Performance Report

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Department of Development Finance

Ministry of Finance, Planning and Economic Development

Expenditure Head No: **243**

CONTENTS

CHAPTERS

CHAPTER 01 – INSTITUTIONAL PROFILE/EXECUTIVE SUMMARY

1.1 Introduction

Recognizing the significant contribution of the Small and Medium-sized Enterprise (SME) sector to the Gross Domestic Product (GDP), the Department of Development Finance was established as a Treasury Department in 2005. Its primary objective is to support and strengthen SMEs by improving access to financing, markets, and technology. The department's core responsibility is the formulation of appropriate policies and strategies to foster the development of the SME sector. Subsequently, in alignment with the National Policy, the department's scope was expanded to include micro enterprises, acknowledging their vital role in poverty alleviation and employment generation. As a result, the department's functions are now structured under two key pillars: Financial Solutions and Market Access & Development.

1.1.1 Financial Solutions

Similar to other emerging economies, Sri Lanka's largest economic sector is the Small and Medium Enterprise (SME) sector, contributing 52 percent to the country's Gross Domestic Product (GDP), 45 percent to employment, and 20 percent to exports. Expanding this sector is crucial for the country's economic recovery, promoting export diversification, reducing regional disparities, and improving the living standards of disadvantaged communities. However, the SME sector has proven to be the most vulnerable, as businesses have faced multiple challenges over the past few years, including the Easter Sunday Attack, the COVID-19 pandemic, and the economic downturn. As a result, many SMEs continue to struggle to survive in the market and sustain their operations. In addition, microfinance is a widely accepted financial tool that plays a vital role in providing financial services to low-income individuals, encouraging their active participation in economic development, improving access to finance, and reducing poverty levels. Given the considerable number of unregulated microfinance institutions in Sri Lanka, there is an urgent need to enact legislation to regulate these entities and protect vulnerable low-income individuals from falling into debt traps.

Since facilitating SME access to finance and implementing mechanisms to regulate the microfinance sector falls within the mandate of the Department of Development Finance, the Department plays a pivotal role in formulating policies and strategies, as well as implementing financial and non-financial programs. These efforts aim to support Micro, Small, and Medium Enterprises (MSMEs), enforce necessary regulatory mechanisms, protect low-income communities from financial exploitation, and build confidence in the country's financial system.

1.1.2 Market Access and Development

It is important to make avenues for managing excess crop harvests and balancing the supply and demand side disparities giving concern to the Small and Medium Scale farmers and other market factors in order to stabilize market prices while ensuring reasonable price for producers. Further, it is necessary to make arrangements to ensure food security in the country. Therefore, Government incentives are provided such as paddy purchasing at guaranteed price, concessionary loans, Treasury guarantees, storage facilities, technical support and supporting low income people by providing food assistance with the intervention of this Department. Such incentives encourage farmers and SME entrepreneurs and recognize new entrepreneurs who have a potential to make a contribution to the economic development process while assisting low income people to maintain their living standards.

1.2 Vision, Mission and Objective of the Institution

1.2.1 Vision

"To become the key Government Agency as facilitator for development financing."

1.2.2 Mission

"Facilitate to formulate appropriate policies and strategies and mobilize financial resources for the development of SMEs, financing primary sectors through necessary intervention with the relevant stakeholders ''

1.2.3 Objective

"Development of small and medium scale entrepreneurship and revitalizing microfinance sector."

1.3. Key Functions

1.3.1 Facilitate to formulate appropriate polices, strategies and programs for the development of Micro, Small and Medium-sized Enterprises (MSMEs) of the economy.

1.3.2 Review the market data to identify key issues and provide solutions to the smooth growth of the MSMEs finance sectors.

1.3.3 Review Government Subsidy Schemes to ensure economic development and facilitate to formulate appropriate policies.

1.3.4 Facilitate in enacting legislations for banking, insurance, MSMEs and financial sector if the market review illustrates the need.

1.3.5 Facilitate to annual budget preparation process of the Government in respect of MSME sector, banking sector, financial market and other sectors coming under the purview of this department.

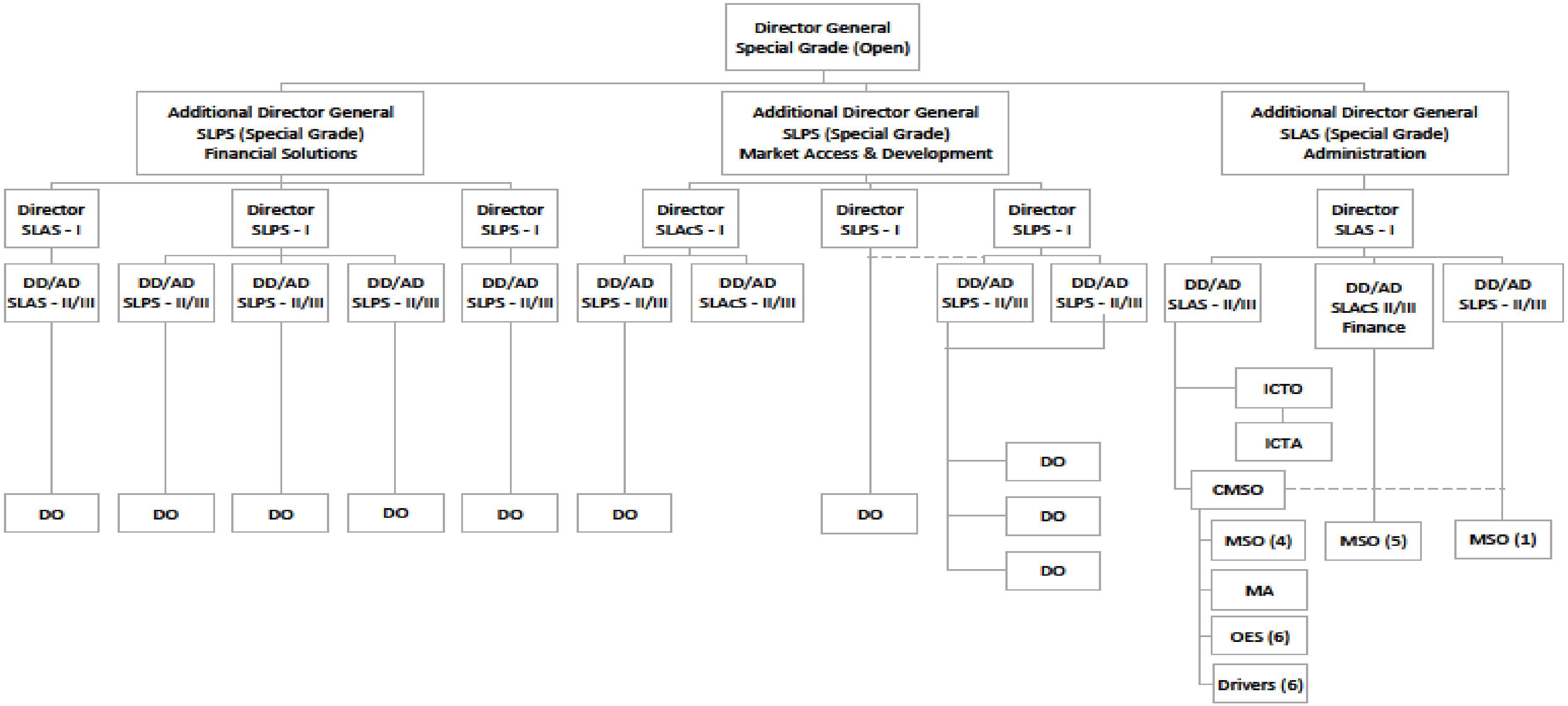
1.3.6 Implement budget proposals and donor funded projects related to MSME sector, primary sector and other sectors.

1.3.7 Compile all data on MSME's of Industrial, Agriculture and Service sector and analyze to identify the impediments and policy interventions.

1.3.8 Oversee implementation of Government sponsored financial assistance schemes.

1.3.9 Arranging local bank financing for development projects in MSME finance sectors in line with the Government policy.

Organization Chart



1.4 Main Divisions of the Department

1.4.1 Financial Solution
1.4.2 Market Access and Development
1.4.3 Administrative and Financial Management

1.5 Funds Coming under the Department

Not Applicable

1.6 Details of the Foreign Funded Projects (if any)

Name of the Project	Donor Agency	Estimated Cost of the Project (Rs. Mn)	Project Duration
Small and Medium Sized Enterprises Line of Credit Project (SMELoC)	Asian Development Bank	69,623	2016 - 2024
Enhancing Small and Medium Sized Enterprises Finance Project (SMELoC2)	Asian Development Bank	14,839.96	2024 - 2030

CHAPTER 02 - PROGRESS AND THE FUTURE OUTLOOK

2.1 Overview

Similar to other developing economies, SMEs set up the most substantial economic sector and the backbone of the economy in Sri Lanka. Strengthening this sector is crucial for fostering inclusive economic growth, promoting regional development, and driving industrial innovation. However, the challenges such as limited access to finance, market constraints, technological gaps, regulatory bottlenecks, and vulnerability to economic shocks, are still continuing and hindering their full potential to economic growth.

Recognizing these challenges, the Government has prioritized SME development strategic frame work as a core component of its economic transformation agenda. This vision focuses on enabling a competitive and resilient SME sector through policy reforms, access to affordable finance, and the integration of technology and sustainability practices. The Department of Development Finance (DFD) plays a vital role in this effort by formulating policies, implementing targeted financial interventions, and strengthening institutional support and enabling business environment for SMEs.

In 2024, several significant initiatives were taken to enhance the access to finance for priority sectors, including manufacturing, exports, tourism and green enterprises by implementing the Small and Medium-sized Enterprises Line of Credit (SMELoC) project, together with the Government-funded Re-energizing MSME Sector loan scheme. Further, commencement of the National Credit Guarantee Institution Limited (NCGIL) serves to address collateral constraints, thereby facilitating better access to credit for these businesses and regulatory measures have been introduced to strengthen the microfinance sector, ensuring financial inclusion while protecting low-income borrowers from exploitation. In addition, essential steps have been taken to declare the “National Definition” for classification of ‘women-led business’ and to introduce of Women Entrepreneurs Finance Code (“WE Finance Code) in collaboration with the Asian Development Bank, Central Bank of Sri Lanka and Financial Institution with the view to make available the sex disaggregated financial and non-financial data on SMES to promote data - driven policies and initiatives to support women -led businesses.

Moving forward, the Government aims to enhance the resilience of SMEs by expanding alternative financial supportive, improving market linkages, and promoting innovation. Strengthening credit guarantee mechanisms, implementing digital financing solutions, and promoting sustainable business practices will be key to ensuring long-term growth and stability in the SME sector.

2.2 Progress of the SMELoC Project

In 2024, under the Asian Development Bank (ADB) funded Small and Medium-sized Enterprises Line of Credit (SMELoC) project, totally Rs. 8,316 million was distributed among 744 SMEs as investment loans through thirteen (13) participating financial institutions under the component of SME Credit Line. Further, nearly Rs. 1,410 million were disbursed to 872 Tea smallholders for new planting, replanting, infilling, irrigation, nursery development and mechanization while 567 Tea smallholders were assisted with Rs. 78 million worth of Japan Fund for Poverty Reduction (JFPR) grant for new tea planting and replanting purposes only.

In addition to the above, ADB provided USD 100 million under the 'Enhancing Small and Medium-sized Enterprises Finance Project' and out of that, USD 50 million was allocated under SMELOC2 Project to support further to the micro, small and medium-sized enterprises (MSMEs) affected due to the series of sudden shocks incurred to economy during past few years and the balance USD 50 million is for the initial investment of National Credit Guarantee Institution Limited. The loan agreement between the Government of Sri Lanka and ADB was signed on 25th March, 2024. Under the SMELOC2 Project, nearly Rs. 5,609 million were disbursed to 912 MSMEs in the year 2024 under the 1st Advance by thirteen (13) Participating Financial Institutions (PFIs) and out of that, around Rs. 1,930 million worth of loans were disbursed to women-led enterprises and nearly Rs. 1,397 million worth of loans for climate financing activities of MSMEs. Further, nearly Rs. 8,000 million was allocated among qualified ten (10) PFIs as the 2nd Advance in November, 2024.

2.3 Re-energizing the Micro, Small, and Medium-sized Enterprises (MSME) Sector in Sri Lanka

The Government, with the support of various development partners, has offered both financial and non-financial assistance to MSME sector. However, the recent economic downturn has created substantial challenges for MSMEs across multiple industries, including manufacturing, imports, exports, tourism, and apparel. Those that have managed to survive the crisis and require external financial support in the form of loans or capital investments.

To address these challenges, the Department of Development Finance developed an MSME re-energizing package. This package includes investment - for Performing Loans (PL) and working capital - for Non-Performing Loans (NPL) assistance aimed at revitalizing MSMEs. Additionally, it aims to enhance their adaptability to challenges posed by changes in their business environment, including climate change. The program will prioritize MSMEs in agriculture, tourism, manufacturing, technology, and export-oriented sectors, as well as those led by women that require working capital support. Loans will be provided through 15 Participatory Financial Institutions (PFIs) at affordable interest rates. The Ministry of Industries issued recommendation letters to eligible MSMEs that need financial support and demonstrate the potential for business improvement.

Main Criteria:

1	Opening Date:	July 18, 2024 (Official)
2	Loan Approval Process Activated:	from August 2024
3	Allocated Amount in 2024:	Rs. 16 billion (released by TOD on request)
4	Requested Amount in 2025:	Rs. 20 billion

Criteria	Component I (PL)	Component II (NPL)
Maximum Loan Amount	Rs. 15mn	Rs. 5mn
Tenor (Max)	10 years	5 years
Interest Rate	7%	8%
Amount Allocated	Rs. 15bn	Rs. 3bn
Types of Loans	Investment	Working Capital
Effective Rate to PFI's	3 percent p.a.	4 percent p.a.

Implementation Progress as of 31.12.2024 Component I - Performing Loans (PL)									(RS. Million)
Name of the Bank	Allocation	Approved Loans					Refinance		
		No. of Loans	Approved Loan Amount	% from Total No. of Loans	% from Allocation	% from Approved Loan Amount	Loan Amount	% from Allocation	% from Approved Loan Amount
BOC	1,005.0	117.0	1,005.0	10.1	100.0	9.3	985.0	98.0	98.0
Sampath	1,000.0	81.0	986.5	7.0	98.7	9.1	986.5	98.7	100.0
Seylan	765.0	66.0	759.1	5.7	99.2	7.0	612.0	80.0	80.6
Commercial	1,000.0	68.0	781.9	5.8	78.2	7.2	781.9	78.2	100.0
DFCC	1,034.0	90.0	1,034.0	7.7	100.0	9.5	1,000.0	96.7	96.7
NDB	750.0	56.0	718.6	4.8	95.8	6.6	646.2	86.2	89.9
HNB	850.0	89.0	846.1	7.7	99.5	7.8	831.6	97.8	98.3
RDB	852.2	166.0	852.2	14.3	100.0	7.8	766.8	90.0	90.0
PB	750.0	69.0	750.0	5.9	100.0	6.9	750.0	100.0	100.0
Union	774.0	59.0	774.0	5.1	100.0	7.1	759.6	98.1	98.1
NTB	786.0	61.0	786.0	5.2	100.0	7.2	662.3	84.3	84.3
Pan Asia	769.3	64.0	769.3	5.5	100.0	7.1	617.8	80.3	80.3
SDB	764.9	155.0	764.9	13.3	100.0	7.0	720.8	94.2	94.2
SMIB	750.0	14.0	57.4	1.2	7.7	0.5	30.4	4.1	53.0
Cargills	750.0	8.0	78.5	0.7	10.5	0.7	78.1	10.4	99.4
Total	**12,600.4**	**1,163.0**	**10,963.5**	**100.0**	**87.0**	**100.9**	**10,228.9**	**81**	**93**
Source: Respective Banks									

Implementation Progress as of 31.12.2024 Component II - Non-Performing Loans (NPL)									(RS. Million)
Name of the Bank	Allocation	Approved Loans					Refinance		
		No. of Loans	Approved Loan Amount	% from Total No. of Loans	% from Allocation	% from Approved Loan Amount	Loan Amount	% from Allocation	% from Approved Loan Amount
BOC	200.0	9.0	39.5	81.8	19.8	86.8	39.5		100.0
Sampath	200.0		-	-	-		-		
Seylan	200.0		-	-	-		-		
Commercial	200.0	1.0	1.0	9.1	0.5	2.2	1.0		100.0
DFCC	200.0	1.0	5.0	9.1	2.5	11.0	5.0		100.0
NDB	200.0		-	-	-		-		
HNB	200.0		-	-	-		-		
RDB	200.0		-	-	-		-		
PB	200.0		-	-	-		-		
Union	200.0		-	-	-		-		
NTB	200.0		-	-	-		-		
Pan Asia	200.0		-	-	-		-		
SDB	200.0		-	-	-		-		
SMIB	200.0		-	-	-		-		
Cargills	200.0		-	-	-		-		
Total	**3,000.0**	**11.0**	**45.5**	**100.0**	**1.5**	**100.0**	**45.5**		
Source: Respective Banks									

2.4 Providing Fertilizer Subsidy by Cash Grant

In response to fiscal challenges and the need to support agriculture, the Government of Sri Lanka has continued its fertilizer subsidy program, transitioning to a direct financial subsidy (cash grant) system for paddy farmers. For the Maha Season 2023/24 and Yala Season 2024, farmers received Rs. 15,000 per hectare, directly deposited into their bank accounts. To further motivate the farmers to cultivate paddy in paddy lands and enhance productivity, the subsidy was increased to Rs. 25,000 per hectare for the Maha Season 2024/25, applicable for up to two hectares per farmer.

To maximize resource efficiency, the government utilized the remaining stock of Muriate of Potash (MOP) fertilizer, imported with Asian Development Bank (ADB) assistance. This stock was sold as mixed and straight fertilizers to ensure its critical role in the grain-filling process, improving crop yields. Additionally, through international support, Sri Lanka received 55,000 metric tons (MT) of MOP fertilizer as a grant under the World Food Programme (WFP) for free distribution to farmers. The government allocated 50% of this stock to paddy and other crops, while the remaining 50% was designated for coconut cultivation, supporting the plantation sector.

These strategic measures aim to boost agricultural productivity, ensure efficient resource use, and promote sustainable farming, contributing to the stability and resilience of Sri Lanka's agricultural sector.

2.5 Establishing a Comprehensive Regulatory Framework for the Micro Finance Industry

To address gaps in the Microfinance Act No. 06 of 2016, a new regulatory framework was proposed. The Microfinance and Credit Regulatory Authority Bill was approved by the Cabinet on 09th October 2023 and published in the Gazette on 30th October 2023. It was then submitted to Parliament on 09th January 2024 but faced legal challenges from various interested parties through special determination petitions.

Stakeholders were consulted multiple times by the Sectoral Oversight Committee on Mitigating the Impact of the Economic Crisis to determine the next steps. Based on the committee's decision on 09th February 2024, a review committee was appointed on 16th February 2024 to assess concerns and refine the bill. This led to an interim report on 26th February 2024, emphasizing the need for further revisions.

Subsequently, a working committee and a steering committee were formed to evaluate stakeholder concerns and propose amendments. The working committee, chaired by the Director General of the National Secretariat for NGOs, comprised nine members and focused on analyzing Supreme Court determinations and stakeholder perspectives from Microfinance NGOs and Community-Based Organizations. The steering committee, responsible for finalizing amendments, comprised three key officials: the Director General of the Department of Development Finance (Co-Chairman), the Additional Director General of the Department of Legal Affairs (Co-Chairman), and the Director of the Department of Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka.

As of 31st December 2024, the working committee had met three times and was finalizing its report for submission to the steering committee, paving the way for a revised and inclusive regulatory framework for the Microfinance sector.

2.6 Ensuring Food Security

Poultry meat, milk, and eggs are among the most reliable and convenient protein sources in Sri Lanka. However, 80–90% of chicken and egg production costs are attributed to animal feed, with at least 40% of maize required to produce standard-quality feed.

To meet market demand, the government has approved the importation of 300,000 MT of maize from July to December 2024 through licensed feed manufacturers and associations. This measure aims to prevent market distortion and manipulation while ensuring adequate feed supply. Additionally, to regulate pricing, the issuance of import licenses will be restricted if the market price of maize exceeds Rs. 150 per kg.

These strategic decisions are intended to stabilize the poultry and dairy industries, ensuring affordable and sustainable protein sources for consumers while supporting local producers.

2.7 Distribution of Rice to Low-income Families

Programme for 'Distribution of rice for Low-Income Families' was implemented in 2024 in order to protect vulnerable families affected due to economic unrest prevailed in the country. Under this programme actions were taken to purchase Nadu rice from the potential rice suppliers to provide 10 kg of rice per month for a family and continue this for two (02) months covering low-income families identified under 06 categories.

Accordingly, with a view to supporting the identified low-income families for 2 month period, the programme of the distribution of rice for low income families was implemented island-wide through District Secretaries. Under this programme, a total quantity of 66,571 MT of rice was distributed among 3,334,976 low-income families in 25 districts by providing 20 kg for a family. The total amount of funds utilized for this programme was around Rs. 12,790 million.

2.8 Implementation of Pledge Loan Scheme for Small and Medium-Scale (SME) Paddy Millers to Purchase Paddy

As experienced in recent years, SME paddy millers performed an invaluable role in ensuring food security in the country while providing reasonable price for paddy harvest of the farmers. However, the low level of access to finance under the applicable market rate of interest was identified as one of the main challenges faced by these SME paddy millers continuously. Therefore, the government implemented a pledge loan scheme at a concessionary interest rate through Banks to the Paddy Millers, Paddy Storage Owners and Paddy Collectors enabling to purchase paddy in Maha season 2023/2024 and Yala season 2024 at a Minimum Purchase Price declared by the Department of Agriculture.

The number of the pledge loans provided and value of the loans in Maha season 2023/2024 was 159 and Rs. 3,213 million respectively. Moreover, under the pledge loan scheme for this season, out of the 15 percent of effective interest rate per annum, 4 percent was paid by the General Treasury as an interest subsidy to the respective banks. Accordingly, only 11 percent rate of interest per annum was paid by the borrowers. In Yala season 2024, 259 loans worth of Rs. 5,486 million were provided by both state and private banks at an annual interest rate of 13 percent. Of this, a 4 percent interest rate was paid by the General Treasury as an interest subsidy to the respective banks. Accordingly, the respective borrowers were required to pay only a 9 percent annual interest rate. Total interest subsidy paid to the bank during 2024 under the pledge loan scheme was Rs.62 million.

2.9 Providing Relief for People who have Pawned Jewelry in the Licensed Banks

The government has introduced a relief program, with effective from August 1, 2024, to provide an interest subsidy on pawning advances obtained by beneficiaries of the Aswasuma program from licensed bank. Under this scheme an initiative from licensed banks. Under this scheme, an interest subsidy of up to 10% per annum is granted for pawning advances not exceeding Rs. 100,000, provided that these advances were classified as performing as of June 30, 2024.

2.10 Indian Credit Line (ICL) of USD 1,000 Million

The Credit Facility Agreement between the Government of Sri Lanka (GoSL) and the State Bank of India (SBI) was signed on March 17, 2022 to obtain a loan of USD 1000 million for the importation of essential items from India till March 16, 2023 under the approval of the Cabinet of Ministers which was granted at its meeting held on March 05, 2022. The objective of this agreement was to facilitate Sri Lankan importers who faced difficulties in opening Letters of Credit to import foods and other essential items due to the shortage of foreign currency in the banking system and the market. Concerning the heading economic crisis at that time and analyzing the factors that help to boost the economy of the country, the credit facility has been allotted among the sectors namely; Industrial Raw Materials, Essential Commodities, Pharmaceuticals and Fuel. Considering the matters arise in the mid 2023, the SBI consented to extend the deadline for utilizing the remaining funds until March 16, 2024 for unutilized amount and further requirement in importation of pharmaceutical items, by signing the extension agreement on June 07, 2023. Following that the Cabinet of Ministers was granted approval at its meeting held on March 18, 2024 to allocate USD 17 million for importation of Solar Panels for Sri Lanka Sustainable Energy Authority and primarily SBI agreed upon the continuation of the operations of this credit line until March 16, 2025.

Accordingly, as of December 31, 2024 USD 481 million has been disbursed by the State Bank of India and out of that USD 478.7 million Payment Authorization have been issued to High Commission of India to process exporter's payments which is 99.5% utilization of the disbursed amount. The summary of the progress of each sector as of December 31, 2024 is as follows.

The summery of the progress of ICL as of December 31, 2024

#			USD Mn
1	**Total Agreed Amount**		**1,000.00**
2	**Total Disbursed Amount**		**481.00**
3	**Total Utilized Amount (PA issued)**		**478.72**
	Essential Commodities	78.35	
	Pharmaceuticals	139.66	
	Industrial Raw Materials	43.72	
	Fuel	200.00	
	Solar Power Project	16.99	
4	**Balance in the Disbursement Account as of 31.12.2024**		**2.28**

2.11 National Credit Guarantee Institution Limited (NCGIL)

The National Credit Guarantee Institution Limited has been established as a public limited company with the objective of supporting the country's small and medium enterprise (SME) sector. Its primary aim is to assist SMEs in overcoming challenges such as adapting to rapidly changing market demands, evolving technology, and capacity limitations resulting from low financial inclusion, restricted access to finance, and, in particular, a lack of acceptable collateral.

To facilitate this initiative, 13 Participatory Financial Institutions (PFIs)—comprising 10 licensed banks and 3 licensed non-bank financial corporations—have been selected as initial shareholders.

The Asian Development Bank (ADB) has provided a loan of USD 50 million to the GoSL for the initial capital of NCGI and ten percent of the share capital has been contributed by the other PFIs. The NCGI has commenced Guarantee issuance in 2024.

P. M. K. Hettiarachchi
Director General

CHAPTER 03 – OVERALL FINANCIAL PERPORMANCE FOR THE YEAR ENDED 31st DECEMBER 2024

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2024

Revised Budget Allocations 2024 Rs.		Note	Actual 2024 Rs.	Actual 2023 Rs.	
-	**Revenue Receipts**			-	
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	ACA-1
-	Non Tax Revenue & Others	4	-	-	ACA-1
-	**Total Revenue Receipts (A)**		-	-	
-	**Non Revenue Receipts**		-	-	
-	Treasury Imprests		68,641,500,000	19,532,080,946	ACA-3
-	Deposits		9,540,071,207	35,935,400,141	ACA-4
-	Advance Accounts		5,986,377	3,537,761	ACA-5
-	Other Main Ledger Receipts			-	
-	**Total Non Revenue Receipts (B)**		**78,187,557,584**	**55,471,018,847**	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**78,187,557,584**	**55,471,018,847**	
	Remittance to the Treasury (D)		**10,373,236,419**	**35,935,236,311**	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**67,814,321,165**	**19,535,782,536**	
	Less: Expenditure				
-	**Recurrent Expenditure**				
56,098,400	Wages, Salaries & Other Employment Benefits	5	55,226,249	50,306,065	ACA-2(i)
36,227,500	Other Goods & Services	6	21,766,512	13,680,219	ACA-2(i)
58,150,251,100	Subsidies, Grants and Transfers	7	57,060,434,563	20,225,487,607	ACA-2(i)
-	Interest Payments	8	-	-	ACA-2(i)
-	Other Recurrent Expenditure	9	-	-	ACA-2(i)
58,242,577,000	**Total Recurrent Expenditure (F)**		**57,137,427,324**	**20,289,473,890**	
	Capital Expenditure				
1,100,000	Rehabilitation & Improvement of Capital Assets	10	-	324,050	ACA-2(ii)
20,500,000	Acquisition of Capital Assets	11	2,479,537	628,730	ACA-2(ii)
354,300,000	Capital Transfers	12	176,958,957	1,836,221,742	ACA-2(ii)
60,292,465,000	Acquisition of Financial Assets	13	35,149,368,701	11,051,791,115	ACA-2(ii)
1,500,000	Capacity Building	14	847,979	242,050	ACA-2(ii)
1,700,000	Other Capital Expenditure	15	415,763	943,105	ACA-2(ii)
60,671,565,000	**Total Capital Expenditure (G)**		**35,330,070,937**	**12,890,150,791**	
	Deposit Payments		13,207,565,247	46,956,502,599	ACA-4
	Advance Payments		6,268,344	3,193,725	ACA-5
	Other Main Ledger Payments			-	
	Total Main Ledger Expenditure (H)		**13,213,833,591**	**46,959,696,323**	
	Total Expenditure I = (F+G+H)		**105,681,331,852**	**80,139,321,005**	
	Balance as at 31st December J = (E-I)		**(37,867,010,688)**	**(60,603,538,469)**	
	Balance as per the Imprest Reconciliation Statement		**(37,867,010,688)**	(60,603,538,469)	ACA-7
	Imprest Balance as at 31st December		184,237	-	ACA-3
			(37,866,826,451)	(60,603,538,469)	

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2024

	Note	Actual 2024 Rs	2023 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	1,765,973,710	1,765,928,144
Financial Assets			
Advance Accounts	ACA-5/5(a)	6,826,310	6,544,343
Indian Credit Line Settlement Account		2,194,632,141	
Cash & Cash Equivalents	ACA-3	184,237	-
Total Assets		3,967,616,398	1,772,472,487
Net Assets / Equity			
Net Worth to Treasury		631,207,869	(5,231,384,516)
Property, Plant & Equipment Reserve		1,765,973,710	1,765,928,144
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	1,570,434,819	5,237,928,859
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		3,967,616,398	1,772,472,487

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 6 to 30 and Annexures to accounts presented in pages from 31 to 32 form an integral part of these Financial Statements. The Financial Statements have been prepared in accordancewith the Government Financial Regulations 150 & 151 and State Accounts Guideline No.06/2024,dated 16.12.2024 and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.
We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

Chief Accounting Officer
Name :K.M.M.Siriwardana
Designation :Secretary,Ministry of Finance,Planning and Economic Development.
Date : 28-05-2025

K.M. Mahinda Siriwardana
Secretary to the Treasury and Secretary to the Ministry of Finance, Planning and Economic Development
Ministry of Finance
Colombo 01.

Accounting Officer
Name :P.M.K Hettiarachchi
Designation :Director General
Date : 29-05-2025

P.M.K.Hettiarachchi
Director General
Department of Development Finance
General Treasury
Colombo 01

Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :W.P.B.S.Abeywardana
Date : 28.05.2025

W.P.B.S. Abeywardana
Deputy Director (Finance)
Department of Development Finance
Ministry of Finance
Colombo 01

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3.3 Statement of Cash Flows

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2024

	Actual 2024 Rs.	2023 Rs.
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	2,933,931	2,958,041
Imprest Received	68,641,500,000	19,532,080,946
Recoveries from Advance	3,768,517	2,648,302
Deposit Received	9,540,071,207	32,935,400,141
Total Cash generated from Operations (A)	**78,188,273,654**	**52,473,087,430**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	76,431,279	63,531,684
Subsidies & Transfer Payments	57,043,078,671	19,161,323,008
Expenditure incurred on behalf of Other Heads		
Imprest Settlement to Treasury	10,373,052,182	35,935,236,311
Advance Payments	4,239,567	1,707,136
Deposit Payments	383,437,294	251,525,618
Total Cash disbursed for Operations (B)	**67,880,238,992**	**55,413,323,757**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**10,308,034,662**	**8,082,755**
Cash Flows from Investing Activities		
Interest	-	-
Dividends		-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
Less - Cash disbursed for:		
Capital Expenditure	10,307,850,425	8,082,755
Total Cash disbursed for Investing Activities (E)	**10,307,850,425**	**8,082,755**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(10,307,850,425)**	**(8,082,755)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	**184,237**	-
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	**184,237**	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	**184,237**	-

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3.4 Notes to the Financial Statements

3.4.1 Basis of Reporting

I. Reporting Period

The reporting period for these Financial Statements is from 01st January to 31St December 2024.

II. Basis of Measurement

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

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

III. Recognition of Revenue

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

IV. Recognition and Measurement of Property, Plant and Equipment (PP&E)

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

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

V. Property, Plant and Equipment Reserve

This revaluation reserve account is the corresponding account of PP&E.

VI. Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins on hand as at 31st December 2024.

3.5 Performance of the Revenue Collection

Rs.000

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collection Revenue	
		Original	Final	Amount (Rs.)	as a %of Final Revenue Estimate
Not Applicable					

3.6 Performance of the Utilization of Allocation

Rs.

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	25,905,030,000	58,242,577,000	57,137,427,324	98%
Capital	44,185,900,000	60,671,565,000	35,330,070,937	58%

3.7 In term of F. R. 208 Grant of Allocations for Expenditure of this Department/District Secretariat/ Provincial Council as an Agent of the Other Ministries/Department.

Rs.

Serial No.	Allocation Received from Which Ministry/ Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
	Not Applicable					

3.8 Performance of the Reporting of Non-Financial Assets.

Rs.

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2024	Balance as per Financial Position Report as at 31.12.2024	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	5,194,600	5,194,600	---	---
9152	Machinery and	89,565,447	89,565,447	---	---
9153	Equipment	---	---	---	---
9154	Land	1,734,450	1,734,450	---	---
9155	Intangible Assets	---	---	---	---
9160	Biological Assets	1,669,479,213	1,669,479,213	---	---
9180	Work in Progress	---	---	---	---
	Lease Assets				

3.9 Auditor General's Report

The Auditor General's report is attached in Sinhala version.

CHAPTER 04 - PERFORMANCE INDICATORS

4.1 Performance Indicators of the Institution (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100% - 90%	**75% - 89%**	**50% - 74%**
Loan Issued for SMELoC (Reflow)	94%	-	-
Loan Issued for SMELoC2 (1st Advance)		83%	
Tea Smallholder Credit Line	100%		
JFPR Grant Component	100%		
Re-energizing the MSME Sector			70%
Pledge Loan Scheme			
Maha season 2023/2024	---	---	36%
Yala season 2024	92%	---	---
Rice Distributed for Low-Income Families	100%	---	---

CHAPTER 05 – PERFORMANCE OF THE ACHIEVING SUSTAINABLE DEVELOPMENT GOALS (SDGs)

5.1. Overview

The fundamental goal of sustainable development is to preserve a nation's natural resources for future generations by managing them effectively today. In this context, the United Nations Development Programme (UNDP) introduced 17 Sustainable Development Goals (SDGs) in 2015, aimed at being achieved by 193 member nations by 2030, covering a broad spectrum of 17 interconnected sectors. By integrating the core pillars of human, social, economic, and environmental dimensions, the SDGs seek to guide economies toward sustainable development through environmental stewardship, social equity, and economic growth.

Sri Lanka, in collaboration with the public sector, non-governmental organizations, and international partners, is actively working towards meeting the targets of sustainable development by 2030. Achieving this ambitious agenda requires accelerating investments for productivity enhancement, providing essential infrastructure for priority sectors, and formulating development strategies that emphasize gender equality. The overarching objective remains clear: to "end poverty in all its forms everywhere."

The Department of Development Finance plays a pivotal role in advancing this mission by spearheading multiple initiatives aimed at fostering economic resilience and financial inclusion. Recognizing the critical role of the micro, small, and medium enterprise (MSME) sector in driving economic development, the Department has launched several targeted programs. Among them, the Small and Medium-sized Enterprise Line of Credit Scheme (SMELoC) and the Government-funded Re-energizing MSME Sector loan scheme offers vital financial support to SMEs affected by economic challenges. Additionally, the National Credit Guarantee Institution Limited (NCGIL) was established to alleviate collateral limitations and improve commercial credit accessibility. Furthermore, essential steps have been taken to support 'women-led. This initiative focuses on improving access to finance for women entrepreneurs, fostering an inclusive and dynamic economic environment.

By strategically aligning its development finance framework with the SDGs, Sri Lanka is making significant strides toward creating a sustainable and equitable future for all its citizens.

5.2. The achievements and challenges of the Sustainable Development Goals

5.2.1. Indicate the Identified respective Sustainable Development Goals

Goal/Objective	Targets	Indicators of the Achievement	Progress of the achievement to date		
			0% - 49%	50% - 74%	75% - 100%
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	2.4.1 Proportion of agricultural area under productive and sustainable agriculture	**NCRCS Loan Scheme** Number of Loans: **83,185** Interest subsidy amount paid by government in year 2024 : **Rs. 250 Mn** **Ran Aswenna" Loan Scheme** Number of Loans: 7,970 Loan Amount: Rs.11,469.3 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 222.75Mn **"Govi Navoda" Loan Scheme** Number of Loans: 1,451 Loan Amount: Rs.682.4 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 20.78Mn. **Provision of warehouse facilities** The storages facilities for farmers were provided by the government through five warehouses with a combined storage capacity of approximately 17,200 MT built in Anuradhapura, Monaragala, Mannar, Kilinochchi, and Polonnaruwa to store paddy, maize, soya bean, sesame,		

			black gram, pepper, peanuts, and other items during the harvesting season. The farmers were to obtain a high price during the off-season. Through this warehouse system Total quantity of grains kept in storage in 2024: 4,404 MT. The government revenue earned from the warehouse including revenue from the production of solar power: Rs. 25 million. Total number of farmers received concessionary loans under the warehouse receipt financing program and total loan amount is 456 and Rs. 257.7 million respectively. **Distribution of rice to low-income families in 2023/2024 Maha Seasons** Rice quantity distributed – 66,571 MT for around 3.33 million low - income families (Achievement-100 percent) Funds provided - Rs.12,790 million through General Treasury. (Achievement-100 percent) **Pledge Loan Scheme** Total number of loans registered Maha 2023/2024 - 159 Yala 2024 - 259 Total Value of the loans Maha 2023/2024 - Rs. 3,213 Mn

			Yala 2024 - Rs. 5,486 Mn
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education	4.2.1 Proportion of children under 5 years of age who are developmentally on track in health, learning and psychosocial well-being, by sex	**"Singithi Pasala" Loan Scheme** Number of Loans: 62 Loan Amount: Rs. 63.4 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 1.94Mn **'Rekawarana" Loan Scheme** Number of Loans: 9 Loan Amount: Rs. 44.4 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 1.05Mn
	4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	4.7.1 Extent to which (i) global citizenship education and (ii) education for sustainable development, including gender equality and human rights, are mainstreamed at all levels in: (a) national education policies, (b) curricula, (c) teacher education and (d) student Assessment	**"My Future" Loan Scheme** Number of Loans: 729 Loan Amount: Rs. 650.5Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 68.58Mn. **"Erambuma" Loan Scheme** Number of Loans: 175 Loan Amount: Rs. 230.99 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 6.33Mn.

Goal 5 Achieve gender equality and empower all women and girls	5.1 End all forms of discrimination against all women and girls everywhere	5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex.	**Women-led Businesses** **SMELoC** Number of Loans: 268 Loan Amount: Rs. 2,687 Mn **SMELOC2** Number of Loans: 265 Loan Amount: Rs. 1,166 Mn
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all	7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programs of support	7.b.1 Investments in energy efficiency as a percentage of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services	**"Rivi Bala Savi" Loan Scheme** Number of Loans: 453 Loan Amount: Rs. 157.6 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 1.15Mn.
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	8.3.1 Proportion of informal employment in non-agriculture employment, by sex	**SMELoC** **I SME Credit Line** Number of Loans: 653 Loan Amount: Rs. 7,588.0 Mn **II Tea Smallholders Credit Line** Number of Loans: 872 Loan Amount: Rs. 1,488.0 Mn **III SMELOC2** Number of Loans: 912 Loan Amount: Rs. 5,608.8 Mn **Jaya Isura" Loan Scheme** Number of Loans: 1,000 Loan Amount: Rs. 21,357.4 Mn.

			The interest subsidy paid under this loan scheme in the year 2024 was Rs. 818.89Mn. **“Green Loan” Scheme** Number of Loans: 242 Loan Amount: Rs. 791.5 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 41.91 Mn. **“Diri Saviya” Loan Scheme** Number of Loans: 572 Loan Amount: Rs. 413.3 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs 9.79Mn. **“Riya Shakthi” Loan Scheme** Number of Loans: 178 Loan Amount: Rs. 613.8 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 14.48 Mn. **“Madya Aruna” Loan Scheme** Number of Loans: 258 Loan Amount: Rs. 76.9 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs.0.3 Mn. **“Sancharaka Poddo” Loan Scheme** Number of Loans: 1,198 Loan Amount: Rs. 538.46 Mn

			The interest subsidy paid under this loan scheme in the year 2024 was Rs. 2.66 Mn. **"City Ride" Loan Scheme** Number of Loans: 8 Loan Amount: Rs. 52.1 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 0.51 Mn.
Goal 11. Make cities and human settlements inclusive, safe resilient and sustainable	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrades slums	11.1.1 Proportion of Urban population living in slums, informal settlements of inadequate housing	**"Sonduru Piyasa" Loan Scheme** Number of Loans: 14,834 Loan Amount: Rs. 2,958.3 Mn. The interest subsidy paid under this loan scheme in the year 2024 was Rs. 34.90 Mn. **"Home Sweet Home" Loan Scheme** Number of Loans: 1,282 Loan Amount: Rs. 4,585.2 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 167.06 Mn. **"Sihina Maliga" Loan Scheme** Number of Loans: 247 Loan Amount: Rs. 1,332.5 Mn The interest subsidy paid under this loan scheme in the year 2024 was Rs. 24.57 Mn.

5.2.2 SME Sector Development

In 2016, a loan scheme worth of USD 175 million was initiated as ‘Small and Medium-sized Enterprises Line of Credit (SMELoC) Project’ for supporting the SMEs in Sri Lanka with the assistance of the Asian Development Bank (ADB), to provide investment loans for SMEs. ADB further provided USD 165 million in December 2020 especially to support for MSMEs, which had been affected due to Covid-19 pandemic. In addition to that, considering the adverse effects made on the business activities of MSMEs due to the economic downturn, which prevailed since the year 2022, the Government with the agreement of the ADB repurposed USD 13.5 million in October, 2022, which was allocated under the SME Credit Line, to provide working capital loans for MSMEs as an additional finance for ‘Emergency Response Facility’.

Due to the series of sudden shocks made during the past few years such as Easter Sunday attack, Covid-19 pandemic and the economic downturn, business activities of SMEs were severely affected and SMEs were struggling to revitalize their businesses. Accordingly, under the ‘Enhancing Small and Medium-sized Enterprises Finance Project’ USD 100 million was provided by the ADB in March, 2024 for enhancing the access to finance of MSMEs in Sri Lanka. Out of that, USD 50 million credit line was provided under ‘SMELOC2 Component’ to address urgent working capital financing needs of MSMEs in the agriculture, tourism, manufacturing, technology, export-oriented sectors and women-led enterprises to recover from the adverse effects made on their businesses due to series of shocks. The balance USD 50 million was invested in the National Credit Guarantee Institution as the government’s equity contribution to offer partial credit guarantees (PCG) to SMEs, who are unable to provide any or adequate collateral for investment loans.

Since the fulfilling of financial need for capital investments of SMEs made through the financial support of development partners as well as by the banks utilizing their own funds were not sufficient, the Government implemented a new concessionary loan scheme of Stimulating Package for Re-energizing the MSME sector in Sri Lanka’ by utilizing Rs. 16.0 billion to provide investment loans for SMEs in performing level and Rs. 5.0 billion to provide working capital loans for MSMEs in Non-Performing Loan category. This Government funded loan is being implemented through this Department as an annual programme with the view of increasing the value added contribution made by the MSMEs to the economy of Sri Lanka.

5.2.3. Food Security, Nutrition and Sustainable Agriculture

Although there were hardships in the Economy of the country, the Government has taken policy decisions to provide the fertilizer subsidy for paddy farmers continuously, to reduce the cost of production of the paddy. Considering the financial constraints, the government took a decision to provide subsidy for fertilizer and provided the Financial Subsidy (Cash Grant) to the farmers. The remaining stocks of the Muriate of Potash (MOP) which were imported in 2022 with the financial assistance of the Asian Development Bank, were sold in par with the market price and MOP which was received as grant under World Food Programme in 2024 was distributed free of charge respectively, to ensure the utilization of MOP which is necessary ingredient for the grain filling process. Those decisions were lead to ensure the affordability for the staple food of the country.

The total allocation amount for the fertilizer subsidy programme was Rs. 38,366 million in 2024 out of that Rs. 38,270 million was spent within the year.

Actual Expenditure under Fertilizer Subsidy Programme – 2024

(Rs. Mn)

S.No.	Description	Total
1	Term Loan Repayment	14,741.73
2	Subsidy Payment for Paddy Cultivation (Chemical Fertilizer)	310.50
3	Subsidy Payment for Paddy Cultivation (Organic Fertilizer)	-
4	Subsidy Payment for Other Field Crops (Chemical Fertilizer)	-
5	Handling Charges	13.36
6	Financial Subsidy to the Farmers (Cash Grant)	23,205.17
	Total	**38,270.76**

Ensuring food security as well as improved nutrition level of people in the country was a challenge with the adverse economic crisis situation prevailed in the country. To maintain the availability and easy accessibility to the food especially for low income groups in the society, arrangements were made to protect them by providing rice as an additional support for them in 2024. Under this program 66,571 MT of rice was distributed as 20 kilogram per family for 3,334,976 low-income families in 25 districts in April and May 2024. Implementation of this program brought benefits low income families.

Further, with the objectives of the strengthening and encouraging SME paddy millers, Paddy Storage Owners and Paddy Collectors and ensuring reasonable price to farmers for their paddy harvest, a pledge loan scheme was implemented at a concessionary interest rate to purchase paddy through the loan facilities provided by both state and private banks in Maha season 2023/2024 and Yala season 2024. As a result, Rs. 3,213 mn and Rs. 5,486 mn worth pledge loans were granted to SME paddy millers, Paddy Storage Owners and Paddy Collectors by banks in these two seasons. Under this programme, in Maha season 2023/2024, out of the effective interest rate 15 per annum, 4 percent rate of interest per annum was paid by the General Treasury as an interest subsidy to the respective banks. Accordingly, only 11 percent rate of interest per annum was paid by SME paddy millers. In Yala Season 2024, out of the 13 percent of effective interest rate per annum, 4 percent rate of interest per annum was paid by the General Treasury as an interest subsidy to the respective banks. Accordingly, only 9 percent rate of interest per annum was paid by the respective borrowers.

The government continued the management of five warehouses providing storage facilities to the farmers in order to obtain a high price for their grain productions during the off season These five warehouses with a combined storage capacity of approximately 17,200 MT were in Anuradhapura, Monaragala, Mannar, Kilinochchi, and Polonnaruwa to store paddy, maize, soya bean, sesame, black gram, pepper, peanuts, and other grains during the harvesting season. In addition to the storage facility, it offers a wide range of auxiliary services like drying, cleaning, and grain quality testing. Farmers can use their harvest stock as collateral to ensure that they receive a loan at a concessionary rate under the warehouse reception financing.

A total of 4,404 MT of grain were kept in storage in 2024.The government earned Rs. 25 million from the provision of storage facilities, including revenue from the generating of solar power, while spending Rs.26 million on operations and maintenance. 456 farmers have received concessionary loans totaling Rs.257.7 million through the warehouse receipt financing program implemented under this warehouse system.

Although there is a coastal belt around the country, considerable amount of the protein requirement is supplied by poultry products. Nearly 90% of the cost of production of the poultry products, i.e. chicken and eggs are spent on animal feed and 40% of that animal feed requirement is fulfilled by maize. Due to the unavailability of the maize in the local market and the import restrictions. To ensure the affordable prices of the chicken, eggs and related products of the market, the government has granted the permission to import 300,000 MT of maize with the recommendation of the Department of Animal Production and Health, and imposed a Special Commodity Levy (SCL) of Rs.25/= per 1 kg of Maize.

5.2.4 Providing Relief for people who have pawned Jewelry in the Licensed Banks

Pawning has become a popular lending method especially among low income families since they are unable to fulfill the requirements of the banks with regards to granting other loan facilities and these pawning loans don't include unnecessary paper works. Pawning advances have been predominantly used to fund agriculture, Micro and SME sectors of the economy. Due to economic crisis in the previous years, most of people in the country have been adversely effected in 2024. Hence, pawning advances provided the required funds to support economic activities of low income groups as well. As the some borrowers who had obtained pawning loans were not able to pay regularly them during the adverse economic situation prevailed in 2024, it was important to implement a relief program for them.

Accordingly, the government has implemented a relief program to provide an interest subsidy for pawning advances obtained by beneficiaries of Aswasuma program from licensed banks with effective from August 1, 2024. Under this scheme, an interest subsidy of up to 10% per annum was provided for pawning advances not exceeding Rs. 100,000, provided that these advances were in the performing category as at June 30, 2024.

As part of this relief program, an interest subsidy amounting to Rs. 16,077 was paid to the National Savings Bank in 2024.

CHAPTER 06 – HUMAN RESOURCE PROFILE

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies/(Excess)
Senior	23	16	07
Tertiary	01	01	00
Secondary	23	20	03
Primary	12	11	01

6.2 The Shortage in Human Resources has been affected to the Performance of the Institution.

Duties of the vacant posts covered by the officials who are working in the department.

6.3 Human Resource Development

6.3.1- Local Training 2024

Name of the Programme	No. of Staff Trained	Duration of the Programme	Total Investment (Rs.)	Output/Knowledge Gained
			Local	
Impact of VAT - 2024	All Staff	02 Days	Free of Charge	Enhanced and updated of knowledge about VAT.
Driving hybrid vehicles and modern vehicles	ALL Drivers (6)	01 Day	Free of Charge	Acquired knowledge of hybrid vehicles and modern vehicles.
Diploma in Professional English Course	01	01 Year	92,000	Improved the Professional Knowledge of English.
Advanced Certificate in Transport Management	02	20 Days	120,000.00	Improved knowledge on transportation management, rules, regulations and machinery.

Introduction of Loan Schemes implementing by DFD	All Staff	02 Days	Free of Charge	Updated knowledge of officials about the loan programs implemented by the department.
Budget Procedure	All Staff	01 Day	Free of Charge	Gained knowledge of Budget Procedure.
Procurement Procedure	All Staff	01 Day	Free of Charge	Gained knowledge of Procurement method and Procedure.
Awareness Session of Money Laundering	All Staff	01 Day	Free of Charge	Increased knowledge of money laundering.
Vehicle Fleet Management	01	01 Day	13,500.00	Improved knowledge about Vehicle Fleet Management
In Service Training Programme for the Officers of SLPS Grade II	01	01 Day	Free of Charge	Enhanced in knowledge of competencies and skills.
Public Procurement Procedure	01	01 Day	13,500.00	Improved and updated knowledge in Government Procurement Procedure.
Government Payroll System	02	03 Days	42,000.00	Acquired knowledge of using the Government payroll system.
Presentation for Capital Expenditure Analysis for Sri Lanka	03	01 Day	Free of Charge	Gained the knowledge of capital expenditure made on various government projects, their drawback & the lessons learned, that can be used to design the development projects in future effectively.
Public Service Disciplinary Procedure	01	02 Days	18,000.00	Updated knowledge on disciplinary procedure in the public sector and preparation of legal documents.
Training Programme for the Stress Management	All Staff	02 Days	387,270.00	Increased the productivity of the duties of the staff through the reduction of stress.

6.3.2. Foreign Training - 2024

Name of the Programme	No. of Staff Trained	Duration of the Programme	Total Investment (Rs.'000)		Output/Knowledge Gained
			Local	Foreign	
JICA Knowledge Co-Creation Programe: Finance for Regional Development including SME Finance and PPP	01	02 Weeks	164,188.12		The exposure on SMEs in Japanese economy SME financing in Japan, Corporation financial and new trends, recent trends in agricultural Developments and regional development through PPP/PFs.
Capacity Building for International Rule of Law Cooperation for Belt and Road Countries	01	02 Weeks	149,648.74		Gained knowledge on International Trade Laws Monetary Rules, International Tax Governance system and also this was a platform to gain knowledge Chinese effort to sustain the bilateral cooperation and promote the economic and trade development.
Seminar on Formulation and Implementation on Poverty Reduction Planning for Development Countries	01	02 Weeks	115,776.63		Gained knowledge on poverty reduction strategy approach by PRC and there application with regard to developing Countries. Also the programs offered site visit on practical examples.
Seminar on Construction of Small Commodity Markets and Poverty Reduction and Alleviation	01	02 Weeks	143,691.19		Gained knowledge on poverty reduction alleviation strengthen through the construction of small markets giving high priority for digital marketing. Had an opportunity to study the Yiwu International Trade City.
Seminar on Medium to Long Term Development Planning for Development Countries	01	02 Weeks	155,041.06		Enhance the inherent momentum of partner countries to achieve sustainable economic growth and integrate the concept of sustainable development into all aspects of project selection, implementation and management.
Financial & Financial Cooperation Management for BRI Countries	01	02 Weeks	146058.16		Gained knowledge on Chinese financial management practice, how they have supported to BRI Countries and available opportunities to BRI Countries under BRI programme.

Seminar on Digital Economy and Industrial Upgrading for Chambers of Commerce and Industry under Global Development Initiative	01	02 Weeks	145,887.97		Gained knowledge on Enterprise digital transformation interpretation of global development initiatives status and prospect of cross border E commerce in the area of digital economy an industrial value chain in the digital economy.
Seminar on Capacity Building in Poverty Reduction of Small and Medium Enterprises and NGOs for Development Countries	02	02 Weeks	264,146.49		Gained knowledge about the way that china has achieved the zero absolute poverty by the year 2020. Observed many examples regarding the strategies' they have implemented.
Seminar on China's Experience in Sustainable Social Development and Poverty Reduction for Development Countries	02	02 Weeks	292,923.51		Gained knowledge on policy making and strategies approaches to improve the social development for poverty reduction of the development countries.
Seminar on Optimization of Business Environment for Chamber of Commerce and Industry BRI Partner Countries	01	02 Weeks	147,006.06		Gain knowledge on enabling business environment among the BRI partner countries and practical experiences on trade facilitation process and trade agreements promoting of China.
Financial Inclusive Agriculture & Rural Development	01	02 Weeks	107,928.13		Gained knowledge on how the India has reached to marginal farmers implementing diversified financial products with the intention of inclusive development.
Seminar on Financial strategy for BRI Partner Countries	01	01 Week	99, 524.64		Gained knowledge on Green Finance and green transition, Investment and Financial practice in addressing climate change and sustainable development, digital finance.
Emerging Industries for BRI Countries	01	02 Weeks	112,546.24		Gained knowledge on the development experiences of emerging industries and gained an understanding of the development of skills in emerging industries. The program offered us to site visits on practical examples.

Training on application and Management of PPP mode for SL	01	02 Weeks	112,738.29		Gained knowledge on PPP application and models, successful applications experience establishment of legal system of the PPP model & evaluation of project management, explore the feasibility of the promotion and development of the PPP model in Sri Lanka.
Seminar of Asia Small and Medium Sized Enterprise Monitor	02	03 days	74,776.72		Familiarizing With the emerging trends in MSME development, access to finance and relevant policies In Asia and the Pacific. Also several discussion were help with the high rank Officially on designing a MSME ecosystem Nationally and regionally.
Career Training Programme for Island Services officers of Sri Lanka under the Technical & Economic Co-operation (ITEC)	01	02 Weeks	124,919.17		Gained knowledge on best practices in public administration, technology integration, policy frameworks and AI transforming governance. Furthermore, gained comprehensive understanding on sustainable development, successful models in diverse sectors from healthcare to waste management.
Project Lending for Agricultural and Allied Sectors	01	05 days	44,620.00		Gained knowledge on concept of project lending, value Chains in Agriculture and Allied Sectors, Sectors of Finance and unit cost for various activities, Developing Loan Products, Group Approach for lending, Techno Economic features and commercial appraisal Technique’s, Financial appraisal and Bankability.

CHAPTER 07 – COMPLIANCE REPORT

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
1.	**The following Financial Statements/Accounts have been Submitted on due date.**			
1.1	Annual Financial Statements.	Complied		
1.2	Advance to public offers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Account)	Not Applicable		
1.4	Stores Advance Accounts	Not Applicable		
1.5	Special Advance Accounts	Not Applicable		
1.6	Others	Complied		
2.	**Maintenance of Books and Registers (FR445)**			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular No. 267/2018.	Complied		
2.2	Personal emoluments register/personal emoluments cards has been maintained and update.	Complied		
2.3	Register of Audit queries has been maintained and update.	Complied		
2.4	Register of Internal audit reports has been maintained and update.	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date.	Complied		

2.6	Register for cheques and money order has been maintained and update.	Complied		
2.7	Inventory register has been maintained and update.	Complied		
2.8	Stocks Register has been maintained and update.	Complied		
2.9	Register of Loses has been maintained and update.	Complied		
2.10	Commitment Register has been maintained and update.	Complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintained and update.	Complied		
3.	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been delegated within the institute.	Complied		
3.2	The delegation of financial authority has been communicated within the institute.	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers.	Complied		
3.4	The control has been adhered to by the Accountants in terms of State Account Circular No. 171/2004 dated 11.05.2014 in using the Government Payroll Software Package.	Complied		
4.	**Preparation of Annual Plans**			
4.1	The Annual Action Plan has been prepared.	Complied		
4.2	The Annual Procurement Plan has been prepared.	Complied		
4.3	The Annual Internal Audit Plan has been prepared.	Not Applicable		

4.4	The Annual Estimate has been prepared and submitted to the National Budget Department on due date.	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department (TOD) on time.	Complied		
5.	**Audit Queries**			
5.1	All the audit queries has been replied within the specified time by the Auditor General.	Complied		
6.	**Internal Audit**			
6.1	The Internal Audit Plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134 (2) DMA/1-2019	Complied		
6.2	All the internal audit reports has been replied within one month.	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018.	Not Applicable		
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134 (3).	Not Applicable		
7.	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee have been held during the year as per the DMA Circular 1 – 2019	Not Applicable		

8.	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017.	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular.	Complied		
8.3	The board of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance circular No. 05/2016.	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular.	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772.	Complied		

9.	**Vehicle Management**			
9.1	The daily running charts and monthly submitted to the Auditor General on due date.	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning.	Not Applicable		
9.3	The vehicle logbooks had been maintained and updated.	Complied		
9.4	The action has been taken in terms of FR 103, 104, 109 and 110 with regard to every vehicle accident.	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term.	Not Applicable		
10.	**Management of Bank Account**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date.	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled.	Not Applicable		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to	Complied		

	be made and had those balances been settled within one month.			
11.	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit.	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1).	Complied		
12.	**Advances to Public Officers Account**			
12.1	The limits had been complied with	Complied		
12.2.	A time analysis had been carried out on the loans in arrears.	Complied		
12.3	The loan balances in arrears for over one year had been settled.	Complied		
13.	**General Deposit Account**			
13.1	The action had been taken as per FR 571 in relation to disposal of lapsed deposits.	Complied		
13.2	The control register for general deposits had been updated and maintained.	Complied		
14.	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD.	Complied		
14.2	The ad-hoc sub imprests issued as per FR 371 settled within one month from the completion of the task.	Complied		
14.3	The ad-hoc sub imprests had been issued exceeding the limit approved ass per FR 371.	Complied		

14.4	The balance of the imprest account had been reconciled with the Treasury books monthly.	Complied		
15.	**Revenue Account**			
15.1	The funds from the revenue had been made in terms of the regulations.	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the regulations.	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176.	Complied		
16.	**Human Resources Management**			
16.1	The staff had been paid within the approval cadre.	Complied		
16.2	All members of the staff have been issued a duty list in writing.	Complied		
16.3	All reports have been submitted to the Management Service Department in terms of their circular No. 04/2017 dated 20.09.2017	Complied		
17.	**Provision of Information to the Public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act. and Regulation.	Complied		
17.2	Information about the institution to the public have been provided by website or alternative measures and has it been facilitated to	Complied		

	appreciate/allegation to public against the public authority by this website or alternative measures.			
17.3	Bi-Annual and Annual Reports have been submitted as per section 08 and 10 of the RTI Act.	Complied		
18.	**Implementing Citizen Charter**			
18.1	A citizens charter/ Citizen client's charter has been formulated and implemented by the institution in terms of the circular number 05/2008 and 05/2018 91) of Ministry of Public Administration and Management.	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens charter/ Citizen client's charter as per paragraphs 2.3 of the circular.	Complied		
19.	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No. 02/2018 dated 24.01.2018	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan.	Complied		

19.3	Annual performance agreements have been signed for the entire staff based on the Annexure 01 of the aforesaid Circular.	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resources development plan, organizing capacity building programmes and conducting skill development programmes as per paragraph No. 6.5 of the aforesaid Circular.	Complied		
20.	**Responses Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified.	Complied		