizing mandatory savings of the employees of the private and semi government sectors. The investment strategy of the Fund focuses on a medium to long term time horizon in the prevailing low interest rate scenario to ensure a significantly positive real rate of return to its members. In this backdrop, the Fund endeavours to transform the savings it mobilizes into long-term investments which would raise growth of the economy and prosperity of the people in the country while ensuring maximum benefits and safety to the members, which is by far the prime objective of the Fund.

In 2010, many corporates recorded improved performance mainly as a result of recovery from spillover effects of the global crisis. The Fund also witnessed a year of significant improvement and its asset base reached Rs. 900 billion mark while enabling a high rate of return of 12.5 per cent to its members. During the year, the Fund grew by 17 per cent and its return on investment was as high as 15 per cent. The investment portfolio of the Fund was diversified further by increased investment in fundamentally sound stocks with a long term focus.

During 2010, the EPF Department took steps to restructure and accelerate the implementation process of Re-engineering the existing system, Re-registration of members, E-Collection of contributions and Web Based Member Information System and initiated the Image Scanning Project to further enhance efficiency and effectiveness of the operational processes of the Fund. These projects, now under way are expected to be completed during 2011-2012.

In conclusion, I wish to express my sincere appreciation to all stakeholders viz. the Department of Labour, employers, and members of the Fund for their valuable contributions towards improved performance of the Fund. I also wish to congratulate the staff of the EPF Department for their creditable achievements in 2010 and look forward to their continued commitment and dedication.

Ajith Nivard Cabraal

Governor

Chairman of the Monetary Board



Message from the Commissioner General of Labour



First of all I would like to express my heartfelt wishes to the Annual Report of the Employees' Provident Fund Department of Central Bank of Sri Lanka.

The Employees' Provident Fund which was founded under the Employees' Provident Fund Act, bearing No: 15 of 1958 and been in operation since 1st of June 1958, has become the most prominent social security system of Sri Lanka and at present ensuring a comfortable retirement for the employees of the private and semi – government sector of Sri Lanka.

The payment of benefits of the Employees' Provident Fund has been expedited through the decentralization of payment of benefits to the regional offices. For this, the Re-registration project, under which the NIC number is to be used as the membership number, has been initiated to identify the actual beneficiary and the activities relevant to this project such as obtaining finger prints, photographs and other information of members are carried out at present.

The finger print of members are captured through electronic media at the time of submitting the application and compared with the information existing at our office. Necessary measures are being taken to capture the finger print of members at district officers at the time of joining the fund and the instructions as well as resources required for using the NIC as the membership number of the member are being provided to all labour offices at present. Further, necessary steps are being taken to inform the member about the status of the process from the determination letter sent to the Central Bank of Sri Lanka to the crediting of balance to the account via SMS to the cellular phone of the member. This would improve the transparency of the payment procedure.

The Department has already launched the programme of recruiting new labour offices to collect funds of members to settle the account of the Commissioner of Labour and to bring defaults of payment in front of the Law. In addition, the department carries out programmes to increase collections and systematize the process through Electronic Media in collaboration with the Central Bank of Sri Lanka.

It is my belief that this annual report issued at a time when efforts are being taken to broaden status of the private and semi- government sectors of Sri Lanka would be of almost value to the work force and employees as well as all officers working at establishments carrying out administrative and financial functions.

(Mrs.) V B P K Weerasinghe
Commissioner General of Labour



Performance Highlights

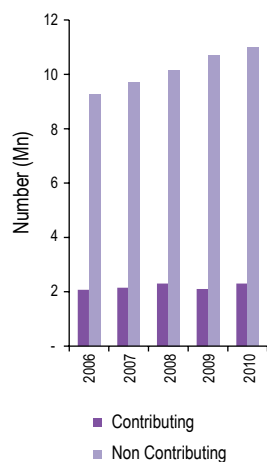
Rs. Mn

Table 1

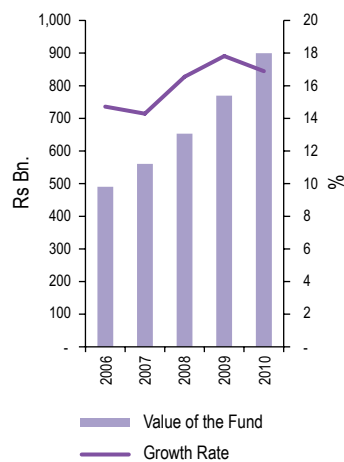
Financial Highlights

Item	2009	2010
Contributions	48,712	54,796
Refund Payments	31,901	34,896
Net Contributions	16,811	19,900
Gross Income	109,617	121,256
Interest paid on member balances	90,691	96,268
Rate of Return on average portfolio (percentage)	16.0	15.0
Transfer to Reserves	9,325	13,000
Operational Expenditure	763	824
Operational expenses as a percentage of the total income (percentage)	0.70	0.68

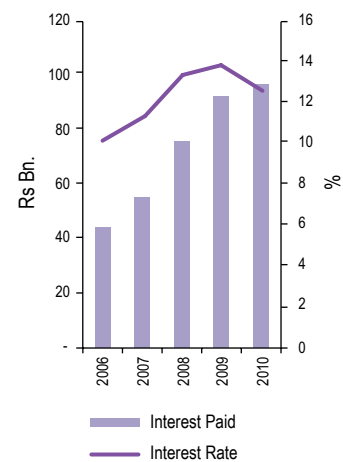
Graph 1 Member Accounts



Graph 2 Growth of the Fund



Graph 3 Interest Paid





Operational Highlights

- Paid interest to members at 12.5 per cent
- Total number of member accounts increased to 13.3 mn. total number of contributing member accounts increased by 0.2 mn to 2.3 mn.
- Paid retirement benefits of Rs. 34,896 mn to 104,528 members.
- Issued certificates of guarantees to 13,848 members against their EPF account balances to obtain housing loans from participating lending institutions.
- Conducted 13 public awareness programmes and 3 mobile services to strengthen links with the stakeholders.
- Existing member accounting system was upgraded to facilitate future developments.



Regulatory Framework

The Employees' Provident Fund (EPF/Fund) was established under the Employees' Provident Fund Act No.15 of 1958 as a mandatory defined contribution retirement benefit scheme to provide the retirement benefits for private and semi government sector employees. In terms of the provisions of the Act, the Commissioner of Labour acts as the general administrator of the Fund while the Monetary Board of the Central Bank of Sri Lanka is entrusted with the powers, duties and responsibilities to act as the custodian of the Fund. The Monetary Board has delegated its powers, duties and functions entrusted by the Act to the Employees' Provident Fund Department of the Central Bank.

Currently, the mandatory minimum contribution rate to the Fund is 20 per cent of the gross monthly earnings of the EPF member. The employer and the employee are required to contribute 12 per cent and 8 per cent of the member's gross earnings, respectively to EPF.

Employers are liable to send contributions and details of the employees to the Fund

periodically. Employers who employ less than 150 employees (C category) send contributions and relevant details (Form C) on a monthly basis and employers who employ more than 150 employees (C3 category) send contributions monthly and relevant member details (Form C3) semi-annually.

In terms of the provisions of the Act, members of the Fund are entitled to withdraw their retirement benefits once they reach the retirement age (50 years for females and 55 years for males). The members are also entitled to withdraw their member balances for reasons such as migration, permanent disability, leaving the employment due to marriage (only for female members) and joining a pensionable employment. Legal heirs of the deceased member are eligible to receive the benefits of the member. In addition to the retirement benefits, EPF facilitates members to obtain loans from six approved lending institutions for housing purposes by pledging the balances lying to the credit of the members' account.

Functions of the Commissioner of Labour

Registration of employers and members to the Fund

Carrying out inspections to ensure compliance with the EPF Act and taking legal actions against non-payment of member contributions

Recovery of surcharges on late contribution payments from employers

Acceptance of applications for refund of benefits and issuance of Letters of Determination on such applications advising the Central Bank to pay benefits

Authorization of the amalgamation of previous member accounts of a member

Approval of housing loans enabling members to obtain housing loans from approved lending institutions by pledging their member balances



Functions of the Monetary Board

Receipt of member contributions, surcharges and income

Maintenance of member accounts

Investment of excess funds to provide maximum return to the members while ensuring the safety of the Fund

Crediting annual interest to member accounts at a rate approved by the Monetary Board with the concurrence of the Minister of Labour and Labour Relations and the Minister of Finance

Preparation of annual accounts and issue of annual statements of accounts to the members

Effecting refund of benefits in accordance with Letters of Determination issued by the Commissioner of Labour

Issuing of certificates of credit balances to relevant lending institutions facilitating grant of housing loans.

Submission of information such as financial statements and statement of investments to the Hon. Minister of Labour and Labour Relations and Hon. Minister of Finance within 3 months from the end of each year



Senior Management Team as at 31.12.2010

Department of Labour (EPF Division)

Name	Designation	Division
Mr. D.P.K.R. Weerakoon	Commissioner of Labour	
Mrs. K.H.W. Karunarathne	Deputy Commissioner of Labour	Administration
Mrs. S.D. Chitra	Deputy Commissioner of Labour	Recovery
Mr. U. P. R. Sirinaga	Assistant Commissioner of Labour	
Mrs. G.W.N. Wiraji	Assistant Commissioner of Labour	Payments
Mr. T. Yogaraja	Assistant Commissioner of Labour	
Mrs. D.R. Perera	Assistant Commissioner of Labour	
Mr. B. Wasanthan	Assistant Commissioner of Labour	IT
Mr. N. Chandrahasan	Assistant Commissioner of Labour	Central File Section
Mrs. N.M.Y. Thushari	Assistant Commissioner of Labour	L Section

EPF Department of the Central Bank

Name	Designation	Division
Mrs. R Dheerasinghe	Superintendent	
Mrs. K Gunatilake	Additional Superintendent	
Mrs. C M D N K Seneviratne	Additional Superintendent	
Mr. L D D Y Perera	Deputy Superintendent	
Mr. A G U Thilakarathna	Deputy Superintendent	
Mr. V Baskaran	Deputy Superintendent	
Mr. S A L Muthukumara	Deputy Superintendent	
Mr. S S P De Silva	Assistant Superintendent	Corporate Services and Administration
Mrs. S W M C I Perera	Assistant Superintendent	
Mrs. A Muthuthanthri	Assistant Superintendent	
Mrs. G R M V S Rathnapriya	Assistant Superintendent	S/EPF Office
Ms. G B N A Samaranayaka	Management Trainee	Collection
Mrs T D S Pathberiya	Senior Assistant Superintendent	Re-Registration Project
Mr V S Chandrasoma	Assistant Superintendent	
Mr. A K Gunasiri	Senior Assistant Superintendent	Re-Registration Amendment
Mr K G Tilakasiri	Assistant Superintendent	



Mrs. W A P Dharmadasa	Assistant Superintendent	Current Contribution Division
Mr. D D Jayasiri	Assistant Superintendent	
Mr. Sunil Koswattage	Assistant Superintendent	
Mrs. W M S Abeykoon	Assistant Superintendent	
Mr. K G S De Silva	Senior Assistant Superintendent	Statemented Contribution Division
Mrs. P H D A Attanayake	Assistant Superintendent	
Ms. P D N Gunathilaka	Management Trainee	
Mrs. G H P P Shyamalee	Assistant Superintendent	Fund Management Division
Mrs. S P Y W Senadheera	Assistant Superintendent	
Mr. B H I S Kumara	Assistant Superintendent	
Ms. D P Udugamakorala	Management Trainee	
Mr. S Pathumanapan	Management Trainee	
Mr. T Udayaseelan	Assistant Superintendent	
Ms. B M W S Balasooriya	Assistant Superintendent	
Mr. W G R Harshapriya	Assistant Superintendent	
Mr. M S M Husam	Assistant Superintendent	
Mr. G A C N Ganepola	Management Trainee	Voluntary Pension Fund
Mr. K L A C N Anuradha	Management Trainee	
Mrs. W G N P Kumari	Assistant Superintendent	Accounts and Settlement Division
Ms. G B M P Dissanayake	Management Trainee	
Mr M M Sunil Shantha	Assistant Superintendent	Record Management Division
Ms. D Y S Mahagederawtte	Management Trainee	
Mr. H M Jayasinghe Banda	Senior Assistant Superintendent	Record Amended Division
Mrs. Y C M Wijetilaka	Assistant Superintendent	
Mrs. K S S Amarasinghe	Assistant Superintendent	
Ms. M A Najeema	Management Trainee	Housing Loan Division
Mrs. H A S Kulasinghe	Assistant Superintendent	
Mr. W A Nandasena	Senior Assistant Superintendent	Refund Finalization Division
Mr. M Wickramarathne	Assistant Superintendent	
Mrs. P S Siritileka	Senior Assistant Superintendent	Refund Control Division
Mr. V L W Seneviratna	Assistant Superintendent	Refund Payment Division
Mr. P P Jayasinghe	Assistant Superintendent	
Ms. K K C S Kannangara	Management Trainee	
Mrs. V K Dhampahalage	Senior Assistant Superintendent	Public Relations and Inquiries Division
Mr. G Premadasa	Assistant Superintendent	



Review of Operations

Macro-economic Environment 2010

Sri Lankan economy recorded a growth of 8 per cent in 2010 and it was the highest real GDP growth rate achieved since 1978. This impressive growth performance was a reflection of the favourable conditions that the country experienced during the year since the ending of the near three decade long internal conflict in May 2009. Besides, conducive domestic conditions, the recovery of the global economy from the recession too impacted favourably on the Sri Lankan economy during the year. The high growth momentum in the economy was represented by all three major sectors of the economy. The agriculture sector that contributed 11.9 per cent to GDP grew by 7 per cent. The industry sector grew by 8.4 per cent contributing 28.7 per cent to GDP while the services sector grew by 8 per cent with the contribution of 59.4 per cent to GDP.

The high growth and stability of the Sri Lankan economy supported by strong fundamentals and prudent macroeconomic policies inspired investor confidence resulting in increased inflow of foreign investment. In the domestic front, public investment focused mainly on developing much needed infrastructure and a marked growth of private investment was observed on direct production activities thereby contributing significantly to high output growth.

Graph 4

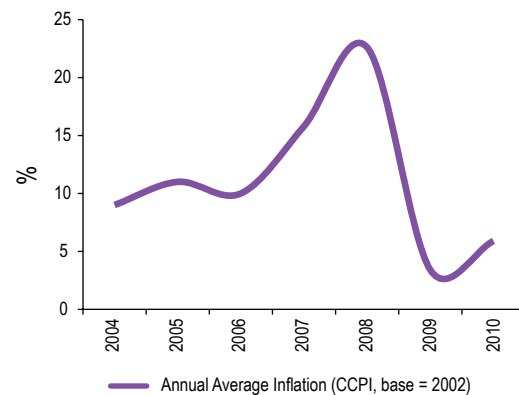
GDP Growth Rate



The stability of the economy is reflected in key indicators such as interest rates, inflation and exchange rates that remained at benign levels. The inflation remained at mid-single digit levels in 2010. The inflation as measured by the Colombo Consumer Price Index (CCPI) increased by 5.9 per cent on annual average basis while its increase was 6.9 per cent on year-on-year basis in December 2010. Increase in domestic supply, downward trend in prices, adjustments in import duties and prudent monetary policy measures helped maintain low inflation in 2010.

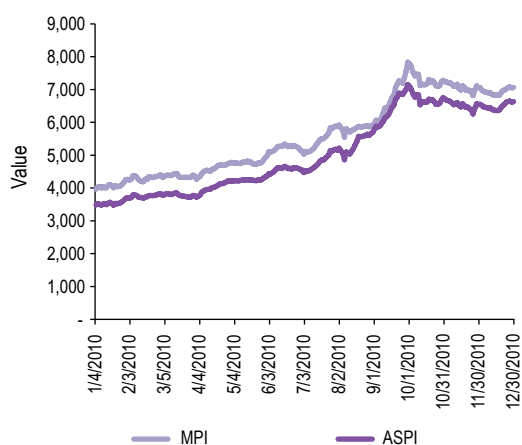
Graph 5

Inflation



The unemployment rate decreased to 4.9 per cent in 2010 when compared to 5.8 per cent in 2009 reflecting increased availability of employment opportunities attributable to growing economic activities.

The earnings from exports increased by 17.3 per cent in 2010 mainly due to high exports from the industrial and agricultural sectors. High prices and increased demand from the major export destinations due to recovery of the global economy helped the growth of earnings. The expenditure on imports increased by 32.5 per cent widening the trade deficit to US dollars 5,205 million. The rise in the prices of intermediary goods including petroleum, contributed to the high import bill in 2010.


Graph 6 **Movements in Stock Market Indices**


However, the current account deficit remained at only US dollars 1,418 million due to the increased receipt of workers' remittances of US dollars 4,100 million in 2010. Higher inflows to the capital and financial account exceeded the current account deficit and generated an overall surplus of US dollars 921 million in the Balance of Payments (BOP) in 2010.

The external reserves of the country reached a high level of US dollars 6,610 million or an equivalent of 5.9 month of imports in 2010. The increase was due to the receipt of funds from international sovereign bond issue, continuation of the IMF-SBA facility, purchase of foreign exchange from the domestic market and disbursements of project financing.

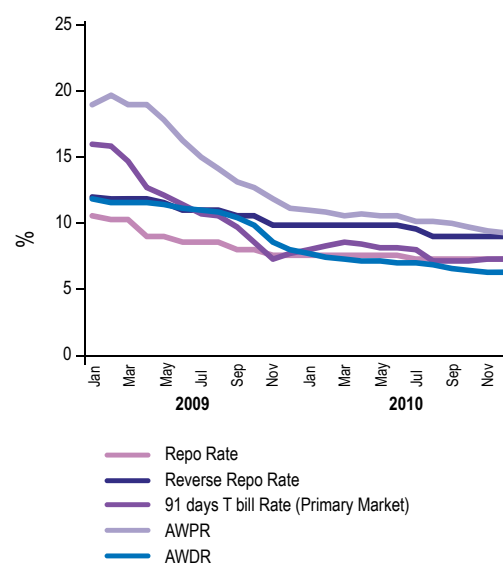
During the year 2010, infrastructure projects were carried out as planned and capital expenditure was invested effectively. The efficient fiscal management enabled the government to bring down the overall fiscal deficit to 7.9 per cent of GDP in 2010 compared to 9.9 per cent in 2009.

With the peaceful environment and political stability prevailed in the country, the Colombo Stock Exchange (CSE) recorded an impressive growth in 2010. During 2010, CSE surpassed many significant benchmarks and was placed as the second best performing market in the world. Both All Share Price Index (ASPI) and Milanka Price Index (MPI) surpassed 7000 level for the

first time in the history and market capitalization crossed two trillion rupee level in 2010 reflecting the investor confidence.

The Money market liquidity continued to be in excess in 2010. The Central Bank of Sri Lanka (Central Bank) issued its own securities to absorb the excess liquidity in the market due to inadequacy of government securities stock with the Central Bank.

In October 2010, the Central Bank implemented a bond borrowing programme to borrow bonds to absorb the excess liquidity through open market operations (OMO). The excess liquidity with the market participants influenced to decrease the short term rates of government securities below the Central Bank's repurchase rate as there was a severe competition among market participants to acquire Treasury bills. Accordingly, overnight and term auctions under OMO were discontinued with effect from October 2010.

Graph 7 **Selected Market Interest Rates**


The Central Bank continued to maintain a low interest rate regime to promote domestic investment and to develop the capital market. During the year under review, the Central Bank eased the monetary policy with a view to facilitate the expanding economic activities in



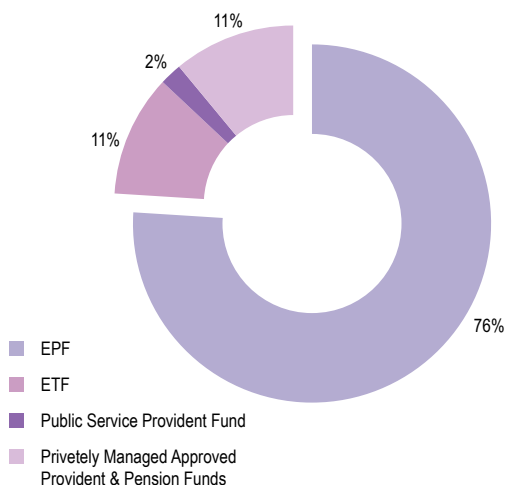
the country. Accordingly, Reverse Repurchase rate and Repurchase rate were reduced in the second half of 2010 narrowing the policy rate corridor. With the reduction of the Central Bank's policy interest rates, market interest rates too got adjusted downward in 2010. Yields of government securities and the commercial bank deposit and lending rates declined in 2010 reflecting the declining trend in the policy rates.

EPF and the Superannuation Funds in Sri Lanka

The superannuation funds in Sri Lanka include the Civil Pension Scheme, Employees' Provident Fund, Employees' Trust Fund (ETF) and Public Service Provident Fund (PSPF) managed by the government and 170 approved provident and pension funds managed by the private sector.

Total assets of the superannuation funds in Sri Lanka as at the end of 2010 was Rs. 1,179.8 billion, and accounted for 17.7 per cent of the total assets in the financial system. The EPF being the largest superannuation fund in the country represented 76.4 per cent of the total assets of the superannuation industry.

Graph 8 Composition of the Assets of the Industry



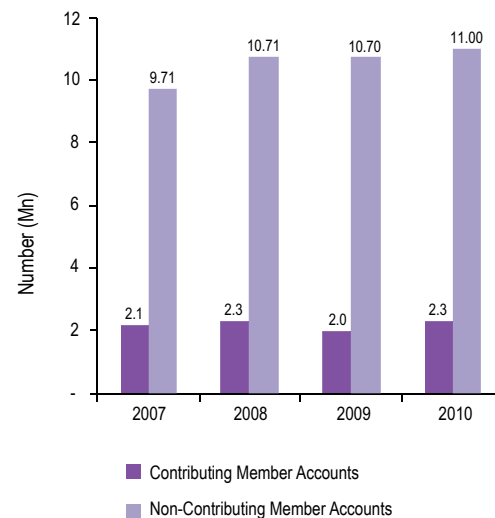
Review of the Performance of EPF

The total value of EPF reached Rs. 900 billion as at the end of 2010 recording a 16.9 per cent

growth over Rs. 770 billion as at the end of 2009. The increase mainly came from the member contributions and the income generated through the prudent management of the Fund during 2010.

The total number of member accounts in 2010, increased by 3.9 per cent to 13.3 million from 12.8 million in 2009. The number of contributing member accounts during the year under review increased by 9.5 per cent to 2.3 million from 2.1 million in 2009. The total number of member accounts was higher compared to the number of members of the Fund due to holding of multiple accounts by some members, as they had not amalgamated member accounts when they changed their employment. Meanwhile, the number of contributing employers increased by 1 per cent to 62,000 compared with 61,396 employers in 2009.

Graph 9 EPF Member Accounts



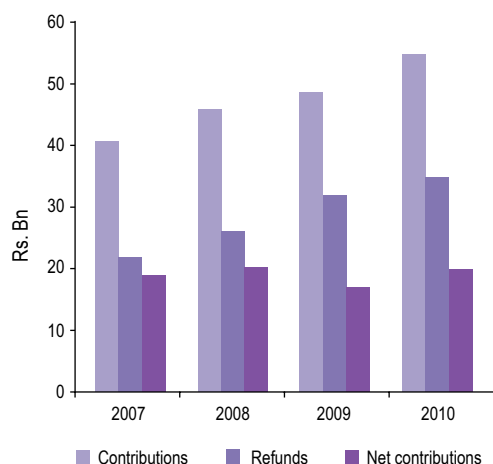
Member Contributions and Payment of Retirement Benefits

Member contributions received by the Fund for the year under review increased by 12.5 per cent to 54.8 billion from Rs. 48.7 billion in 2009. The total amount paid as refund benefits to the members and their legal heirs in 2010 was Rs. 34.9 billion, which is an increase of 9.4 per cent over that of Rs. 31.9 billion paid in 2009. The net



contributions (gross contributions less refunds of benefits) stood at Rs. 20 billion compared to Rs. 17 billion in the previous year.

Graph 10 Contributions, Refunds and Net Contributions



Both the contribution receipts and refund payments made by EPF have shown an increasing trend over the past years. Majority of the EPF benefit claims were received from the members who have reached their retirement age. Further, a considerable portion of refunds claims were made by female members, who have resigned from their jobs due to marriage.

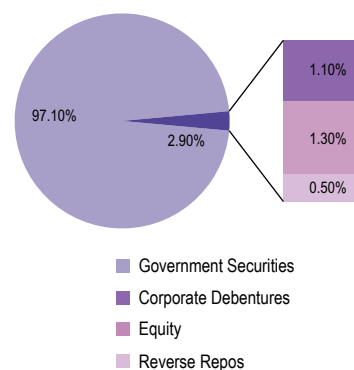
Table 2 EPF Refund Payments - 2010

Reason for EPF Refund	As a Percentage of	
	Number of Refund Applications	Total Refund Benefits
Reaching of Retirement Age	58.7	71.7
Retirement due to Marriage	27.6	12.4
Migration	1.6	5.5
Medical Reasons	0.9	1.3
Death of Member	6.2	6.4
Joining a Pensionable Job	4.9	2.6
Other	0.1	0.1
Total	100.0	100.0

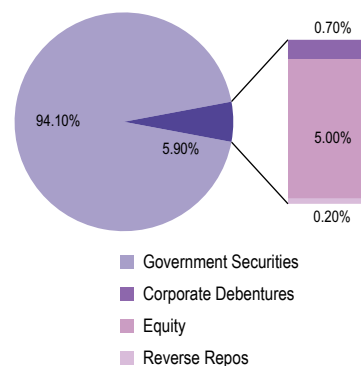
Investment of Funds

As a long term retirement benefit scheme, the investment policy of the Fund is focused on providing a long term positive real rate of return to the members while safeguarding the value of the Fund and maintaining sufficient liquidity. Hence a major portion of funds is placed with Government securities while the balance is invested in fundamentally sound listed and unlisted equities and high credit worthy corporate debt instruments. In order to maintain an optimal liquidity position, a smaller percentage of EPF funds is invested in high liquid securities such as Reverse Repurchase agreements.

Graph 11 Composition of the Portfolio as at end 2009



Graph 12 Composition of the Portfolio as at end 2010



Investment Portfolio

The book value of the total investment portfolio of the Fund as at the end of 2010 was higher by 17.5 per cent to Rs. 867.1 billion from Rs. 738.1 billion in 2009.



The growth in the investment portfolio was mainly driven by the return on investment and the growth in member contributions. In 2010, the major portion of the funds were invested in government securities (94.1 per cent) while 5 per cent was invested in listed and unlisted equities and 0.7 per cent was placed in corporate debt securities. The balance 0.2 per cent was invested in Reverse-Repurchase on government securities to maintain liquidity of the Fund. In the preceding year, investments in government securities and other public/private sector securities were 97.1 per cent and 2.9 per cent, respectively. During the year under review, the investment portfolio was diversified further by increasing the equity portfolio from Rs.9.8 billion in 2009 to Rs.43.6 billion in 2010.

Table 3 Sectoral Composition of the EPF Portfolio^(a)		
Sector	EPF Investments	
	Rs. Bn	Share %
Government Sector	864.3	94.7
Government Banks and Statutory Bodies	6.4	0.7
Private Sector	42.0	4.6
Total	912.7	100.00

■ Government Securities Portfolio

The government securities portfolio which consists of Treasury bonds, Rupee loans and Treasury bills has grown by Rs. 99.3 billion to Rs. 815.8 billion in 2010 from Rs. 716.5 billion in 2009. As at the end of 2010, the Treasury bond portfolio stood at 89.4 per cent of the total portfolio while Rupee loans decreased from 7.7 per cent to 4.7 per cent as maturity proceeds were invested in other securities as new Rupee loans were not issued in 2010.

During the year 2010, total amount earned from the government securities portfolio (as interest income, amortisation gain

and capital gain) was Rs.118 billion which represents 97 per cent of the total gross income of the Fund. In 2010, the realized rate of return from the average government securities portfolio was 15 per cent while the weighted average yield of the government securities portfolio as at the end of the year 2010, was 13.2 per cent.

Approximately, 89 per cent of the government securities in the EPF portfolio will mature within the next 5 year period.

Table 4 Maturity Profile of the Government Securities Portfolio as at end 2010		
Maturity	Face value Rs. Mn	Share, %
Less than 1 year	193,810	22.5
1-2 years	374,992	43.5
3-4 years	197,615	22.9
More than 5 years	94,925	11.1
Total	861,342	100.0

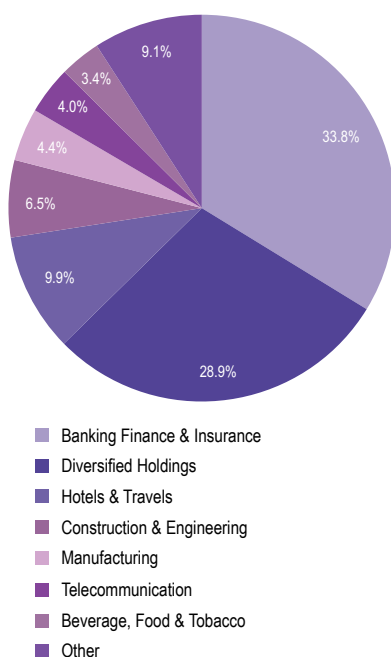
■ Equity Portfolio

Equity portfolio consists of both listed and unlisted equities. During the year under review, the equity portfolio of the Fund grew by Rs. 33.8 billion from Rs.9.8 billion in 2009 to Rs.43.6 billion. The investments in the stock market were increased with a view to diversify the investment portfolio and capitalizing the opportunity that would arise from increasing economic activities. This would help to earn an above average return in the medium term and finally enhance the wealth of the members of the Fund.

During the year 2010, the Fund invested in fundamentally sound companies in banking and financial, diversified, hotels and travels, manufacturing and construction and engineering sectors listed in CSE.



Graph 13

Sectoral Composition of the Listed Equity Portfolio as at the end 2010


The equity portfolio provided Rs.1.6 billion revenue to the Fund by way of dividends and capital gains in 2010 compared with Rs. 348 million earned in 2009.

■ Corporate Debt Portfolio

The Fund has invested in high credit worthy investment grade instruments such as corporate debentures, trust certificates, mortgage backed securities and pass-

through securities. During 2010, the Fund earned Rs. 817 million from corporate debt portfolio and the rate of return on average portfolio was 12.5 per cent per annum.

■ Reverse Repurchase and Treasury Bond Lending

The Fund invests the daily excess cash in the repo market which helps to manage the liquidity of the Fund. The Fund also lent Treasury bonds to Central Bank to facilitate open market operation during the year 2010, and earned Rs. 59 million from such lending. Meanwhile, earnings from reverse repo transactions for the year was Rs. 266 million.

Income of the Fund

The gross income of the Fund for the year 2010 increased by Rs. 11.7 billion or 10.6 per cent to Rs. 121.3 billion from Rs. 109.6 billion in 2009. The highest contributor to the income was interest income and amortisation gain that represented 97.5 per cent of the total income while dividend, capital gain and other income represented 2.5 per cent.

Dividend income increased by Rs. 477 million to Rs. 609 million in 2010 from Rs. 132 million in 2009 and capital gain from listed equities recorded a considerable increase from Rs. 215 million in 2009 to Rs. 1,053 million due to

Table 5

Gross Income

Source of Income	2009		2010	
	Rs Mn	Share %	Rs Mn	Share %
Interest income	79,810	72.8	89,165	73.5
Amortized gain	27,337	24.9	29,060	24.0
Capital gain from Government securities ^(a)	1,920	1.8	809	0.7
Capital gain from Equity ^(a)	235	0.2	1,226	1.0
Dividends	133	0.1	610	0.5
Other	182	0.2	386	0.3
Total	109,617	100.0	121,256	100.0

^(a) Including marked to market gain



healthy corporate performances and bullish market conditions prevailed in 2010. Overall, the rate of return on total portfolio decreased to 15 per cent in 2010 from 16 per cent in 2009 due to the decline in the interest rates during 2010. As the large portion of the funds was invested in fixed income securities, the interest income and the amortisation gain were the major sources of income of the Fund.

Table 6**Operational Expenditure**

Expenditure Item	2009 Rs. Mn	2010 Rs. Mn
Personnel	370	414
Administration	357	368
Other	36	42
Total	763	824
Total Expenditure as a % of Gross Income	0.70	0.68

Operational Expenditure

The total operational expenditure of the Fund increased by 8 per cent to Rs. 824 million in 2010 from Rs. 763 million in 2009 mainly due to increase in personnel expenditure.

However, as in the past, the Fund was able to maintain its total operating expenditure below 1 per cent of the gross income. Maintaining operational expenditure below 1 per cent of the gross income has been a key feature of the Fund over the past years.

Tax Expenditure

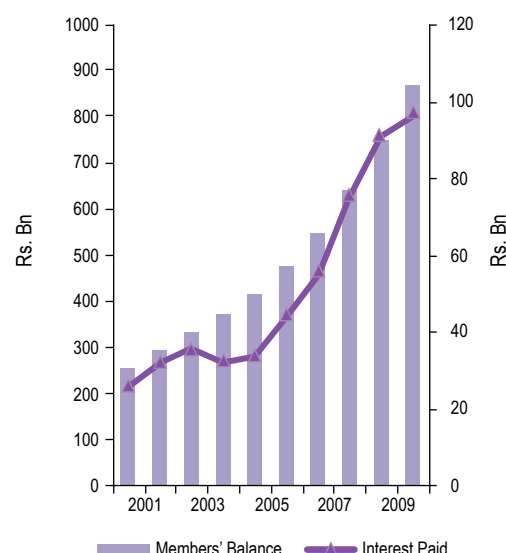
The income tax expenditure of the Fund in 2010 was Rs. 8,987 million and it was an increase of 18 per cent compared to Rs. 7,604 million in 2009.

Members' Balances and Interest Paid

In 2010 after transferring Rs. 13,000 million to the reserves, a sum of Rs. 96,268 million was distributed to members as interest, enhancing

the members' wealth by 15.6 per cent to Rs. 869 billion compared to Rs. 752 billion in 2009.

Despite the declining interest rate environment the Fund was able to declare an interest rate of 12.5 per cent for the year ending 31 December 2010.

Graph 14**Members' Balance and interest paid**

Risk Management

EPF is a systemically important entity in the financial sector as it represents nearly 14 per cent of the assets of the total financial system as at 31st December 2010. Therefore, management of risks associated with the Fund is critically important for the members and the entire financial system of the country. The key risks faced by the Fund are credit risk, interest rate risk, liquidity risk and operational risk.

Credit risk is the potential loss arising from the failure of the counterparties to honor their financial obligations within the agreed period as per the contractual arrangements. Credit risk or default risk of the Fund was minimal as 94 per cent of the portfolio was invested in government securities considering the safety of the Fund. The Fund has minimized its credit risk further by investing in high credit worthy corporate



debt instruments which were selected after a thorough analysis by taking the risk and return into consideration.

The market risks faced by the Fund are in the forms of interest rate risk and equity price risk. The Treasury bond trading portfolio of the Fund was exposed to interest rate risk as the value of the Treasury bond portfolio deteriorates with the increase in the market interest rates. Proactive measures have been taken by the Fund by selecting Treasury bonds of different maturities and yields in order to mitigate the loss of the value of the portfolio. The reduction in the value of the equity portfolio or equity price risk has been minimized by investing in fundamentally sound stocks in thriving sectors. Further, the listed equity portfolio has been diversified to 17 sectors including banking, finance and insurance, diversified holdings, hotels and travels, construction and engineering, manufacturing and telecommunication.

The Fund's liquidity risk or inability to meet the financial obligations when they fall due was lower due to receiving a net cash inflow. Currently, contributions receipts exceed the payment of refund benefits for a month and generate a net cash inflow to the Fund. The fund's exposure to the liquidity risk has been minimized by investing a considerable amount in tradable securities such as Treasury bonds and Treasury bills. Further, EPF actively participated in the overnight Repo market enabling the Fund to keep adequate funds to meet liquidity requirements.

The members' account of the Fund is maintained in the AS 400 system which has been upgraded in 2010 to a centralized member accounting system with a view to enhance the operational efficiency as well as the effectiveness of the service to members. Operational risk of the Fund has been further minimized by maintaining an online real time backup system which enables Fund to carry out its functions without any disruptions. In addition, the Business Continuity Plan (BCP) and the Disaster Recovery Sites (DRS) are being tested every year to ensure the smooth functioning of the operations in the event of any unforeseen event.

Housing Loan Facility

The Housing Loan Scheme was introduced in 1998 with the objective of facilitating the members to obtain housing loans from 6 participating lending institutions, namely Bank of Ceylon, People's Bank, State Mortgage and Investment Bank, HDFC Bank, Co-operative Rural Banks and National Housing Development Authority.

During the year under review, 13,848 member balance certificates were issued to participating lending institutions for the approval of housing loans amounting to Rs. 4,512 million. This compares with 10,320 member balance certificates issued in respect of housing loans amounting to Rs. 2,661 million in 2009.

Although the housing loan scheme is an additional facility offered by EPF, some members do not utilize the facility wisely as they default the repayment of loans. As a result EPF has to deduct the arrears of installments and the interest at penal rate charged by the lending institution from the relevant member account and remit such funds to the relevant lending institution in accordance with the contractual agreement between EPF and lending institutions. This would drastically reduce the EPF balance of such members resulting in lower benefits at their retirement. In 2010, the lending institutions charged a penal interest rate of around 2 to 3 per cent per month, which amounted to an effective annual penal rate of around 36 per cent.

During the year, Rs. 2,093 million was deducted from relevant member accounts and was remitted to the participating lending institutions to settle the loans in arrears. Over the years a rising trend is shown in the amount remitted to the lending institutions by EPF to settle the defaults of housing loans. Therefore, in order to gain the maximum benefits from this facility the members who obtain housing loans under this scheme should be aware of the consequences of defaulting housing loan repayments.

Enforcement of Law

In accordance with the EPF Act, the Department of Labour is responsible for general administration of the Fund and enforcement of the EPF Act.



Accordingly, during the year 2010, the district labour offices and sub offices registered 5,338 employers and 34,278 employees covering all provinces including the Northern and the Eastern provinces. More than 48 per cent of the employers registered during the year 2010, were from the Western province while the Northern and the Eastern provinces accounted for 8 per cent of the total employer registrations.

As per the provisions of the Act, the Department of Labour is empowered to take legal actions against the employers who are not paying member contributions. Accordingly, district labour offices and sub labour offices have sent 8,100 1st notices and 4,813 red notices claiming Rs. 2,358 million and Rs. 1,697 million, respectively. Further, Rs. 443 million has been recovered by the Department of Labour by filing legal cases against 1,685 institutions that had failed to settle the arrears within 28 days after receiving the red notices.

System Improvements

The EPF department with the help of the Information Technology (IT) Department of the Central Bank took several initiatives to overhaul its IT system in 2010. The objective of the new project is to converge the existing system to an automated banking model in the medium-term to enhance efficiency and effectiveness of services to EPF members and the employers. Accordingly, a new ledger system was introduced in mid- 2010 and live operations of the system commenced from 3 January 2011. The new ledger system records all transactions centrally, while facilitating greater integration of processes in the members' ledger system at the Central Bank, leading to operational efficiencies and greater accuracy of data. Moreover, the new system supports identification of members by the National Identity Card (NIC) number.

Re-registration of Members

A Member Centric Database (MCD) which assigns a unique identification number to each member is essential to facilitate smooth functioning of the newly developed IT

system. Accordingly, the EPF department and Department of Labour jointly launched a project to re-register EPF members by names as appearing in the NICs and assign NIC number as the unique number to identify a member in the EPF system. This system will enable both institutions to use a common database for the EPF member accounts.

As at the end of 2010, NIC information of around 800,000 active members was collected and unique identification numbers were assigned to 77 per cent of those members and a new member registry (common database for the EPF Department and Department of Labour) was created.

During the year, new data collection mechanism was implemented to collect information from the active members who have not provided their NIC details under the project. At the same time, a real-time registration process was implemented for the new EPF members who would be joining after 01 November 2010. Accordingly, all employers when sending initial contribution to the EPF Department have to provide the NIC information of all new employees recruited to their establishments after 01 November 2010.

Further, previous employment numbers of active members who have provided information under this project, will also be linked to their NIC numbers with the objective of enabling them to review all their member accounts under the unique identification number. Re-registration of all EPF members is the ultimate objective of the project, where the data collection of non-contributing members is scheduled to begin in mid 2011.

With the successful completion of the project, EPF Department of the Central Bank and the Department of Labour will be able to provide member services in a more efficient and effective manner with convenience of accessing member information in the computerized database.

Electronic Media

EPF Department launched a special project for collection of member contribution (C and C3 returns) through electronic media (E>Returns)



instead of receiving paper documents. Initially, employers who wish to send their member details through E-returns were invited to join this scheme. With the implementation of E-returns system, the problems faced by the EPF Department and the employers with the traditional manual EPF return system will be minimized. The employers who send E-returns can also join the Direct Debit Payment Scheme which enables them to make monthly payments by transferring the funds from their account to the account of the EPF on a specified date.

During the year 2010, EPF conducted 13 awareness programmes with the purpose of promoting E-returns among employers. As a result, the number of employers who joined the E-return scheme has increased to 888 by the end of 2010 from 585 employers in 2009. These employers covered more than 18 per cent of the total contributions received by EPF Department in 2010. Number of employers who participated in Direct Debit System too increased to 246 in 2010 from 202 in 2009 and they covered 2.5 per cent of the total member collection in 2010.

The Image Scanning Project

During the year 2010, a feasibility study for developing an electronic record management system i.e. Image Scanning Project was completed. The Image Scanning Project which will commence in 2011 will enable EPF

Department to maintain all member information in electronic form. Under this scheme, all master files of members will be scanned and archived in electronic form. This will reduce the cost of storing, handling and securing printed information and the time consumed for retrieving the data and information.

Public Awareness

EPF Department in collaboration with the Department of Labour held two mobile services in the Jaffna District and one mobile service each in Maskeliya, Batticaloa, and Vavuniya to address the problems faced by members of the Fund residing in these respective areas. EPF Department also participated in two public exhibitions "Deyata Kirula" and "HR Service Providers' Exhibition" in 2010. The EPF Department won the "Most Informative Stall" Award in 2010 in the International HR Conference and HR Service Providers exhibition organized by Institute of Personnel Management.

Further, in 2010 the EPF Department organized a full-day workshop for all district-level labour officers and relevant officers of the Central Bank to educate them on the "Re registration Project and Use of NIC as the Unique Member Number" and this programme was attended by more than 150 Labour Department officials representing all districts in the island.



RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

(Rs.)

	2010				2009
	Notes	Monetary Board	Labour Dept.	Total	Total
Cash balance at the beginning of the year		1,239,617,645	73,630,907	1,313,248,552	688,030,008
Add: Total receipts	1	144,362,611,919	748,438,377	145,111,050,296	124,198,593,405
Less: Total Payments	2	144,291,823,878	659,541,009	144,951,364,887	123,573,294,861
Cash balance at the end of the year		1,310,405,686	162,528,275	1,472,933,961	1,313,248,552

On Behalf of the Monetary Board

Certified By

R Dheerasinghe
Superintendent
Employees' Provident Fund

Date : 21/02/11

Prepared By

W G N P Kumari
Assistant Superintendent
Employees' Provident Fund



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010

(Rs.)

	2010	2009
Cash flow from operating activities:		
Interest received from Investments	87,371,269,035	74,005,090,234
Capital Gains on sale of T/Bill, Bonds & Shares	1,927,829,151	808,635,299
Dividends received from Shares	521,225,906	114,451,687
Surcharges	258,051,071	176,518,735
Other Income	63,964,884	5,656,032
Recoveries from Debtors	468,737	501,181
Re-imbursement of Expenses	(24,181,672)	-
Advances	(16,057,900)	(21,512,484)
Operating Expenses	(595,234,505)	(523,731,715)
Settlement of Creditors	(1,912,925,563)	(1,613,064,995)
Cash generated from operations	87,594,409,143	72,952,543,972
Payment of Tax	(6,943,714,351)	(10,030,770,969)
Net cash from operating activities	80,650,694,791	62,921,773,003
Cash flow from investment activities:		
Investments	(403,539,565,620)	(328,546,660,749)
Maturities of Investments	303,275,398,792	249,473,593,772
Cash generated from investments	(100,264,166,828)	(79,073,066,978)
Acquisition of Fixed Assets	(90,580,169)	(76,607,909)
Net cash used in investing activities	(100,354,746,998)	(79,149,674,886)
Cash flow from financing activities:		
Contributions	54,795,566,382	48,711,872,661
General Deposit	(35,952,439)	42,575,410
Refunds	(34,895,876,327)	(31,901,327,643)
Net cash from financing activities	19,863,737,616	16,853,120,427
Net (decrease)/increase in cash and cash equivalents	159,685,409	625,218,544
Cash & cash equivalents at the beginning of the year	1,313,248,552	688,030,008
Cash & cash equivalents at the end of the year-Before Adjustments	1,472,933,961	1,313,248,552
Adjustments: Cash balance at the end of the year -Labour Dept.	(162,528,275)	(73,630,907)
Cash & cash equivalents at the end of the year	1,310,405,686	1,239,617,645

On Behalf of the Monetary Board

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INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010

(Rs.)

	2010			Total	
	Note	Monetary Board	Labour Dept.	2010	2009
Investment Income	3	120,870,088,116	-	120,870,088,116	109,435,029,354
Other Income	4	316,450,763	69,796,286	386,247,049	182,057,036
Total Gross Income		121,186,538,879	69,796,286	121,256,335,165	109,617,086,391
Less: Income Tax		(8,987,285,936)	-	(8,987,285,936)	(7,604,329,292)
Net Income after Tax		112,199,252,943	69,796,286	112,269,049,229	102,012,757,099
Operating Expenditure	5	(443,433,678)	(380,603,804)	(824,037,482)	(763,094,933)
Net Income after expenses		111,755,819,265	(310,807,518)	111,445,011,747	101,249,662,165
Add - Retained Profits of the Previous Year (After Adjustments)	6	17,721,433	-	17,721,433	440,415,835
Net Income Available for Distribution		111,773,540,698	(310,807,518)	111,462,733,181	101,690,078,000
Less - Interest Paid on refunds-Current Year		(1,901,083,537)	-	(1,901,083,537)	(1,656,367,786)
Less - Transfers to Reserves					
Profit Equalisation Reserve Fund		(13,000,000,000)	-	(13,000,000,000)	(6,325,000,000)
Building Reserve Fund		-	-	-	(3,000,000,000)
Interest on Member Balances as at 31st December @12.50% (2009 - 13.75%)		(96,267,718,569)	-	(96,267,718,569)	(90,690,988,781)
Carried Forward balance for the next year		604,738,592	(310,807,518)	293,931,074	17,721,433

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BALANCE SHEET AS AT 31ST DECEMBER 2010

(Rs.)

	Note	2010	2009
Fixed Assets (NBV)	7	214,022,022	199,505,857
Long Term Investments	8	854,848,352,465	719,979,977,083
		855,062,374,487	720,179,482,940
Current Assets			
Inventory		9,362,613	4,157,202
Interest Receivables		28,024,941,778	27,292,211,839
Contributions Receivable		4,540,823,513	4,054,677,077
Other Current Assets/Receivables	9	1,330,390,824	1,114,908,839
Short Term Investments	10	12,212,886,152	18,139,994,309
Cash and Cash Equivalents	11	1,310,405,686	1,239,617,645
		47,428,810,566	51,845,566,911
Less: Current Liabilities			
Tax		570,723,870	273,055,014
Creditors		2,094,146,943	1,950,620,852
Accrued Expenses		89,916,665	95,265,534
Other Current Liabilities	12	86,046,562	53,919,384
		(2,840,834,040)	(2,372,860,784)
Net Current Assets		44,587,976,526	49,472,706,128
Total Net Assets		899,650,351,013	769,652,189,067
Represented By			
Member Balances	13	768,235,696,492	658,160,273,929
Interest payable on member balances		100,963,558,447	94,317,028,704
		869,199,254,939	752,477,302,633
Reserves	14	30,157,000,000	17,157,000,000
Retained Profit		293,931,074	17,721,433
		30,450,931,074	17,174,721,433
Total Net Worth of the Fund		899,650,186,013	769,652,024,067
Non Current Liabilities			
Provision for Gratuity		165,000	165,000
Networth of the Fund & Noncurrent Liabilities		899,650,351,013	769,652,189,067

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**STATEMENT OF INVESTMENTS
AS AT 31ST DECEMBER 2010**

2009						2010						(Rs.)
Face value	Cost	Amortized Value	Market Value	Book Value	Class of Investments	Note	Face value	Cost	Amortized Value	Market Value	Book Value	
56,583,253,000	56,583,253,000	56,583,253,000	56,583,253,000	56,583,253,000	Rupee Loan	15	40,921,000,000	40,921,000,000	40,921,000,000	40,921,000,000	40,921,000,000	
718,716,597,000	621,273,821,011	658,508,018,283	710,633,125,575	659,537,707,930	Treasury Bonds	16	814,451,264,000	718,304,004,030	768,387,815,622	824,705,423,137	768,900,946,449	
419,700,000	400,162,503	402,648,389	404,759,460	402,648,389	Treasury Bills	17	5,969,000,000	5,569,659,745	5,936,349,431	5,941,779,880	5,936,349,431	
3,462,000,000	3,462,000,000	3,462,000,000	3,462,000,000	3,462,000,000	Reverse Repo	18	1,357,000,000	1,357,000,000	1,357,000,000	1,357,000,000	1,357,000,000	
7,700,000,000	7,695,493,105	7,699,109,749	7,699,109,749	7,705,789,949	Corporate Debentures	19	5,365,000,000	5,365,000,000	5,365,000,000	5,365,000,000	5,365,000,000	
500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	Mortgage Backed Securities	19	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	
111,980,687	67,100,000	102,111,938	102,111,938	102,111,938	Trust Certificates	19	494,228,081	409,924,098	420,997,690	420,997,690	420,997,690	
-	6,877,822,908	6,877,822,908	9,176,661,052	6,851,351,216	Listed Equity	20	-	39,133,587,926	39,133,587,926	57,025,139,417	39,179,836,078	
-	2,975,625,000	2,975,625,000	2,975,625,000	2,975,625,000	Unlisted Equity	20	-	4,480,625,000	4,480,625,000	4,480,625,000	4,480,625,000	
787,493,530,687	699,835,277,527	737,110,589,268	791,536,645,774	738,120,487,422	TOTAL	21/22	869,057,492,081	816,040,800,799	866,502,375,668	940,716,965,124	867,061,754,648	

On Behalf of the Monetary Board

Certified By



R Dheerasinghe
Superintendent
Employees' Provident Fund

Date : 21/02/11

Prepared By



W G N P Kumari
Assistant Superintendent
Employees' Provident Fund



**STATEMENT OF CHANGES IN EQUITY/MEMBERS' WEALTH
AS AT 31ST DECEMBER 2010**

	Members Balance	Building Reserve Fund	Technology Advancement Reserve Fund	Profit Equalisation Reserve Fund	General Reserve Fund	Retained Profit	General Deposit Account	Total
Balance as at 31 December 2008	644,730,669,411	157,000,000	350,000,000	675,000,000	6,650,000,000	438,713,200	224,687,747	653,226,070,358
Prior Year Adjustment	-	-	-	-	-	1,702,635	-	1,702,635
Net Profit for the year - 2009	-	-	-	-	-	101,249,662,165	-	101,249,662,165
Net Contributions	16,522,382,836	-	-	-	-	-	49,831,399	16,572,214,235
Member Interest Paid during the period	-	-	-	-	-	(1,656,367,785)	-	(1,656,367,785)
Member Interest (2009: 13.75%)	90,690,988,781	-	-	-	-	(90,690,988,781)	-	-
Transfers from Retained Profit	-	3,000,000,000	-	6,325,000,000	-	(9,325,000,000)	-	-
Balance as at 31st December 2009	751,944,041,028	3,157,000,000	350,000,000	7,000,000,000	6,650,000,000	17,721,434	274,519,146	769,393,281,608
Prior Year Adjustment	-	-	-	-	-	-	-	-
Net Profit for the Year 2010	-	-	-	-	-	111,445,011,747	-	111,445,011,747
Net Contributions	20,683,256,121	-	-	-	-	-	29,720,075	20,712,976,196
Member Interest Paid During the Period	-	-	-	-	-	(1,901,083,537)	-	(1,901,083,537)
Member Interest for the year 2010 at 12.50%	96,267,718,569	-	-	-	-	(96,267,718,569)	-	-
Transfers from Retained Profit	-	-	-	13,000,000,000	-	(13,000,000,000)	-	-
Balance at 31st December 2010	868,895,015,717	3,157,000,000	350,000,000	20,000,000,000	6,650,000,000	293,931,075	304,239,221	899,650,186,013



Notes to the Accounts for the year ended 31 December 2010

1. General Accounting Policies

- i. The financial statements of the Fund have been prepared in accordance with generally accepted accounting principles and the Sri Lanka Accounting Standards laid down by the institute of Chartered Accountants of Sri Lanka.
- ii. The financial statements of the Fund comprise both the EPF Department of the Central Bank of Sri Lanka and the EPF Section of the Department of Labour.
- iii. The materiality of events occurring after the date of the Balance Sheet has been considered and no such events have occurred to make adjustment to these accounts.
- iv. Provisions have been made for all known liabilities.

2. Balance Sheet

(A) Assets and bases of their valuation

i. Stocks

Stock of Stationery has been valued at cost.

ii. Interest Receivables

Interest Receivable is calculated at the relevant rates of interest for the number of days from the date of the last payment of interest to 31.12.2010 of each investment held by the Fund as at 31.12.2010.

iii. Value of Investments

All Investments are shown at amortized cost in the books of accounts and adjustments were made in the accounts for changes in the market value for the short-term investments. Market values in respect of the fixed income investments shown in the Statement of Investments have been computed based on the market yields of those securities prevailed as at 31.12.2010. Market values of shares shown in the Statement of Investments are the prices quoted in the Colombo Stock Exchange on last traded date.

iv. Tax Expense Account

Since EPF changed its accounting policy (w.e.f. 01.09.2006) to value the Treasury bonds and bills portfolio at after tax weighted average cost (WAC) and to amortize subsequently, the amortisation gain was recorded net of tax.



Accordingly, the proportion of WHT applicable for the income earned on Treasury bonds and bills for the year was added back to the amortisation gain account in order to give a fair view about the income tax expenditure and the amortisation gain.

v. Fixed Assets and Depreciation

Fixed assets belonging to the Fund are shown at cost **less** accumulated depreciation. Depreciation has been charged on Straight-line method at the following rates in order to write off the cost of such assets over their estimated effective life-time.

Computer Equipment & Software	50%
Office Equipment	25%
Furniture & Fittings	10%
Motor Vehicles	20%
Buildings	02%
Plant and Machinery	25%

Some office furniture used by the Fund at present has been borrowed from the Secretariat Department of the Central Bank and, therefore, has not been taken into the accounts.

vi. Contributions Receivable

Contributions relevant to a particular month are received in the succeeding month. Contributions for December 2010 have been estimated to the extent of the Contributions received in January 2011 and accounted accordingly.

vii. Sundry Debtors and Other Receivables

Sundry debtors and other receivables are stated at the amounts that they are estimated to realise.

(B) Liabilities

i. Unclaimed Benefits

The EPF benefits duly refunded to the Members or the Beneficiaries, but returned for various reasons and the retained benefits for 2009 have been credited to the unclaimed benefits account until they are re-claimed.

ii. Retained Benefits

The EPF benefits, retained on the instructions of the Commissioner of Labour are shown as Retained Benefits until instructions are received to release them. Such credits are not retained for more than one accounting period in this account.

iii. Under Payments & Over Payments (Refunds)

The balance shown in the Under Payments & over Payments (Refunds) account represents payment of benefits made as part payments.



iv. **Tax Payable on Interest Income**

The liability for income tax is calculated to the extent of the tax payable on investment income. Income tax liability of the Fund is 10% of the gross income earned as interest, dividends and net surcharges. There is no liability on capital gains earned on Treasury bills, Treasury bonds and shares, since they are exempted from tax as per the Inland Revenue Act.

3. Income Statement

i. **Investment Income**

Interest receivable from investments is calculated on the basis of realization concept.

ii. **Dividends**

Dividend income is recognised when the Fund's right to receive the payment is established.

iii. **Provision for all known liabilities**

Excess of income over expenditure has been arrived at after making provisions for all known liabilities and depreciation of fixed assets.

iv. **Consolidated Expenses**

All expenditure incurred in managing the Fund by both the EPF Department of the Central Bank and the EPF Section of the Department of Labour has been charged to the revenue of the Fund as its expenditure.

v. **Prior Year Adjustments**

The year-end balance of the Prior year adjustment account is shown, after making necessary adjustments to the carried forward balance of Income Statement of the previous year.

vi. **Reserves**

During the year under review the Fund transferred Rs. 13 Bn to the profit equalisation reserve fund.

4. Receipts and payments accounts

i. **Receipts**

Amounts shown as receipt are the receipts in the form of cash during the year

ii. **Payments**

All payments are in the form of cash payments.



NOTES TO THE RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR 2010

1. RECEIPTS

Item	2010			(Rs.)
	Monetary Board	Labour Dept.	Total	Total
Contributions	54,795,566,382	-	54,795,566,382	48,711,872,661
Re - imbursement of Expenses by the EPF-CBSL	-	459,711,114	459,711,114	336,493,752
Imprest Account (Commissioner of Labour)	-	64,194,944	64,194,944	-
General Deposit Account - (EPF Contributions)	-	218,946,248	218,946,248	208,856,911
Income - Interest from Investments	87,371,269,035	-	87,371,269,035	74,005,090,234
Less: Income tax	(202,071,301)	-	(202,071,301)	(256,011,415)
	87,169,197,734		87,169,197,734	73,749,078,819
Surcharges	257,163,221	887,850	258,051,071	176,518,735
Capital Gain on sale of T. Bonds/T Bills	874,344,583	-	874,344,583	593,307,440
Capital Gain on dealing of Shares	1,053,484,568	-	1,053,484,568	215,327,859
Dividends	521,225,906	-	521,225,906	114,451,687
Sundry Income	59,267,404	4,697,480	63,964,884	5,656,032
Debtors	468,737	-	468,737	501,181
Settlement of Advances	1,523,000	741	1,523,741	1,098,510
Unclaimed Benefits	(369,629,616)	-	(369,629,616)	85,349,819
Total	144,362,611,919	748,438,377	145,111,050,296	124,198,513,405

**NOTES TO THE RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR 2010****2. PAYMENTS**

Item	2010			(Rs.)
	Monetary Board	Labour Dept.	Total	2009 Total
Refunds	34,015,304,675	-	34,015,304,675	31,389,440,891
			-	-
Investments	403,539,565,620	-	403,539,565,620	328,546,660,749
Less - Maturity Proceeds	(303,275,398,792)	-	(303,275,398,792)	(249,473,593,772)
	100,264,166,828		100,264,166,828	79,073,066,978
WHT paid on Investment	6,738,380,510	-	6,738,380,510	9,760,400,994
Operating Expenses	351,114,889	244,119,616	595,234,505	523,731,715
			-	-
Settlement of creditors/payables	1,912,925,563	-	1,912,925,563	1,613,064,995
Income Tax Retained on Refund of Benefits	3,262,541	-	3,262,541	14,358,561
Reimbursement of expenses - Comm. Labour	483,892,786	-	483,892,786	336,493,752
Under payments and over payments - Refunds	510,942,036	-	510,942,036	597,236,572
Fixed Assets Acquisition	8,817,049	81,763,120	90,580,169	76,607,909
Advances - Staff	(36,000)	-	(36,000)	51,500
- Miscellaneous	3,053,000	78,759,585	81,812,585	22,559,494
General Deposit Account (E. P. F. Contributions)	-	254,898,688	254,898,688	166,281,501
Total	144,291,823,878	659,541,009	144,951,364,887	123,573,294,861



NOTES TO THE INCOME STATEMENT FOR THE YEAR 2010

3. INVESTMENT INCOME

Interest Income	2010			2009
	Monetary Board	Labour Dept.	Total	Total
Interest from SL R-Loan	6,259,603,902	-	6,259,603,902	7,697,071,841
Interest from T-Bonds- Short Term	1,108,260,092	-	1,108,260,092	1,636,500,886
Interest from T-Bonds- Long Term	80,314,106,740	-	80,314,106,740	68,797,232,704
Interest from T-Bill	400,466,071	-	400,466,071	3,280,664
Interest from reverse Repo	265,921,103	-	265,921,103	437,738,013
Interest from Listed Debentures	10,846,356	-	10,846,356	4,243,256
Interest from Unlisted Debentures	742,156,293	-	742,156,293	1,151,269,506
Interest from Inv in Trust Certificate	12,669,660	-	12,669,660	30,779,826
Interest from Inv in Mortgaged Back	50,511,233	-	50,511,233	50,511,233
Interest from PTC	-	-	-	1,648,713
Interest Income	89,164,541,451	-	89,164,541,451	79,810,276,642
Dividend income from listed ordinary shares	528,044,064	-	528,044,064	132,301,053
Dividend income from unlisted ordinary shares	-	-	-	187,500
Dividend income from unlisted Preference shares	81,764,547	-	81,764,547	-
Capital gain/Loss on dealing of T Bonds-Short Term	871,128,139	-	871,128,139	593,288,401
Capital gain/Loss on dealing of T Bonds-Long Term	3,216,444	-	3,216,444	-
Capital gain/loss on dealing of Ordinary Shares -Short Term	388,649,551	-	388,649,551	16,008,682
Capital gain/loss on dealing of Ordinary Shares -Long Term	664,835,017	-	664,835,017	199,319,177
Amortization gain/loss-T-Bonds-Long Term Portfolio	29,060,409,138	-	29,060,409,138	27,336,166,404
Amortization gain/loss-Debentures-Unlisted	890,251	-	890,251	1,128,269
Gain/Loss Marked to Market- Equity short term	172,111,383	-	172,111,383	19,225,169
Gain/Loss on Marked to Market T-Bonds short term	(65,501,869)	-	(65,501,869)	1,327,128,057
Other Investment Income	31,705,546,665	-	31,705,546,665	29,624,752,713
Total Investment Income	120,870,088,116	-	120,870,088,116	109,435,029,354

4. OTHER INCOME

	2010			2009
	Monetary Board	Labour Dept.	Total	Total
Surcharges	257,163,221	-	257,163,221	176,518,735
Fee income from security lending	58,735,290	-	58,735,290	-
Excess Contribution	20,139	-	20,139	15,806
Interest from H/L defaulted (members)	365,155	-	365,155	176,119
Other Income	166,958	69,796,286	69,963,244	5,346,377
Total	316,450,763	69,796,286	386,247,049	182,057,037

**NOTES TO THE INCOME STATEMENT FOR THE YEAR 2010****05. OPERATING EXPENDITURE**

(Rs.)

	2010		2009
	Monetary Board	Labour Dept.	Total
Personnel Expenses	220,367,845	193,889,346	414,257,191
Administration Expenses	188,578,278	179,570,754	368,149,032
Other expenses	34,487,555	7,143,704	41,631,259
Total	443,433,678	380,603,804	824,037,482

**06. BROUGHT FORWARD BALANCE OF THE
INCOME STATEMENT - AFTER ADJUSTMENTS**

(Rs.)

	2010	2009
Brought forward balance as previously reported	17,721,433	17,721,433
Prior Year Adjustments - Monetary Board	-	1,702,634
Prior Year Adjustments - Labour Dept:	-	-
Brought Forward balance as at 31st December after adjustments	17,721,433	19,424,067



NOTES TO THE BALANCE SHEET AS AT 31ST DECEMBER 2010

07. PROPERTY, PLANT AND EQUIPMENT

Asset Class	Cost		Accumulated Depreciation		Net Book Value		2010	2009
	Monetary Board	Labour Dept.	Monetary Board	Labour Dept.	Monetary Board	Labour Dept.	Total	Total
Building and Structure	-	75,457,741	-	579,904	-	74,877,837	74,877,837	25,280,964
Computer Equipment	50,081,151	244,581,770	44,973,102	238,658,853	5,108,049	5,922,917	11,030,966	57,989,042
Office Furniture	11,345,672	30,435,205	7,618,040	18,124,609	3,727,632	12,310,596	16,038,228	20,095,268
Office Equipment	5,387,013	167,382,034	4,116,805	120,561,201	1,270,208	46,820,833	48,091,041	73,927,664
Motor Vehicles	-	93,293,764	-	32,587,160	-	60,706,604	60,706,604	14,302,470
Computer Software	22,225,506	-	19,021,775	-	3,203,731	-	3,203,731	7,796,925
Other	1,871,909	352,104	1,798,294	352,104	73,616	-	73,616	113,524
Total	90,911,250	611,502,617	77,528,015	410,863,831	13,383,235	200,638,787	214,022,022	199,505,857

**NOTES TO THE BALANCE SHEET AS AT 31ST DECEMBER 2010****08. LONG TERM INVESTMENTS**

(Rs.)

	Monetary Board	
	2010	2009
Investments on SL Rupee Loans	40,921,000,000	56,583,253,000
Investments in Treasury Bonds - Long Term	764,965,976,766	645,452,337,564
Investment in Listed ordinary shares-Long Term	38,195,269,040	6,661,375,662
Ordinary Shares Unlisted Long Term	3,475,625,000	2,975,625,000
Investment in Unlisted Preference Shares	1,005,000,000	-
Investment in Debentures-Listed	200,000,000	-
Investment in Debentures-Unlisted	5,665,000,000	8,205,789,949
Investment in Trust Certificate	420,997,690	102,111,939
O/B Recon Investment	(516,031)	(516,031)
Total	854,848,352,465	719,979,977,083

09. OTHER CURRENT ASSETS / RECEIVABLES

(Rs.)

	2010		2009	
	Monetary Board	Labour Dept.	Total	Total
Dividend Receivables	76,002,488	-	76,002,488	13,045,500
Other Receivables	1,734,293	-	1,734,293	8,596,825
Tax Paid at Source	709,529,389	-	709,529,389	738,836,198
Prepayments	7,334,173	10,893,006	18,227,179	7,339,820
Other Current Assets	111,609,630	88,628,423	200,238,053	111,801,745
CGL Imprest	-	324,659,422	324,659,422	234,938,752
Refundable Deposit	-	-	-	350,000
Total	906,209,973	424,180,851	1,330,390,824	1,114,908,839

10. SHORT TERM INVESTMENTS

(Rs.)

	Monetary Board	
	2010	2009
Investments in Treasury Bonds	3,934,969,683	14,085,370,366
Investments in Treasury Bills	5,936,349,431	402,648,389
Investment in listed Ordinary Shares	984,567,038	189,975,554
Investment in Reverse REPO	1,357,000,000	3,462,000,000
Total	12,212,886,152	18,139,994,309

11. CASH AND CASH EQUIVALENTS

	Monetary Board	
	2010	2009
BOC Main Account	1,219,917,097	1,117,212,292
BOC Taxable Account **	(36,627,163)	(1,912,465)
Bank of Ceylon 7 **	(12,731,370)	(14,404,174)
Bank of Ceylon 6	33,053	33,053
People's Bank	132,201,967	132,273,566
SLIP Account	6,778,619	6,413,494
RTGS	825,664	-
Petty Cash	7,820	1,880
Total	1,310,405,686	1,239,617,645

Note**: Although the book balances of the Bank A/Cs show an overdrafts, in fact, have favourable balances.



NOTES TO THE BALANCE SHEET AS AT 31ST DECEMBER 2010

12. OTHER CURRENT LIABILITIES

(Rs.)

	2010		2009	
	Monetary Board	Labour Dept.	Total	Total
EPF Contributions Payable	30,040	1,305,370	1,335,410	1,181,346
ETF Contributions Payable	(172)	-	(172)	(172)
GR/IR Clearing- Inventory	924,440	-	924,440	4,254,097
GR/IR Clearing-Services/Assets	66,967	-	66,967	60,541
Refund Claims Payable	1,027,907	-	1,027,907	100,184,483
Investment Clearing A/C	82,692,011	-	82,692,011	(51,760,912)
Total	84,741,192	1,305,370	86,046,562	53,919,384

13. MEMBER BALANCES

(Rs.)

	Balance as at 01.01.2010	Credits during the year	Debits during the year	Balance as at 31.12.2010
Current Year Contribution - Contribution No 01 A/C	51,181,854,365	66,145,231,557	58,890,600,434	58,436,485,488
Stamented Contribution - Contribution No 02 A/C	602,323,237,565	137,214,041,781	34,267,507,262	705,269,772,083
Contribution from Comm. of Labour - CL No 01 A/C	3,322,832,634	789,525,791	626,728,899	3,485,629,526
U/P O/P Contributions A/C	792,709,550	266,559,686	202,601,158	856,668,078
Contribution for 1997/98 - 96 Contribution A/C	193,376	-	-	193,376
Members Collection A/C	6,184,835	71,876,375,489	71,876,271,505	6,288,820
Unclaimed Benefits	489,494,789	192,058,669	558,865,593	122,687,865
Retained Benefits	5,847,977	10,890,363	6,940,247	9,798,093
Refunds-Part payments (U/P O/P Refunds)	(236,600,307)	544,475,717	(563,941,469)	(256,066,059)
General Deposit Account	274,519,146	218,946,247	(189,226,172)	304,239,221
Total	658,160,273,929	277,258,105,300	165,676,347,457	768,235,696,492

14. RESERVES

(Rs.)

	Balance as at 01.01.2010	Transfers During the year	Balance as at 31.12.2010
Building Reserve Fund	3,157,000,000	-	3,157,000,000
Technology Advancement Reserve Fund	350,000,000	-	350,000,000
Profit Equalisation Reserve Fund	7,000,000,000	13,000,000,000	20,000,000,000
General Reserve Fund	6,650,000,000	-	6,650,000,000
Total	17,157,000,000	13,000,000,000	30,157,000,000

**NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31.12.2010****15. SRI LANKA RUPEE LOANS**

(Rs.)			
Security	Face Value	Cost	Market Value
2009-2015	19,600,000,000	19,600,000,000	19,600,000,000
2009-2015 A	500,000,000	500,000,000	500,000,000
2009-2015 A	1,000,000,000	1,000,000,000	1,000,000,000
2009-2015 A	1,000,000,000	1,000,000,000	1,000,000,000
2009-2015 A	1,000,000,000	1,000,000,000	1,000,000,000
2010-2017	15,471,000,000	15,471,000,000	15,471,000,000
2010-2017	550,000,000	550,000,000	550,000,000
2010-2017	1,800,000,000	1,800,000,000	1,800,000,000
Total	40,921,000,000	40,921,000,000	40,921,000,000



NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31.12.2010

16. TREASURY BONDS

(Rs.)

	Face Value	Amortized Cost	Purchase Cost	Market Value
Short Term				
11.75 % 2014B	9,000,000	9,421,841	9,421,841	9,741,591
11.75%2015A	3,116,000,000	2,966,823,150	2,966,823,150	3,384,714,492
6.50%2015A	600,000,000	543,674,923	543,674,923	540,513,600
Total - Short Term	3,725,000,000	3,519,919,914	3,519,919,914	3,934,969,683
Long Term				
15.50%2011A	15,814,000,000	15,792,047,121	15,118,052,356	15,864,747,126
07.00%2011A	24,375,000,000	24,282,114,919	20,859,769,061	24,369,661,875
14.50%2011A	17,140,000,000	17,058,667,844	16,016,531,191	17,288,055,320
15.50%2011B	6,636,000,000	6,656,757,188	6,851,212,920	6,721,697,304
14.50%2011B	25,672,000,000	25,247,715,759	23,546,781,249	26,491,938,008
12.00%2011A	26,575,000,000	26,903,861,398	27,420,116,811	27,232,066,875
07.00%2011B	28,726,000,000	27,496,564,849	22,007,248,221	28,689,374,350
14.50%2011C	24,859,000,000	23,913,235,698	21,836,444,388	26,060,534,906
07.00%2011C	18,043,647,000	17,007,232,054	14,021,513,392	17,998,772,450
14.50% 2012A	16,866,000,000	16,412,888,540	15,727,668,294	18,020,275,308
14.50%2012B	16,656,000,000	16,558,964,005	16,385,539,073	17,880,132,720
06.85%2012C	32,522,000,000	29,492,501,429	23,461,217,199	32,289,175,002
13.50% 2012A	31,898,000,000	30,670,990,246	29,203,138,230	34,108,212,420
06.85%2012A	18,437,350,000	16,932,670,321	14,547,005,057	18,274,382,263
13.5%2012B	25,773,000,000	24,481,598,483	22,962,839,619	27,902,004,438
06.85%2012B	34,912,100,000	30,683,672,392	25,287,959,713	34,436,527,374
08.50%2013A	28,507,000,000	25,902,856,996	23,257,151,164	28,869,780,082
13.50%2013A	14,014,000,000	13,711,856,286	13,484,855,614	15,454,919,480
10.50%2013A	34,525,000,000	31,570,232,671	29,097,167,230	36,276,177,050
11.50% 2013A	27,752,100,000	28,490,433,496	28,643,370,687	29,883,600,041
08.50%2013B	27,459,000,000	25,483,333,972	23,634,213,840	27,754,898,184
07.50%2013A	33,145,000,000	29,632,177,371	26,453,903,950	32,685,544,010
06.75%2013A	750,000,000	725,151,369	724,799,250	725,523,000
07.50%2013B	31,775,000,000	27,193,520,667	23,529,313,357	31,248,456,475
6.60%2014A	3,242,000,000	3,056,635,751	3,047,022,878	3,060,765,716
06.60%2014A	7,730,000,000	7,317,942,118	7,312,417,670	7,297,877,540
07.00%2014A	21,074,000,000	19,504,475,006	19,252,629,619	20,064,049,624
11.75 % 2014B	31,249,200,000	30,938,916,694	30,749,909,533	33,824,102,831
06.60%2014B	15,055,000,000	14,177,880,312	14,169,043,360	14,093,918,910
11.25% 2014A	9,433,000,000	9,331,224,245	9,298,709,308	10,072,444,204
11.75%2015A	25,941,000,000	25,395,166,061	25,222,285,088	28,178,074,017
6.50%2015A	11,328,500,000	10,322,453,082	10,265,215,157	10,205,347,196
06.50%2015A	5,302,000,000	4,860,779,548	4,856,934,214	4,776,338,512
11.00% 2015A	9,186,000,000	9,178,788,437	9,149,169,080	9,770,872,620
11.00% 2015B	31,249,000,000	32,443,381,337	32,622,429,081	33,238,967,569
7.25%2016A	7,431,200,000	6,673,087,720	6,621,013,338	6,793,655,058
6.40%2016A	29,873,700,000	25,987,481,531	25,782,898,323	26,090,255,642
08.50%2018A	20,919,000,000	16,575,281,927	15,637,565,931	19,999,128,813
07.50%2018A	12,937,000,000	11,935,477,996	11,903,321,242	11,637,426,602
08.50%2019A	2,588,000,000	1,995,338,893	1,943,427,544	2,447,784,748
06.20%2020A	2,660,467,000	2,121,417,874	2,109,917,384	2,115,619,321
07.00%2023A	695,000,000	751,122,100	762,363,499	577,368,470
Total - Long Term	810,726,264,000	764,867,895,708	714,784,084,116	820,770,453,454
Grand Total	814,451,264,000	768,387,815,622	718,304,004,030	824,705,423,137

**NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31.12.2010****17. TREASURY BILLS****(Rs.)**

Item	Face Value	Amortized cost	Purchase Cost	Market Value
364A	4,535,000,000	4,504,858,958	4,146,395,850	4,509,984,940
364D	115,000,000	113,278,158	105,051,580	113,582,625
CBSLSec	1,319,000,000	1,318,212,315	1,318,212,315	1,318,212,315
Grand Total	5,969,000,000	5,936,349,431	5,569,659,745	5,941,779,880

18. REVERSE REPURCHASE AGREEMENTS (REVERSE REPO)**(Rs.)**

Business Partner	Rate	Face Value	Cost Value	Market Value
Bank of Ceylon	6.15	653,000,000	653,000,000	653,000,000
Pan Asia Banking Corporation Ltd	7.34	500,000,000	500,000,000	500,000,000
Asia Capital PLC	7.37	204,000,000	204,000,000	204,000,000
Grand Total		1,357,000,000	1,357,000,000	1,357,000,000



NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31.12.2010

19. CORPORATE DEBENTURES AND OTHER INVESTMENTS

(Rs.)

	Face Value	Purchase Cost	Market Value
Corporate Debentures			
DFCC Bank Debenture	500,000,000	500,000,000	500,000,000
HDFC Bank Debentures HL	195,000,000	195,000,000	195,000,000
SMIB Bank Debentures HL	195,000,000	195,000,000	195,000,000
Commercial Debenture	100,000,000	100,000,000	100,000,000
DFCC Bank Debenture	500,000,000	500,000,000	500,000,000
AITKEN SPENCE DB	175,000,000	175,000,000	175,000,000
DFCC	500,000,000	500,000,000	500,000,000
DFCC	500,000,000	500,000,000	500,000,000
HSBC Bank Debenture	1,000,000,000	1,000,000,000	1,000,000,000
HDFC Bank	200,000,000	200,000,000	200,000,000
Sampath Bank DB	250,000,000	250,000,000	250,000,000
Sampath Bank DB	250,000,000	250,000,000	250,000,000
DFCC	500,000,000	500,000,000	500,000,000
BOC	300,000,000	300,000,000	300,000,000
BOC	200,000,000	200,000,000	200,000,000
Sub Total	5,365,000,000	5,365,000,000	5,365,000,000
Mortgage Backed Security			
NDB Housing Mortgage Backed Security	500,000,000	500,000,000	500,000,000
Sub Total	500,000,000	500,000,000	500,000,000
Trust Certificates			
Peoples' Leasing Company	18,069,489	9,800,000	17,669,409
Commercial Leasing	476,158,592	400,124,098	403,328,281
Sub Total	494,228,081	409,924,098	420,997,690
Grand Total	6,359,228,081	6,274,924,098	6,285,997,690

**NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31.12.2010****20. LISTED AND UNLISTED SHARES**

	(Rs.)	
Stock	Cost	Market Value
Ordinary Shares: Long Term		
ACL Cables PLC	102,074,005	215,584,851
Aitken Spence PLC	924,853,931	2,454,007,567
Aitken Spence Hotels PLC	313,140,496	1,516,379,916
Asian Hotels PLC	170,170,645	399,271,400
Asiri Medical Services PLC	1,680,649	2,068,425
Caltex Lubricants PLC	274,482,560	482,726,750
Ceylon Cold Stores PLC	27,026,584	161,285,700
Ceylon Glass PLC	147,596,131	349,422,388
Ceylon Grain Elevators PLC	217,064	747,000
Ceylon Hospitals PLC	15,952,914	65,343,546
Ceylon Hospitals PLC (NV)	25,410,556	95,697,356
Colombo Dockyard PLC	2,526,321,101	2,738,122,200
Dialog Telekom PLC	985,656,294	1,111,171,650
Dipped Products PLC	691,195,881	701,896,860
Hayleys PLC	499,582,603	705,067,185
Hayleys MGT PLC	194,069,988	124,940,800
Hemas Holdings PLC	548,851,089	1,144,601,188
John Keells Holding PLC	7,842,286,789	10,467,170,163
John Keells Hotels PLC	287,183,247	406,894,000
Lanka IOC PLC	262,426,970	98,189,280
Lanka Tiles PLC	139,698,521	433,260,530
Lanka Walltile PLC	45,269,853	116,054,423
National Development Bank PLC	1,229,641,283	2,517,867,900
Nawaloka Hospitals PLC	71,603,623	68,850,584
Nestle Lanka PLC	29,160,541	92,554,800
Richard Pieris PLC	710,478,577	815,852,520
Sierra Cables PLC	11,651,147	16,819,450
Sri Lanka Telecom PLC	549,127,549	904,696,261
The Lanka Hospital PLC	188,549	294,810
Tokyo Cement PLC (NV)	21,578,763	80,074,186
Trans Asia Hotels PLC	9,855,694	84,808,500
Chemical Industries (Colombo) PLC	387,784,727	428,079,750
Overseas Realty PLC	486,716,900	459,000,000
Taj Samudra Hotel PLC	319,203,353	475,958,940
Royal Ceramic Lanka PLC	146,298,027	503,481,370
Tangerine Beach Hotels PLC	80,783,420	79,637,903
Cargills (Cey) PLC	1,145,845,579	1,195,769,840
Chemical Industries Colombo PLC (NV)	226,307,133	284,685,030
Commercial Bank of Ceylon PLC	2,670,096,474	4,315,886,405
Haycarb PLC	140,717,500	134,800,000
Ceylon Theatres PLC	191,179,740	311,704,470
Amaya Leisure PLC	274,182,215	348,492,276
Seylan Bank PLC	322,155,156	639,876,060
Hatton National bank PLC	4,341,943,208	7,214,995,800
EDEN Hotels PLC	185,340,545	233,671,680
DFCC PLC	1,829,011,388	2,528,966,440
Sampath Bank PLC	1,899,708,143	3,426,377,759
Light House Hotel PLC	279,921,027	289,800,000
Seylan Bank PLC (NV)	250,404,118	312,159,400
Raigam Wayamba Saltern PLC	87,947,502	82,505,200
Galadari Hotel PLC	810,321,610	848,896,760
Hotel Services PLC	286,520,276	252,618,600
Ceylon Hotels Corporation PLC	689,237,857	715,111,650
DIMO PLC	848,425,351	875,273,850
Carsons Cumberbatch PLC	279,568,615	295,757,160
Bukith Darah PLC	565,352,980	617,748,328
Lanka Orix Leasing Co PLC	665,895,363	639,000,000
Laugh Gas PLC	122,157,828	124,752,530
Laugh Gas PLC (NV)	34,230,803	38,150,700
Sub Total- Long Term	38,225,690,434	56,044,880,088



NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31.12.2010

20. LISTED AND UNLISTED SHARES (Contd.)

Ordinary Shares: Short Term	Cost	Market Value
ACL Cables PLC	12,225,127	13,096,890
Asiri Hospitals PLC	4,144,778	3,738,240
Caltex Lubricants PLC	10,351,258	10,319,650
Ceylon Glass PLC	2,947,146	3,247,140
Dialog Telekom PLC	13,277,670	13,560,560
Dipped Products PLC	53,539,706	51,937,830
Distilleries PLC	88,681	160,110
Hayleys PLC	11,845,243	11,730,000
Hayleys MGT PLC	1,746,748	1,596,800
Hemas Holdings PLC	42,541,990	46,520,300
John Keells Holding PLC	74,178,403	73,704,800
John Keells Hotels PLC	15,808,745	15,611,320
Lanka IOC PLC	9,382,974	9,296,910
Lanka Walltile PLC	11,325	27,780
Nawaloka Hospitals PLC	264,996	142,450
Richard Pieris PLC	165,226,001	165,747,750
Sierra Cables Ltd PLC	36,142,418	35,969,930
Sri Lanka Telecom PLC	17,124,991	20,996,500
Tokyo Cement PLC (NV)	4,018,045	4,894,939
Chemical Industries (Colombo) PLC	5,907,234	11,452,980
Overseas Realty PLC	10,251,431	8,909,955
Riverina Hotels PLC	54,310,045	56,777,760
Taj Samudra Hotel PLC	12,909	265,290
Royal Ceramic Lanka PLC	15,244,600	15,458,430
Agalawatta Plantations PLC	378,765	982,800
Balangoda Plantations PLC	3,771,959	4,879,000
Tangerine Beach Hotels PLC	18,967,507	22,661,760
Stafford Hotels PLC	4,370,981	9,008,640
Malwatte Valley Plantations PLC	154,550	288,400
Pegasus Hotels of Ceylon PLC	4,183,849	9,056,440
Bogawantalawa Tea State PLC	1,050,584	819,386
Kelani Valley Plantations PLC	4,346,739	13,367,640
Talawakalle Plantations PLC	1,477,076	2,742,240
C W Mackie PLC	847,974	859,510
Hemas Power PLC	614,000	905,650
Cargills (Cey) PLC	9,155,511	9,770,000
Chemical Industries Colombo PLC (NV)	1,643,770	1,878,120
Chemanex PLC	3,518,470	3,118,650
ACL Placstics PLC	17,748,235	24,640,000
Haycarb PLC	24,163,933	23,573,150
Valible Power PLC	1,430	2,700
Brown & Co PLC	70,656,298	66,860,520
Ceylon Theatres PLC	9,942,998	18,945,990
Sigiriya Village PLC	38,941	118,700
Amaya Leisure PLC	14,346,077	18,266,298
Lanka Aluminium Industries PLC	166,657	221,340
Lankem Ceylon PLC	6,924,269	8,378,780
Browns Beach PLC	4,426,657	5,514,600
EDEN Hotels PLC	8,991,295	16,300,800
SERENDIB PLC (NV)	3,583,834	8,149,800
Singer Sri Lanka PLC	2,788,406	6,844,500
Watawala Plantation PLC	8,877	27,900
Tea Smallholders Factories PLC	136,949	255,000
Light House Hotel PLC	29,501,242	30,542,400
Raigam Wayamba Saltern PLC	40,162,599	36,952,000
Hotel Services PLC	18,368,681	17,435,600
Colombo Land PLC	14,672,484	15,944,860
PC House PLC	4,001,800	4,110,940
Laugh Gas PLC	10,763,571	10,360,000
Laugh Gas PLC (NV)	11,428,059	11,310,900
Sub Total- Short Term	907,897,492	980,259,329
Total Listed Equity	39,133,587,926	57,025,139,417

**NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31.12.2010****20. LISTED AND UNLISTED SHARES**

(Rs.)		
Stock	Cost	Market Value
Unlisted Ordinary Shares - Long Term		
Fitch Ratings Lanka Limited	625,000	625,000
West Coast Power (Pvt) Ltd	2,975,000,000	2,975,000,000
Sri Lankan Airlines	500,000,000	500,000,000
Sub Total- Unlisted Ordinary Shares	3,475,625,000	3,475,625,000
Unlisted Preference Shares - Long Term		
Sri Lankan Catering Preference 15%	1,005,000,000	1,005,000,000
Sub Total-Unlisted Preference Shares	1,005,000,000	1,005,000,000
Total Unlisted Equity	4,480,625,000	4,480,625,000
Grand Total	43,614,212,926	61,505,764,417



NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31ST DECEMBER 2010

21. MOVEMENT OF INVESTMENTS

(i) MOVEMENT OF LONG TERM INVESTMENTS

Type of Investment	Rate	Opening Balance	Investments	Maturities	Sales	Transfers	Amortization	Closing Balance	2010	2009	Change %
Treasury Bonds											
	6.20	-	2,109,917,384	-	-	-	11,500,490	2,121,417,874	0.2	-	0.2
	6.40	-	25,782,898,323	-	-	-	204,363,207	25,987,481,531	3.0	-	3.0
	6.50	-	15,122,149,371	-	-	-	61,083,259	15,183,232,630	1.8	-	1.8
	6.60	-	24,528,483,908	-	-	-	23,974,274	24,552,458,182	2.9	-	2.9
	6.75	-	724,799,250	-	-	-	352,119	725,151,369	0.1	-	0.1
	6.85	64,423,770,592	7,612,810,423	-	-	-	5,072,263,127	77,108,844,143	9.0	8.95	0.1
	7.00	65,559,522,889	19,252,629,619	-	-	-	4,229,356,420	89,041,508,928	10.4	9.11	1.3
	7.20	25,138,092,624	-	25,320,000,000	-	-	181,907,376	0	0.0	3.49	(3.5)
	7.25	-	6,621,013,338	-	-	-	52,074,382	6,673,087,720	0.8	-	0.8
	7.50	54,504,381,000	11,911,670,348	-	-	-	2,345,124,685	68,761,176,033	8.0	7.57	0.5
	7.60	14,947,196,225	-	15,063,000,000	-	-	115,803,775	(0)	0.0	2.08	(2.1)
	8.50	67,899,960,498	-	-	-	-	2,056,851,290	69,956,811,788	8.2	9.43	(1.2)
	10.50	30,547,251,821	-	-	-	-	1,022,980,851	31,570,232,671	3.7	4.24	(0.5)
	11.00	24,192,967,890	17,575,448,401	-	-	-	(146,246,517)	41,622,169,774	4.9	3.36	1.5
	11.25	9,309,309,034	-	-	-	-	21,915,211	9,331,224,245	1.1	1.29	(0.2)
	11.50	4,930,882,844	23,733,323,182	-	-	-	(173,772,530)	28,490,433,496	3.3	0.68	2.7
	11.75	46,978,361,734	9,277,014,741	-	-	-	176,787,338	56,432,163,813	6.6	6.53	0.1
	12.00	745,080,622	26,676,518,811	-	-	-	(517,738,034)	26,903,861,398	3.1	0.10	3.0
	13.50	58,189,851,390	9,053,591,151	-	-	-	1,621,002,474	68,864,445,015	8.1	8.08	(0.0)
	14.50	93,113,314,060	3,227,684,131	-	-	-	2,850,473,656	99,191,471,847	11.6	12.93	(1.3)
	15.50	84,972,394,342	-	64,497,500,000	10,418,260	-	2,075,328,226	22,448,804,309	2.6	11.80	(9.2)
SUB TOTAL		645,452,337,564	203,209,952,383	104,880,500,000	10,418,260	-	21,285,605,079	764,965,976,766	89.5	89.6	(0.1)
Rupee Loan	9.50	19,600,000,000	-	-	-	-	-	19,600,000,000	2.3	2.72	(0.4)
	11.00	3,500,000,000	-	-	-	-	-	3,500,000,000	0.4	0.49	(0.1)
	12.00	15,662,253,000	-	15,662,253,000.00	-	-	-	-	0.0	2.18	(2.2)
	19.00	17,821,000,000	-	-	-	-	-	17,821,000,000	2.1	2.48	(0.4)
SUB TOTAL		56,583,253,000	-	15,662,253,000	-	-	-	40,921,000,000	4.8	7.9	(3.1)
Corporate Debentures											
DFCC Bank Debenture		500,000,000	-	500,000,000.00	-	-	-	-	0.0	0.07	(0.1)
DFCC Bank Debenture		500,000,000	-	-	-	-	-	500,000,000	0.1	0.07	(0.0)
HDFC Bank Debentures		250,000,000	-	55,000,000.00	-	-	-	195,000,000	0.0	0.03	(0.0)
SMIB Bank Debentures		250,000,000	-	55,000,000.00	-	-	-	195,000,000	0.0	0.03	(0.0)
Commercial Debenture		50,000,000	-	50,000,000.00	-	-	-	-	0.0	0.01	(0.0)
Commercial Debenture		100,000,000	-	-	-	-	-	100,000,000	0.0	0.01	0.0
DFCC Bank Debenture		500,000,000	-	500,000,000.00	-	-	-	-	0.0	0.07	(0.1)
DFCC Bank Debenture		500,000,000	-	-	-	-	-	500,000,000	0.1	0.07	(0.0)
John Keells Holdings Debenture		500,000,000	-	500,000,000.00	-	-	-	-	0.0	0.07	(0.1)
John Keells Holdings Debenture		499,109,749	-	500,000,000.00	-	-	890,250	(0.00)	0.0	0.07	(0.1)



NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31ST DECEMBER 2010

21. MOVEMENT OF INVESTMENTS (Contd..)

AITKEN SPENCE Debenture	250,000,000	-	-	75,000,000	-	-	-	175,000,000	0.0	0.03	(0.0)
DFCC Bank Debenture	500,000,000	-	-	-	-	-	-	500,000,000	0.1	0.07	(0.0)
DFCC Bank Debenture	500,000,000	-	-	-	-	-	-	500,000,000	0.1	0.07	(0.0)
HSBC Bank Debenture	1,000,000,000	-	-	-	-	-	-	1,000,000,000	0.1	0.14	(0.0)
HDFC Bank Debentures	200,000,000	-	-	-	-	-	-	200,000,000	0.0	0.03	(0.0)
Sampath Bank Debenture	250,000,000	-	-	-	-	-	-	250,000,000	0.0	0.03	(0.0)
SAMPATH BANK DEBENTURE	250,000,000	-	-	-	-	-	-	250,000,000	0.0	0.03	(0.0)
MBSL Debenture	300,000,000	-	-	300,000,000	-	-	-	-	0.0	0.04	(0.0)
DFCC Bank Debenture	500,000,000	-	-	-	-	-	-	500,000,000	0.1	0.07	(0.0)
BOC Debenture	300,000,000	-	-	-	-	-	-	300,000,000	0.0	0.04	(0.0)
BOC Debenture	-	200,000,000	-	-	-	-	-	200,000,000	0.0	-	0.0
SUB TOTAL	7,699,109,749	200,000,000	2,535,000,000	-	-	890,251	5,365,000,000	0.6	1.05	(0.4)	
Listed Equity	6,661,375,662	32,180,607,571	-	646,714,193	-	-	38,195,269,040	4.5	0.9	3.5	
Unlisted Equity	2,975,625,000	1,505,000,000	-	-	-	-	4,480,625,000	0.5	0.4	0.1	
Mortgage Backed Securities	500,000,000	-	-	-	-	-	500,000,000	0.1	0.1	(0.0)	
Pass Through Certificate	-	-	-	-	-	-	-	-	0.0	-	-
Trust Certificate	102,111,938	400,124,098	93,911,198	-	-	12,672,851	420,997,690	0.0	0.0	0.0	
Total Long Term Investments	719,973,812,913	237,495,684,052	123,171,664,198	748,132,452	-	21,299,168,181	854,848,868,496	100.0	100	0.0	

(ii) MOVEMENT OF SHORT TERM INVESTMENTS

Type of Investment	Rate	Opening Balance	Investments	Maturities	Sales	Transfers	Marked To Market	Closing Balance	2010	2009	Change %
Treasury Bonds											
Treasury Bills	6.50	-	1,499,252,750	-	955,577,827	-	(3,161,322)	540,513,600	4.4	-	4.4
Listed Equity	7.50	-	94,242,000	-	94,310,200	-	68,200	-	0.0	-	-
Unlisted Equity	10.50	542,276,900	-	-	561,963,050	-	19,686,150	-	0.0	3.0	(3.0)
Mortgage Backed Securities	11.00	493,484,200	210,242,539	-	729,623,220	-	25,896,480	-	0.0	2.7	(2.7)
Pass Through Certificate	11.75	9,428,872,150	1,078,569,817	-	7,658,499,545	-	545,513,661	3,394,456,083	27.8	52.0	(24.2)
Trust Certificate	14.50	325,738,500	-	-	325,738,500	-	(3,107,376)	-	0.0	1.8	(1.8)
Reverse Repo	15.50	3,294,998,616	-	-	3,291,891,240	-	-	-	0.0	18.2	(18.2)
SUB TOTAL		14,085,370,366	2,882,307,107	-	13,617,603,582	-	584,895,792	3,934,969,683	32.2	77.6	(45.4)
Type of Investment	Rate	Opening Balance	Investments	Maturities	Sales	Loss/Gain on Marked to Market	Amortization	Closing Balance	2010	2009	Change %
Treasury Bills		402,648,389	10,179,029,971	5,045,795,000	-	-	400,466,071	5,936,349,431	48.6	2.2	46.4
Listed Equity		189,975,554	2,222,076,866	-	1,493,216,550	65,731,169	-	984,567,038	8.1	1.0	7.0
Unlisted Equity		-	-	-	-	-	-	-	0.0	-	-
Mortgage Backed Securities		-	-	-	-	-	-	-	0.0	-	-
Pass Through Certificate		-	-	-	-	-	-	-	0.0	-	-
Trust Certificate		-	-	-	-	-	-	-	0.0	-	-
Reverse Repo		3,462,000,000	418,946,908,000	421,051,908,000	-	-	-	1,357,000,000	11.1	19.1	(8.0)
Total Short Term Investments		18,139,994,309	434,230,321,943	426,097,703,000	15,110,820,133	65,731,169	985,361,864	12,212,886,152	100	100	
Grand Total Investments		738,113,807,222	671,726,005,995	549,269,367,198	15,858,952,585	65,731,169	22,284,530,045	867,061,754,648			



NOTES TO THE STATEMENT OF INVESTMENTS AS AT 31ST DECEMBER 2010

22. CLASSIFICATION OF MATURITY PROFILE OF THE PORTFOLIO AS AT 31ST DECEMBER 2010

(Rs.)

Class Of Investment	Rate	Maturity In											Not Defined	Total
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2023		
Treasury Bond	6.20						29,874				2,660			2,660
	6.40					17,231								29,874
	6.50				26,027									17,231
	6.60													26,027
	6.75			750										750
	6.85		85,871											85,871
	7.00	71,145			21,074							695		92,914
	7.85													-
	7.25						7,431							7,431
	7.50			64,920					12,937					77,857
	7.60													-
	8.50			55,966					20,919	2,588				79,473
	10.50			34,525										34,525
	11.00					40,435								40,435
	11.25				9,433									9,433
	11.50			27,752										27,752
	11.75				31,258	29,057								60,315
	12.00	26,575												26,575
	13.50		57,671	14,014										71,685
	14.50	67,671	33,522											101,193
	15.50	22,450												22,450
Sub Totals		187,841	177,064	197,927	87,792	86,723	37,305	-	33,856	2,588	2,660	695	-	814,451
Sri Lankan Rupee Loan	9.50					19,600								19,600
	11.00					3,500								3,500
	12.00					-								-
	19.00							17,821						17,821
Sub Totals		-	-	-	-	23,100	-	17,821	-	-	-	-	-	40,921
Corporate Debentures														
DFCC Bank		500												500
HDFC Bank						85								85
HDFC Bank											110			110
SMI Bank						85								85
SMI Bank											110			110
Commercial Bank		100												100
DFCC Bank		500												500
AITKEN SPENCE		75	100											175
DFCC		500												500
DFCC		500												500
HSBC Bank Debenture		1,000												1,000
HDPC Bank		200												200
Sampath Bank			250											250
Sampath Bank			250											250
BOC						200								200
DFCC			500											500
BOC				300										
Sub Total		3,375	1,100	300	-	370	-	-	-	-	220	-	-	5,365
Treasury Bills		5,969												5,969
Mortgage Backd Securities											500			500
Trust Certificates		108	291	95										494
Listed Equity													39,180	39,180
Unlisted Equity													4,481	4,481
Reverse Repo		1,357												1,357
Grand Total		198,650	178,455	198,322	87,792	110,193	37,305	17,821	33,856	2,588	3,380	695	43,661	912,718



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
இலக்கம்
My No

EL/D/EPF/FA/10

ඔබේ අංකය
உமது இல
Your No.

දිනය
திகதி
Date

19 October 2011

Hon. Minister,

Ministry of Labour and Labour Relations

Report of the Auditor General on the Financial Statements of the Employees' Provident Fund for the year ended 31st December 2010 in terms of Section 6 (3) of the Employees' Provident Fund Act No. 15 of 1958.

The audit of financial statements of the Employees' Provident Fund for the year ended 31 December 2010 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 6(3) of the Employees' Provident Fund Act, No. 15 of 1958. My comments and observations on these financial statements in terms of Section 6(3) of the Employees' Provident Fund Act appear in this report.

1:2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

1:3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion.

2 Financial Statements

2:1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Employees' Provident Fund had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 2.2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards give a true and fair view of the state of affairs of the Employees' Provident Fund as at 31 December 2010 and the financial results of its operation and cash flows for the year then ended.

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2:2 Comments of Financial Statements

2:2:1 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) The ledger of the Employees' Provident Fund in the Department of Labour had not been properly maintained and a journal to identify the entries in that ledger clearly and in detail had not been furnished to audit.
- (b) Eventhough the receipts and payments made to / by the District offices on court orders had been shown as receipts and payments amounting to Rs. 219,871,362 and Rs. 178,195,942 respectively in the deposit account, they had not been disclosed in the final accounts.
- (c) As a sum of Rs. 15,413,871 relating to the employees' Provident Fund had been transferred from the Labour commissioner's Imprest account to the Commissioner General of Labour accounts the correct right of the beneficiaries of the Fund had not been shown in the accounts.

2:2:2 Un-reconciled Control Accounts

Instances of non-reconciliations were observed between the following balances shown in the financial statements and the relevant schedules.

	As per Accounts	As per Schedules	Difference
	Rs.	Rs.	Rs.
Unsettled Advance Account	65,096,750	64,581,379	515,373
General Deposit Account (6000-0-15-102)	273,665,454	293,920,531	20,255,077

2:2:3 Accounts Receivable and Payable

The following observations are made.

- (a) The following balances had remained unsettled for a long period.

Item	01 to 02 Years	02 to 05 Years	More than 05 Years	Total
	Rs.	Rs.	Rs.	Rs.
i. Balance Receivable	-	1,734,293	-	1,734,293
ii. Debit Tax	-	-	29,953,807	29,953,807
iii. Pre-payments	-	5,161,853	1,642,320	6,804,173
iv. Sundry Creditors	529,012	-	-	529,012

- (b) Contributions totalling Rs. 3,449,915,049 collected by the Commissioner General of Labour by filing court cases and collected as arrears of installments which should have been credited to each member's account had not been credited to the relevant member's account even by 30 June 2011.
- (c) The balances of the UP and OP Contribution account amounting to Rs. 856,668,078 which is being increased since the beginning of the Fund had not been settled even by 30 June 2011.

2:2:4 Lack of Evidence for Audit

Evidence stated against the following items of accounts was not made available for audit.

Item	Value	Evidence not made available
(a) Fixed assets belonging to the Employees' Provident Fund of the Department of Labour	611,502,617	Proper annual Board of Survey reports and detailed schedules.
(b) Depreciation of fixed assets belonging to the Employees' Provident Fund of the Department of Labour.	122,429,440	Detailed schedules.
(c) Inventory stocks of the Central Bank of Sri Lanka and the Department of Labour.	9,362,613	Proper annual Board of Survey Reports.
(d) Fuel and repair expenditure of 44 vehicles belonging to the Employees' Provident Fund.	3,311,504	Vehicles Running Chart and the properly maintained Log Books.

2:2:5 Non - compliance with Laws, Rules, Regulations and Management Decisions

Following non-compliances were observed in audit.

Reference to Laws, Rules, Regulations etc.	Non-compliance
(a) Section 03 of the Employees' Provident Fund (Amendment) Act No. 26 of 1981	At test carried out in audit in respect of surcharging for non-payment of Employees' Provident Fund contributions on due dates with the data base system in the Central Bank of Sri Lanka, it was revealed that action had not been taken to recover surcharges of Rs. 101,547,938 due from 72 institutions registered with the Fund for the period from 2000 to 2009 even by 30 April 2010.
(b) Financial Regulation of the Government of Sri Lanka (F.R.) F. R. 104	At a test check revealed that report on losses relating to a vehicle accident had not been submitted to the Auditor General.



- | | |
|---|--|
| F. R. 371 (5) | Unsettled advances of Rs. 65,096,750 in the Employees' Provident Fund Division of the Department of Labour as at the end of the year under review were being increased from the inception. |
| F. R. 1645 (a), (b) and 1646 | Vehicle Log Books in respect of 25 vehicles belonging to the Employees' Provident Fund had not been properly maintained and the Daily Running Charts and Monthly Summaries had not been submitted to the Auditor General before the 15th day of the month following. |
| (c) Chapter XIV of the Establishments Code of Government of Sri Lanka | Irrespective of the place of starting the official travel and the place of temporary residence during the official visit, travelling expenses of Rs. 16,767,657 had been paid including the combined allowances for official visit within the Urban Limits. |

3 Financial and Operating Review

3:1 Financial Review

3:1:1 Financial Results

The operation of the Fund for the year under review had resulted in an after tax net surplus of Rs.111,445,011,747 as compared with a net surplus of Rs.101,249,662,165 for the preceding year. Accordingly, the net surplus had increased by Rs.10,195,349,582 as compared with that of the preceding year. Increasing the investment income by Rs.11,435,058,762 had been the main reason for this improvement.

3:2 Operating Review

3:2:1 Management Inefficiencies

The following observations are made.

- (a) Payment of Employees' Provident Fund Benefits.
 - (i) The amount of Rs.62,571,667 recovered during the period 2005 to 2008 as contributions of the members of the Employees' Provident Fund and surcharges recovered by courts had been credited to the government revenue during the year under review without being credited to their personal accounts due to non availability of information of the relevant members with the Fund.
 - (ii) Even though the refund of contributions of deceased members of the Fund should be paid to their nominees, refunds relating to the year 1986 had also not been made. It was revealed that a sum of Rs.16,572,359 relating to 79 applications

from 2007 to 2009 which had been examined had not been paid yet.

- (iii) Applications of the beneficiaries now in dormant client institutions of the Employees' Provident Fund are referred to a committee consisting of the members of the Central Bank of Sri Lanka and the Department of Labour to make the payment by considering the difference in names of the applicants. Due to inefficiency of that committee, benefits valued at Rs.49,635,261 in respect of applications of 430 members elapsed for one or more than one year had not been paid even by 30 June 2011.

(b) Examination of Register of Public Evidence

In the examination of the Register of public Evidence in the Colombo South District Labour Office it was observed that there were 27 instances for which legal action had not been taken to recover contributions and surcharges even though a long period had elapsed after sending the legal act 01 and 03. The outstanding contributions and surcharges recoverable therein amounted to Rs.22,880,445.

(c) Field Inspections

- (i) Out of total registered institutions in the Zone No. 02 attached to the Colombo Central District Labour Office, 63 per cent had not been inspected during the year under review.
- (ii) Out of 28 registered institutions in the Colombo Central District Labour Office, it was observed that there were instances of non-payment of contributions during the period from 2000 to 2010. Opportunities to recover contributions by legal actions had been deprived of as the Labour Officers had not inspected the institutions.
- (iii) The reply to the audit query reported in respect of the value of Rs.313,452,501 relating to the matters such as non-taking legal action by filing court cases to recover the contributions and surcharges from institutions attached to the area of authority of the Colombo Central District Labour Office, non-taking follow up action though cases were filed, evasion of payment of installments by institutions who had been given such facilities,



no-recovery of Employees' Provident Fund contributions before institutions were liquidated, non-settlement of money deposited in the Employees' Provident Fund Suspense account by issuing "c" Forms, non-crediting the contributions and surcharges received during the period from 2003 to 2006 to the respective individual members accounts and non-recovery of surcharges had not been submitted even up to 30 June 2011. Even though it was stated that the reply would be submitted in respect of the paragraph 3.2.5 (d) of the Auditor General's report for the year 2009 indicating the above matters within 2 weeks after being investigated, no reply had been sent even as at that date.

- (d) Legal process initiated in respect of 93 instances to recover the outstanding contributions and surcharges of Rs. 14,727,297 within the area of authority of the Colombo South District Labour Office had been suspended half way due to rescheduling of court cases, putting cases to a side, appealing and as such benefits receivable by the members of the Fund had been deprived.
- (e) According to the data base, contributions from 11 client institutions in the Zone No 07 attached to the Colombo South District Labour Office which are in active condition had not been recovered during the period from 2000 to 30 April 2011. The Commissioner General of Labour had stated in his reply in this connection that it was not possible to close the files as such after checking them due to heavy duties of the officers and action would be taken to close the files after being identified few files per month.
- (f) As the Institute No. B - 39765 located within the area of authority of the Colombo West Labour Office was not subjected to supervise nearly a period of 11 years from 1999 to 2010 of the Employees' Provident Fund, payment of 7 employees aggregating a sum of Rs.845,460 comprising the contributions of Rs.573,400 and surcharges of Rs.272,060 had been evaded.

3:2:2 Uneconomic Transactions

The following observations are made

- (a) Despite an offset printing machine valued at Rs.21,884,084 had been purchased in the year 2008 for the printing of forms of the

Employees' Provident fund purposed, a sum of Rs.4,086,322 had been paid to the Government Press in the year under review for printing specimen forms.

- (b) A sum of Rs.3,394,075 comprising Rs.985,438, Rs.1,134,012 and Rs.1,274,625 in the years 2007, 2009 and 2011 respectively had been paid to the International Social Security Organization as the Labour Department's subscriptions. Nevertheless, apart from participating 2 officers to a seminar held in South Africa from 29 November 2010 to 04 December 2010 by that organization, any other benefits what so ever had been received by the Fund.

3:2:3 Resources of the Fund Released to Other State Institutions

Capital items valued at Rs.5,399,660 purchased under the expenditure items of the Employees' Provident fund had been given to the Department of Labour.

3:2:4 Idle and Underutilized Assets

- (a) Five Kiosk machines and related accessories valued at Rs.7,457,195 purchased under the Project of the Re-registration of members of the Employees' Provident Fund had not been installed in the relevant location and utilized even as at 30 June 2011.
- (b) 15,000 memory chips valued at Rs.10,965,000 purchased for the issue of identity cards under the same project had been lying idle without being used.

3:2:5 Identified Losses

The vehicle bearing No. 60-7389 belonging to the Employees' Provident fund had met with an accident, causing a loss of Rs.325,150. Action had not been taken to recover the loss from the parties responsible or to cover from the insurance company.

4. System and Controls

Deficiencies in system and control observed during the course of audit were brought to the attention of the Commissioner General of Labour and the Superintendent, Central Bank of Sri Lanka from time to time. Special attention is needed in respect of the following areas of control.



4:1 Department of Employees' Provident Fund, Central Bank of the Sri Lanka.

- (a) Accounting
- (b) Internal Audit
- (c) Bank Accounts
- (d) Dishonoured Cheques

- (b) Recovery of Surcharges
- (c) Replies to Audit queries
- (d) Fixed Assets
- (e) Advances and Pre-payments
- (f) Inspection of client Institutions

4:2 Employees' Provident Fund Division of the Department of Labour

- (a) Accounting

H.A.S. Samaraweera
Acting Auditor General



ஊடகம் 02 / அட்டவணை 02 / Table 02

சாமானிய ஷேர் மன பைலி அனுபவிகை (1980-2010)
உறுப்பினர் நிலுவை மீதான வருவாய் வீதம் (1980-2010)
Rate of Return on Member Balances (1980-2010)

வசர் ஆண்டு Year	புகாசு கல பைலி அனுபவிகை வெளிப்படுத்தப்பட்ட வருவாய் Rate of Return declared (%)	சாமானிய ஷேர் மன ஷேர் புகிலா அனுபவிகை உறுப்பினர் நிலுவைகள் மீதான செயற்கிறன் வருவாய் Effective Rate of Return on Member Balances(%)	சாமானிய வார்டிகை ருடெமெகை ஆண்டு சராசரி பணவீக்க வீதம் Annual Average Inflation(%)	சாமானிய ஷேர் மன ஷேர் புகிலா அனுபவிகை உறுப்பினர் நிலுவைகள் மீதான பயனுறு வருவாய் வீதம் Real Effective Rate of Return on member balances (%)	வசர் 5 வுல மெகை ஷேர் புகிலா அனுபவிகை 5 வருடநகரும் சராசரி வீதம் (மெய் வருவாய் வீதம்) 5 Year Moving Average - Real Effective Rate of Return
1980	8.50	9.05	26.12	-17.07	-2.29
1981	9.50	10.03	17.98	-7.95	-4.90
1982	10.00	10.55	10.84	-0.29	-6.30
1983	12.00	12.62	13.96	-1.34	-5.77
1984	12.50	13.17	16.64	-3.47	-6.02
1985	12.50	13.21	1.46	11.75	-0.26
1986	12.50	13.17	7.98	5.19	2.37
1987	12.50	13.02	7.72	5.30	3.49
1988	13.00	13.60	13.99	-0.39	3.68
1989	11.00	11.45	11.57	-0.12	4.35
1990	11.50	11.93	21.49	-9.56	0.08
1991	11.50	11.97	12.19	-0.22	-1.00
1992	11.50	11.87	11.39	0.48	-1.96
1993	13.50	13.99	11.74	2.25	-1.43
1994	12.75	13.17	8.45	4.72	-0.47
1995	12.75	13.15	7.67	5.48	2.54
1996	12.75	13.12	15.94	-2.82	2.02
1997	12.75	13.03	9.60	3.43	2.61
1998	12.25	12.46	9.40	3.06	2.77
1999	11.50	11.72	4.70	7.02	3.23
2000	11.50	11.69	6.20	5.49	3.24
2001	11.50	11.69	14.20	-2.51	3.30
2002	12.10	12.26	9.60	2.66	3.14
2003	12.00	12.07	6.30	5.77	3.69
2004	9.50	9.59	7.60	1.99	2.68
2005	9.00	9.13	11.60	-2.47	1.09
2006	10.10	10.30	13.70	-3.40	0.91
2007	11.20	11.40	17.30	-5.90	-0.80
2008	13.20	13.44	21.60	-8.16	-3.59
2009	13.75	13.92	3.40	10.52	-1.88
2010	12.50	12.66	5.90	7.06	2.75
பகுகை வசர் 25 ஷடா சாமானிய ஷேர் புகிலா அனுபவிகை கடந்த 25 ஆண்டுகளுக்கான சராசரி பயனுறுதி வாய்ந்த மெய் வருவாய் வீதம் Average Real Effective Rate of Return for the past 25 Years				1.73	



සංඛ්‍යා සටහන 03 / அட்டவணை 03 / Table 03

සාමාජික ශේෂ, සාමාජික ශේෂ මත පොලී සහ සඵල පොලී අනුපාතිකය (1972-2010)

உறுப்பினர் நிலுவைகள், வட்டி மற்றும் அவற்றின் மீதான மெய் வருவாய் வீதம் (1972-2010)

Member Balances, Interest on Member Balances and Effective Rate on Member Balances (1972-2010)

වසර ஆண்டு Year	වර්ෂයේ පොලී බැර කිරීමට පෙර සහ වර්ෂයේ දායක මුදල් බැර කළ පසු සාමාජික ශේෂය வட்டி வரவு வைக்கப்பட்ட முன்னைய ஆண்டின் உதவுதொகைகளை உள்ளடக்கியதுமான உறுப்பினர் நிலுவைகள் Member Balances before crediting interest but including contributions of the year (Rs Mn)	සාමාජික ශේෂ මත ප්‍රකාශ කළ ප්‍රතිලාභ අනුපාතිකය உறுப்பினர் நிலுவைகள் மீது வெளிப்படுத்தப்பட்ட வருவாய் வீதம் Declared rate of return on member balances	සාමාජික ශේෂ සඳහා බැර කළ පොලී ප්‍රමාණය (රු.මිලිය.) உறுப்பினர் நிலுவைகள் மீது செலவு வைக்கப்பட்ட வட்டித் தொகை (ரூபா.மில்) Amount of interest credited on member balances (Rs Mn)	සාමාජික ශේෂ මත සඵල ප්‍රතිලාභ අනුපාතිකය உறுப்பினர் நிலுவைகள் மீதான செயற்றிறன் வருவாய் வீதம் Effective rate of return on member balances	වර්ෂය තුළ ලැබූ දායක මුදල් සහ පොලී බැර කළ පසු සාමාජික ශේෂය வட்டி செலவு வைக்கப்பட்ட பின்னர் உள்ளதும் உதவு தொகைகளை உள்ளடக்கியதுமான உறுப்பினர் நிலுவைகள் Member Balances after crediting interest & including contributions (Rs Mn)
1972	950	5.00%	57	-	1,007
1973	1,169	5.50%	72	6.62%	1,241
1974	1,414	6.00%	91	6.85%	1,505
1975	1,695	6.00%	105	6.56%	1,800
1976	2,015	6.00%	121	6.34%	2,136
1977	2,396	7.50%	180	7.94%	2,576
1978	3,035	7.50%	228	8.13%	3,263
1979	3,768	8.00%	301	8.56%	4,069
1980	4,620	8.50%	393	9.05%	5,013
1981	5,596	9.50%	532	10.03%	6,128
1982	6,840	10.00%	684	10.55%	7,524
1983	8,341	12.00%	1,001	12.62%	9,342
1984	10,392	12.50%	1,299	13.17%	11,691
1985	13,086	12.50%	1,636	13.21%	14,722
1986	16,402	12.50%	2,050	13.17%	18,452
1987	20,061	12.50%	2,508	13.02%	22,569
1988	24,758	13.00%	3,219	13.60%	27,977
1989	30,357	11.00%	3,339	11.45%	33,696
1990	36,297	11.50%	4,174	11.93%	40,471
1991	43,768	11.50%	5,041	11.97%	48,809
1992	52,095	11.50%	5,991	11.87%	58,086
1993	62,425	13.50%	8,427	13.99%	70,852
1994	75,731	12.75%	9,656	13.17%	85,387
1995	90,748	12.75%	11,578	13.15%	102,326
1996	108,495	12.75%	13,833	13.12%	122,329
1997	127,798	12.75%	16,294	13.03%	144,092
1998	149,194	12.25%	18,276	12.46%	167,470
1999	173,853	11.50%	19,993	11.72%	193,846
2000	199,913	11.50%	23,020	11.69%	222,933
2001	229,819	11.50%	26,474	11.69%	256,293
2002	262,785	12.10%	31,849	12.27%	294,634
2003	297,762	12.00%	35,820	12.09%	333,582
2004	339,977	9.50%	32,368	9.61%	372,345
2005	383,221	9.00%	34,490	9.13%	417,711
2006	432,553	10.10%	43,786	10.30%	476,339
2007	492,149	11.20%	55,240	11.40%	547,389
2008	567,216	13.20%	75,027	13.44%	642,243
2009	661,528	13.75%	90,691	13.92%	752,219
2010	772,932	12.50%	96,267	12.66%	869,199



ආයෝජන කළමනාකරණ ප්‍රකාශය (1979-2010)
முதலீட்டுப் பட்டியல் சுற்று (1979-2010)
Statement of Investment Portfolio (1979-2010)

(1) වසර ஆண்டு Year	(2) රුපියල් ණය ரூபா கடன் Rupee Loans	(3) භාණ්ඩාගාර බැඳුම්කර திறைசேரி முற்கள் Treasury Bonds	(4) භාණ්ඩාගාර බිල්පත් திறைசேரி உண்டியல்கள் Treasury Bills	(5) ප්‍රතිලෝම ගැනීමේ ගිවිසුම් மீள்கொள்வனவு உடன்படிக்கை Re-Purchase Agreements	(6) ණයකර සහ වෙනත් ආයෝජන ஏனைய தொகுதிகட்கள் Corporate Debentures & Other Investments	(7) ඒකීය කැපවත් අනුප්‍රාප්ත පහසු Call Money	(8) වාණිජ පත්‍රිකා වහානික Commercial Papers	(9) කොටස් பங்குகள் Shares	(10) මුළු ආයෝජන දෙසැම්බර් 31 දිනට මෙහිදී මුත්තිමුක් Total Investments as at 31st December	(11) (2+3+4) (10) % මෙය (2+3+4) මුත්තිමුක් මුත්තිමුක් (2+3+4) as a % of (10)
1979	3,891,528,154		18,336,942		4,524,000				3,914,389,096	99.9
1980	4,756,535,052		2,936,964		40,209,600				4,799,681,616	99.2
1981	5,764,460,726		484,816,947		106,209,600				6,355,487,273	98.3
1982	7,123,258,126		14,892,604		106,209,600				7,244,360,330	98.5
1983	8,886,219,600				70,524,000				8,956,743,600	99.2
1984	10,860,177,300				274,524,000				11,134,701,300	97.5
1985	13,609,450,200				442,578,500				14,052,028,700	96.9
1986	17,278,708,700				439,879,500				17,718,588,200	97.5
1987	21,194,089,200				439,879,500				21,633,968,700	98.0
1988	25,903,222,900				588,854,500				26,492,077,400	97.8
1989	31,735,194,934				538,854,500				32,274,049,434	98.3
1990	37,027,799,293				418,854,500				38,466,716,293	98.9
1991	45,038,665,003		1,020,062,500		250,800,000	20,000,000			46,246,316,190	99.4
1992	53,639,551,000		936,851,187		100,800,000	25,000,000			54,834,730,471	99.8
1993	64,508,319,797		1,069,379,471		620,000,000	25,000,000			66,532,356,823	99.0
1994	77,703,584,484		1,379,037,026	8,980,313	1,095,000,000				81,056,470,118	98.6
1995	93,661,201,554		2,248,905,321		1,560,000,000				96,911,942,954	98.4
1996	110,318,073,100		1,690,741,400		2,360,000,000	365,000,000			115,625,758,800	97.6
1997	127,905,791,000	3,100,064,140	2,582,685,700	166,000,000	2,360,000,000		53,240,965		137,280,031,540	98.2
1998	143,667,209,900	11,568,411,320	3,748,176,400	762,923,185	2,030,000,000		23,442,668	420,418,818	160,998,653,688	98.0
1999	151,506,803,500	26,911,877,963	2,496,449,500	915,023,310	3,102,526,861			611,463,830	185,916,603,532	97.5
2000	157,155,028,372	47,303,371,713	2,845,465,400	1,622,045,353	2,720,532,000			1,231,223,705	214,830,187,443	97.4
2001	178,003,042,450	60,997,694,968	4,797,986,300	1,121,934,850	2,758,932,000			1,366,479,324	246,875,398,547	97.9
2002	172,454,623,650	100,309,826,106	2,622,596,600	3,463,769,840	2,308,610,800			1,413,199,336	282,572,626,332	97.5
2003	130,319,229,500	179,470,924,699	4,817,978,752	2,904,443,316	1,279,517,800			1,160,084,313	319,952,178,380	98.3
2004	74,307,932,800	273,795,018,144	4,719,144,050	2,984,713,361	2,446,975,096			1,636,250,180	359,890,033,631	98.0
2005	56,067,955,900	335,504,264,367	4,422,055,798	980,892,373	4,656,858,326			3,109,756,646	404,741,783,410	97.8
2006	56,067,955,900	396,397,999,121	4,686,967,172	4,011,713,020	6,962,353,136			3,632,452,611	471,759,440,960	96.9
2007	68,921,215,900	448,749,298,492	4,971,057,188	3,474,000,000	8,748,723,120			6,661,547,849	541,478,898,737	96.5
2008	68,539,457,400	539,621,099,727	722,025	3,548,000,000	8,301,221,688			6,866,527,521	627,324,529,793	96.9
2009	56,583,253,000	658,508,018,283	402,648,389	3,462,000,000	6,285,997,690			9,853,447,908	737,110,589,268	97.1
2010	40,921,000,000	768,387,815,622	5,936,349,431	1,357,000,000				43,614,212,926	866,502,375,669	94.1



සේවක අර්ථසාධක අරමුදල සංක්ෂිප්ත ආදායම් ප්‍රකාශය (1988 - 2010)

රු.මිලියන

වසර	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
ආදායම මත දළ පොලී	3,079	3,639	4,540	5,648	6,905	9,159	11,391	13,588	15,772	17,711	20,690	22,596	25,738	29,723	34,227	36,330	37,005	39,435	44,103	49,885	61,444	79,810	89,165
(-) පොලී මත බදු	-	(273)	(454)	(565)	(690)	(922)	(1,310)	(1,563)	(1,653)	(1,771)	(2,080)	(2,271)	(2,616)	(2,991)	(3,327)	(1,448)	(4,735)	(3,201)	(2,762)	(4,451)	(5,426)	(7,604)	(8,987)
ශුද්ධ පොලී	3,079	3,366	4,086	5,083	6,215	8,237	10,081	12,025	14,119	15,940	18,610	20,325	23,122	26,732	30,900	34,882	32,270	36,234	41,341	45,434	56,018	72,206	80,178
(+) වෙනත් ආදායම්	6	3	4	8	12	13	16	19	1	1	132	250	575	679	1,944	4,982	2,386	2,383	2,287	9,537	18,019	29,807	32,091
බදු පොලි පසු මුළු ආදායම්	3,085	3,369	4,090	5,091	6,227	8,250	10,097	12,044	14,120	15,941	18,742	20,575	23,697	27,411	32,844	39,864	34,656	38,617	43,628	54,971	74,037	102,013	112,269
(-) විද්‍යුත් - මෙ වැනුව	(26)	(28)	(34)	(42)	(57)	(61)	(64)	(78)	(87)	(102)	(123)	(121)	(156)	(128)	(177)	(145)	(175)	(201)	(193)	(295)	(319)	(393)	(443)
- කම්කරු දෙපාර්තමේන්තුව	(16)	(19)	(21)	(19)	(22)	(25)	(30)	(33)	(40)	(42)	(53)	(64)	(103)	(132)	(156)	(153)	(185)	(217)	(233)	(251)	(318)	(370)	(381)
මෙහෙයුම් විද්‍යුත්වලට පසු ශුද්ධ ආදායම	3,043	3,322	4,035	5,030	6,148	8,164	10,003	11,933	13,993	15,797	18,566	20,390	23,438	27,151	32,511	39,566	34,296	38,199	43,202	54,425	73,400	101,250	111,445
(+) ආදායම් හා විද්‍යුත් ගිණුමෙන් පෙර වර්ෂයේ ඉදිරිපත් වූ මෙහෙයුම්	309	153	201	91	1	398	(161)	(141)	359	1,311	687	1,049	396	122	377	637	360	108	320	187	218	439	18
(+) ගිණුම්කරුන් ප්‍රතිපත්ති වෙනස්වීම්																			4,187				
සාමාන්‍යයෙන් බැහැරවී ඇති වන අදායම්	3,352	3,475	4,236	5,121	6,149	8,562	9,842	11,792	14,352	17,108	19,253	21,439	23,834	27,273	32,888	40,203	34,657	38,307	47,709	54,612	73,618	101,689	111,463
(-) ප්‍රතිලාභ මත පොලි (වර්ෂය තුළ)	(33)	(38)	(62)	(77)	(121)	(123)	(159)	(151)	(224)	(344)	(384)	(411)	(595)	(584)	(646)	(938)	(833)	(616)	(622)	(879)	(1,153)	(1,656)	(1,901)
(-) මොඩනයිටි සංචිත අරමුදල	-	-	-	-	-	-	-	-	(50)	(50)	(57)	-	-	-	-	-	-	-	-	-	-	-	-
(-) තාක්ෂණ ප්‍රවර්ධන සංචිත අරමුදල	-	-	-	-	-	-	-	-	-	-	(50)	-	(100)	-	(100)	-	-	-	-	-	-	(3,000)	-
(-) ලාභ සම්බන්ධ සංචිත අරමුදල	-	-	-	-	-	-	-	-	-	-	(350)	(1,000)	(100)	(50)	(100)	(1,000)	(350)	(1,000)	(1,450)	1,725	3,000	(6,325)	(13,000)
(-) පොදු සංචිතය	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,000)	(1,000)	(2,000)	(1,650)	-	0	-	-
(-) සාමාන්‍යයෙන් බැහැර වූ මෙහෙයුම්	(3,219)	(3,339)	(4,174)	(5,041)	(5,990)	(8,427)	(9,656)	(11,577)	(13,841)	(16,294)	(18,276)	(19,993)	(23,020)	(26,474)	(31,849)	(35,820)	(32,369)	(34,490)	(43,786)	(55,240)	(75,027)	(90,690)	(96,268)
- ප්‍රතිපාදන (%)	13.00	11.00	11.50	11.50	11.50	13.50	12.75	12.75	12.75	12.75	12.25	11.50	11.50	11.50	12.10	12.00	9.50	9.00	10.10	11.20	13.20	13.75	12.50
ආදායම් හා විද්‍යුත් ගිණුමෙන් පෙර වර්ෂයට ඉදිරිපත් වූ මෙහෙයුම්	100	98	-	3	38	12	27	64	237	420	136	35	20	165	193	345	105	201	201	218	438	18	294



அட்டவணை 06

வருமானக் கூற்றின் சுருக்கம் (1988-2010)

ரூபாயில்

வருடம்	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
மொத்த வட்டி வருமானம்	3,079	3,639	4,540	5,648	6,905	9,159	11,391	13,588	15,772	17,711	20,690	22,596	25,738	29,723	34,227	36,330	37,005	39,435	44,103	49,885	61,444	79,810	89,165
(-) வருமான வரி	-	(273)	(454)	(565)	(690)	(922)	(1,310)	(1,563)	(1,653)	(1,771)	(2,080)	(2,271)	(2,616)	(2,991)	(3,327)	(1,448)	(4,735)	(3,201)	(2,762)	(4,451)	(5,426)	(7,604)	(8,987)
தேறிய வட்டி	3,079	3,366	4,086	5,083	6,215	8,237	10,081	12,025	14,119	15,940	18,610	20,325	23,122	26,732	30,900	34,882	32,270	36,234	41,341	45,434	56,018	72,206	80,178
(+) ஏனைய வருமானம்	6	3	4	8	12	13	16	19	1	1	132	250	575	679	1,944	4,982	2,386	2,383	2,287	9,537	18,019	29,807	32,091
வரிக்குப் பின் மொத்த வருமானம்	3,085	3,369	4,090	5,091	6,227	8,250	10,097	12,044	14,120	15,941	18,742	20,575	23,697	27,411	32,844	39,864	34,656	38,617	43,628	54,971	74,037	102,013	112,269
செலவுகள் - மத்திய வங்கி	(26)	(28)	(34)	(42)	(57)	(61)	(64)	(78)	(87)	(102)	(123)	(121)	(156)	(128)	(177)	(145)	(175)	(201)	(193)	(295)	(319)	(393)	(443)
- தொழில் நினைக்கலம்	(16)	(19)	(21)	(19)	(22)	(25)	(30)	(33)	(40)	(42)	(53)	(64)	(103)	(132)	(156)	(153)	(185)	(217)	(233)	(251)	(318)	(370)	(381)
செலவுகளின் பின் தேறிய வருமானம்	3,043	3,322	4,035	5,030	6,148	8,164	10,003	11,933	13,993	15,797	18,566	20,390	23,438	27,151	32,511	39,566	34,296	38,199	43,202	54,425	73,400	101,250	111,445
(+) முன்னைய வருமான கூற்றின் மீதி	309	153	201	91	1	398	(161)	(141)	359	1,311	687	1,049	396	122	377	637	360	108	320	187	218	439	18
(+) கனக்கீட்டுக் கொள்வனா மற்றும்தான் விளைவு																			4,187				
பதிற்றத்தளிக்கக்கூடிய தேறிய வருமானம்	3,352	3,475	4,236	5,121	6,149	8,562	9,842	11,792	14,352	17,108	19,253	21,439	23,834	27,273	32,888	40,203	34,657	38,307	47,709	54,612	73,618	101,689	111,463
(-) மின்விப்பு மீதான வட்டி	(33)	(38)	(62)	(77)	(121)	(123)	(159)	(151)	(224)	(344)	(384)	(411)	(595)	(584)	(646)	(938)	(833)	(616)	(622)	(879)	(1,153)	(1,656)	(1,901)
(-) கட்பு - ஒதுக்கம்	-	-	-	-	-	-	-	-	(50)	(50)	(57)	-	-	-	-	-	-	-	-	-	-	-	-
(-) தொழில்நுட்ப மேம்பாட்டு ஒதுக்கம்	-	-	-	-	-	-	-	-	-	-	(50)	-	(100)	-	(100)	(100)	-	-	-	-	-	(3,000)	-
(-) ஈடுவாய் சமயநித்தல் ஒதுக்கம்	-	-	-	-	-	-	-	-	-	-	(350)	(1,000)	(100)	(50)	(100)	(1,000)	(350)	(1,000)	(1,450)	1,725	3,000	(6,325)	(13,000)
(-) பெறு ஒதுக்கம்	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,000)	(1,000)	(2,000)	(1,650)	0	0	-	-
(-) உறுப்பினர் நிறுவனங்களை வட்டி	(3,219)	(3,339)	(4,174)	(5,041)	(5,990)	(8,427)	(9,656)	(11,577)	(13,841)	(16,294)	(18,276)	(19,993)	(23,020)	(26,474)	(31,849)	(35,820)	(32,369)	(34,490)	(43,786)	(55,240)	(75,027)	(90,690)	(96,268)
- வீதம் (%)	13.00	11.00	11.50	11.50	11.50	13.50	12.75	12.75	12.75	12.75	12.25	11.50	11.50	11.50	12.10	12.00	9.50	9.00	10.10	11.20	13.20	13.75	12.50
மீதி கீழ் கொண்டு சென்றது	100	98	-	3	38	12	27	64	237	420	136	35	20	165	193	345	105	201	201	218	438	18	294



Table 06
Summarised Income Statement (1988 - 2010)

Rs Mn

Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross Interest on Investment	3,079	3,639	4,540	5,648	6,905	9,159	11,391	13,588	15,772	17,711	20,690	22,596	25,738	29,723	34,227	36,330	37,005	39,435	44,103	49,885	61,444	79,810	89,165
(-) Income Tax	-	(273)	(454)	(565)	(690)	(922)	(1,310)	(1,563)	(1,653)	(1,771)	(2,080)	(2,271)	(2,616)	(2,991)	(3,327)	(1,448)	(4,735)	(3,201)	(2,762)	(4,451)	(5,426)	(7,604)	(8,987)
Net Interest	3,079	3,366	4,086	5,083	6,215	8,237	10,081	12,025	14,119	15,940	18,610	20,325	23,122	26,732	30,900	34,882	32,270	36,234	41,341	45,434	56,018	72,206	80,178
(+) Other Income	6	3	4	8	12	13	16	19	1	1	132	250	575	679	1,944	4,982	2,386	2,383	2,287	9,537	18,019	29,807	32,091
Total Income after Tax	3,085	3,369	4,090	5,091	6,227	8,250	10,097	12,044	14,120	15,941	18,742	20,575	23,697	27,411	32,844	39,864	34,656	38,617	43,628	54,971	74,037	102,013	112,269
(-) Expenses - Central Bank	(26)	(28)	(34)	(42)	(57)	(61)	(64)	(78)	(87)	(102)	(123)	(121)	(156)	(128)	(177)	(145)	(175)	(201)	(193)	(295)	(319)	(393)	(443)
- Labour Dept.	(16)	(19)	(21)	(19)	(22)	(25)	(30)	(33)	(40)	(42)	(53)	(64)	(103)	(132)	(156)	(153)	(185)	(217)	(233)	(251)	(318)	(370)	(381)
Net Income after Working Expenses	3,043	3,322	4,035	5,030	6,148	8,164	10,003	11,933	13,993	15,797	18,566	20,390	23,438	27,151	32,511	39,566	34,296	38,199	43,202	54,425	73,400	101,250	111,445
(+) C/F Balance of the previous year Income & Expenditure Account	309	153	201	91	1	398	(161)	(141)	359	1,311	687	1,049	396	122	377	637	360	108	320	187	218	439	18
(+) Effect of change of Accounting Policies																			4,187				
Net Income available for distribution to Members	3,352	3,475	4,236	5,121	6,149	8,562	9,842	11,792	14,352	17,108	19,253	21,439	23,834	27,273	32,888	40,203	34,657	38,307	47,709	54,612	73,618	101,689	111,463
(-) Interest paid on Refunds (Current)	(33)	(38)	(62)	(77)	(121)	(123)	(159)	(151)	(224)	(344)	(384)	(411)	(595)	(584)	(646)	(938)	(833)	(616)	(622)	(879)	(1,153)	(1,656)	(1,901)
(-) Building Reserve Fund	-	-	-	-	-	-	-	-	(50)	(50)	(57)	-	-	-	-	-	-	-	-	-	-	-	-
(-) Technology Advancement Reserve	-	-	-	-	-	-	-	-	-	-	(50)	-	(100)	-	(100)	(100)	-	-	-	-	-	(3,000)	-
(-) Profit Equalisation Reserve	-	-	-	-	-	-	-	-	-	-	(350)	(1,000)	(100)	(50)	(100)	(1,000)	(350)	(1,000)	(1,450)	1,725	3,000	(6,325)	(13,000)
(-) General Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,000)	(1,000)	(2,000)	(1,650)	-	0	-	-
(-) Interest on Member Balances	(3,219)	(3,339)	(4,174)	(5,041)	(5,990)	(8,427)	(9,656)	(11,577)	(13,841)	(16,294)	(18,276)	(19,993)	(23,020)	(26,474)	(31,849)	(35,820)	(32,369)	(34,490)	(43,786)	(55,240)	(75,027)	(90,690)	(96,268)
- Rate (%)	13.00	11.00	11.50	11.50	11.50	13.50	12.75	12.75	12.75	12.75	12.25	11.50	11.50	11.50	12.10	12.00	9.50	9.00	10.10	11.20	13.20	13.75	12.50
Carried Forward Balance of the Income & Expenditure A/C for the Next Year	100	98	-	3	38	12	27	64	237	420	136	35	20	165	193	345	105	201	201	218	438	18	294