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EXTRAORDINARY

අංක 2399/16 - 2024 අගෝස්තු මස 26 වැනි සඳුදා - 2024.08.26
No. 2399/16 - MONDAY, AUGUST 26, 2024

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

BY virtue of the powers vested in me by Section 3(4) of the Strategic Development Project Act, No. 14 of 2008 as amended and by virtue of the *Gazette Extraordinary* No. 2238/40 dated July 30, 2021 as clarified by the *Gazette Extraordinary* No. 2377/41 dated March 28, 2024 I, Ranil Wickremesinghe, Minister of Investment Promotion, do by this Notification;

- (1) Declare “Jay Jay Textiles Lanka (Private) Limited” (PV 00246395) (hereinafter referred to as “the Enterprise”) located at the Dedicated Textile Manufacturing Zone in Eravur Batticaloa District (hereinafter referred to as “the Zone”) owned by the Board of Investment of Sri Lanka (hereinafter referred to as “the Board”) which has entered into an Agreement with the Board on 24th June 2022 as amended by a Supplementary Agreement dated 25th July 2024 (hereinafter referred to as “the BOI Agreement”), as a project falling within the purview of the Strategic Development Project identified and declared under the *Gazette Extraordinary* No. 2238/40 dated July 30, 2021 as clarified by the *Gazette Extraordinary* No. 2377/41 dated March 28, 2024 under Section 3(4) of the Strategic Development Projects Act, No 14 of 2008.
- (2) The effective date for the purpose of commencement of the Project Implementation Period shall be 25th July 2024 and the Tax Holiday Period of the Enterprise shall be reckoned after Twelve (12) months from 25th July 2024.
- (3) As clarified by the *Gazette Extraordinary* No. 2377/41 dated March 28, 2024, details of the Enterprise shall be included to Table 1 and Table 2 of Schedule II of the *Gazette Extraordinary* No. 2238/40 dated July 30, 2021.



Table 1: Details of the Enterprises established within "the Zone"

Sr. No.	No. and Date of Gazette Notification	Name of the Enterprise	Date of Agreement	Project Activity	Qualifying Criteria	Project Implementation Period	Date of Commencement of Commercial Operations
1	No. 2399/16 dated 26 th August 2024	Jay Jay Textiles Lanka (Private) Limited (PV 00246395)	24 th June 2022 as amended by Supplementary Agreement of 25 th July 2024	Manufacture and processing of fabrics for export including indirect, deemed export and for the import substitution via local sales	The Enterprise shall : (i) make an investment of not less than the United States Dollars Thirty Five Million (US\$ 35,000,000/-) or its equivalent in Sri Lanka Rupees in the Project within a period of Sixty (60) months from the date of the BOI Agreement; (ii) provide Four Hundred and Ninety (490) local employment opportunities within Sixty (60) months from the date of the BOI Agreement; (iii) shall finance the envisaged Foreign Direct Investment of the United States Dollars Thirty Five Million (US\$ 35,000,000/-) of the Project from foreign sources without recourse or liability to any domestic sources including domestic banks and/or development finance institutions; and (iv) the Share Capital of the United States Dollars Eight Million Seven Hundred Fifty Thousand (US\$ 8,750,000/-) shall be sourced from the retained earnings of Jay Jay Mills Lanka (Private) Ltd.	Fifty Four (54) Months from 25 th July 2024	Phase 1 (Dyeing and finishing of greige fabric) - Eighteen (18) Months from 25th July 2024 Phase 2 (Dyeing and finishing of greige fabric and knitting operations) - Forty Two (42) Months from 25th July 2024 Phase 3 (Capacity enhancement of knitting operations) - Fifty Four (54) Months from 25th July 2024

1. After the expiry of the tax holiday and concessionary period, for the income generated through;
 - i. Exports including deemed exports, the concessionary Corporate Income Tax (CIT) rate applicable for exporters at that time shall be applicable.
 - ii. Import substitution *via* other sales to local market, the Corporate Income Tax (CIT) rate applicable for manufacturers at that time shall be applicable.
2. For the purposes of computation of income tax exemption, expatriate employees of the Enterprise shall be exempted from income tax arising from gains and profits from employment in the Enterprise in the zone only.
3. On all Imports including purchases from bonded areas (Customs or BOI) and supply from any registered person, who is registered with the VAT administration system (*e.g.*: SVAT) administrated by the Commissioner General of Inland Revenue to the Enterprise.
4. On all Imports including purchases from bonded areas (Customs or BOI).
5. For the use of both production for export, including deemed exports, and import substitution *via* sales to local market.

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