

# **Annual Report**

**2023**



**National Design Center**

**No. 10, De Mel Road, Katubadda, Moratuwa.**

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## Guiding Principles

### Vision :-

A Sustainable Developed Sri Lanka

### Mission :-

Introducing market based creative designs  
through promotion, development, capacity  
building, dissemination and mainstreaming

## Institutional Objectives

- Developing handicrafts currently manufactured by craftsmen and introducing innovations and new design concepts in line with current and future market trends in the local and export markets.
- Conducting research programmes with scientific and technical institutions to introduce appropriate technology and improve quality standards and introduce proper technical and raw material preparation methods to increase qualitative production capacity.
- Providing advance technical and product development training assistance to craftsmen with the aim of increasing income for the better development of the handicrafts sector.
- Facilitating the database, use of new technology, common facilities to craftsmen/small-scale entrepreneurs and the public.
- Introducing substitute raw materials and more efficient, innovative production methods for handicraft designs.
- Improving market for newly designed handicraft products both local and international.
- Providing design consultancy services as requested by the public, private and non-governmental sectors.
- Improving the ability to design creativity through conducting vocational education programmes and training.

## **Core Values**

- ❖ We are bound by responsibility.
- ❖ To be honest and transparent.
- ❖ Trust in the skills and unity efforts.
- ❖ We're moving to use new technology and preference.
- ❖ We believe that good customer service is provided.

## **Contribution of National Design Centre to achieving Sustainable Development Goals**

Among the sustainable development goals, the National Design Center has focused on achieving the 8th goal identified as sustainable development goals that can be achieved through the role of the National Design Center.

### **8th Goal -Decent Work and Economic Growth**

Under the 8th objective, the National Design Center is leading in carrying out the following main activities.

- 8.2** Achieve higher levels of economic, productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour - intensive sectors
- 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.
- 8.4** Resource efficiency in consumption and production and endeavor to decouple-economic growth from environmental degradation
- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

In preparing the annual action plan, the National Design Center has allocated provisions to implement the following main activities related to the achievement of the 8th sustainable development objective identified above.

- Spreading quality trainings all over the country to cater the needs of selected craftsmen.
- Providing a way to earn additional income or self-employment with group more opportunities for women to participate for training programmes
- Providing handicraft training for vulnerable groups to attract to the national economy.
- Introducing & expanding of cost effective, suitable appropriate systems for handicraft sector
- Develop the handicraft sector by Introducing new innovation, new technologies, new machineries, equipment and tools.
- Conducting research studies to develop the alternative raw materials and find out the pretreatment methods.

- Conducting awareness programmes and trainings on decent job.
- Introducing new market-friendly eco-friendly designs, innovative packaging and souvenir designs to the handicrafts sector.
- To introduce the new designs introduced in the field of handicrafts to the local and foreign markets and thereby boost the economy of the handicraftsmen.
- Enhancing the creativity of youth groups and providing career guidance by conducting vocational education programmes, training and consultancy services on a reasonable profit basis.

## **Institutional Act and Registration**

The National Design Center that was established in 1983 under the National Craft Councils and Allied Institutions Act No. 35 of 1982, currently operating under the State Ministry of Batik Handloom fabrics and Local Garments, is a statutory body whose primary objective is the improvement of craftsmen through the upliftment of the local handicraft industry.

## **Organization**

The National Design Center is constantly working to achieve its goals for the upliftment of the entire handicraft industry. Here, we are committed to the upliftment of handicraftsmen by implementing various activities under the lead of the head office located at No. 10, The Mel Road, Katubedda, Moratuwa and with the support of the branch office established in Nattarampotha, Banduraya Kandy covering the Central Province.

In addition, the National Institute of Design Studies, which acts as a center for producing new designers through diploma courses, has been established in the main office premises, has given the opportunity to young people with creative

abilities to gain professional knowledge from national to international level.

Also, continuous service is provided to the craftsman through the Brass, Laksha, Batik and Leather Workshop and Common Facility Center established within the Nattarampotha branch office.

While carrying out its objectives through its mission based on its vision, the National Design Center implements the relevant tasks according to the action plan with the lead of the head office and the support of the branch office located at Nattarampotha. In addition to this, the guidance of the State Ministry of Batik Handloom Fabrics and Local Garments, other existing sister institutions as well as various voluntary governmental and non-governmental organizations related to the field of handicrafts and provincial councils, handicraftsmen and other external organizations are constantly involved in achieving the above objectives.

While all the tasks related to fulfilling the main purpose of the institution such as administrative, finance, marketing promotion, design development, design education, research and technical development and the provision of public facilities and library services are carried out by the head office, all the other activities except administration, financial and marketing promotion activities are also carried out by Nattharampotha Project Office.

- |      |   |   |   |
|------|---|---|---|
| (i)  | Head Office                             | - | No. 10, De Mel Road, Katubedda, Moratuwa  |
|      | Telephone/Fax No.                       | - | 011-2607114 – Chairman<br>011-2626345 – Director<br>011-2607814 – General   |
|      | Fax                                     |   | 011-2607111   |
|      | e-Mail                                  |   | <a href="mailto:slndcrisep@yahoo.com">slndcrisep@yahoo.com</a> / <a href="mailto:info@slndc.gov.lk">info@slndc.gov.lk</a> |
| (ii) | Naththarampotha Project -               |   | Kalapuraya, Naththarampotha   |
|      | Office and workshop Telephone No. /Fax- |   | 081-2420038   |

## Board of Directors

- |     |                                |   |  |
|-----|--------------------------------|---|--|
| 1)  | Mr. W. G. K. B. Ranathunga     | - | Chairman                                   |
| 2)  | Mrs. P. G. P. Rasanjali        | - | Treasury Representative                    |
| 3)  | Mr. E. D. C. Sampath Arahapola | - | Member                                     |
| 4)  | Mr. Lakmal Wickramarachchi     | - | Member (until 26.03.2023)                  |
| 5)  | Mr. Rushan Marambage           | - | Member (since 27.03.2023)                  |
| 6)  | Ms. Malani Baddegama           | - | Member                                     |
| 7)  | Mr. Densil Indrajith Perera    | - | Member                                     |
| 8)  | Ms. Hashini Silva              | - | Member (until 16.05.2023)                  |
| 9)  | Mr. S.M. Aberathna             | - | Member (until 16.05.2023)                  |
| 10) | Mr. Ananda Jayasinghe          | - | Member (until 16.05.2023)                  |
| 11) | Mr. Sahan Deshapriya           | - | Member (since 17.05.2023)                  |
| 12) | Mr. A.A.S. De Silva            | - | Member (since 17.05.2023)                  |
| 13) | Ms. Nandani Samarawikrama      | - | Ministry Representative (until 04.08.2023) |
| 14) | Ms. K.A.S. Walpola             | - | Ministry Representative (since 04.08.2023) |



## Senior Management

- |     |                               |   |
|-----|-------------------------------|---|
| 1)  | Mr. W. G. K. B. Ranathunga    | - Chairman  |
| 2)  | P. K. N. Asangika             | - Director (Acting) / Assistant Director (Admin)  |
| 3)  | Mrs. M.A.S. Gamlath           | - Assistant Director (Design Development)<br>Western Province / Section Head <ul style="list-style-type: none"><li>▪ Retired from 21.10.2023</li><li>▪ Recruited on contract basis since 01.11.2023</li></ul> |
| 4)  | Mr. P. K. Wijesinghe          | - Assistant Director (Design Development)<br>Central Province   |
| 5)  | Mr. B. Manathunga             | - Assistant Director (Design Development)<br>North Central and North Western Province <ul style="list-style-type: none"><li>▪ Retired from 20.08.2023</li></ul>   |
| 6)  | Mrs. Tamara Damayanthi        | - Assistant Director (Design Development)<br>Uva and Sabaragamuwa Provinces   |
| 7)  | Mr. W. M. Piyrathna           | - Assistant Director (Design Development)<br>Southern Province  |
| 8)  | Mrs. B. R. Ranaweera          | - Accountant  |
| 9)  | Mr. N. G. K. Indika           | - Assistant Director (Sales)  |
| 10) | Mrs. B. A. N. N. Bamunusinghe | - Assistant Director (Chemical)   |

### Bankers

Bank of Ceylon, Katubedda  
People's Bank, Katubedda

### Audit

Government Auditor General  
Department of Auditor General

## Message from the Chairman

I consider it an honour to present the 2023 annual report of the National Design Centre which plays a key role in promoting and developing the Industry of Handicrafts in Sri Lanka under the Small and Medium Scale Entrepreneurship Development Unit of the Ministry of Industries.

Under the Plan of Action for 2023, number of functions including training programmes for developing new designs, marketing development programmes, Research and Development programmes, taking preliminary measures to set up a forum of designers, publishing a book for popularizing design patterns depicted in traditional paintings and sculptures and awarding certificates to 34 students who successfully completed the National Diploma in Lifestyle Product Design were carried out.

Apart from the above programmes, the Design Centre conducted eight (08) advertising and promotional programmes in this year to transmit its new designs and concepts to the ordinary public with the aim of attracting and enticing them toward Sri Lankan handicrafts. Two Memoranda of Understanding were signed at the Ministry of Industries respectively with the Sri Lanka Water Supply and Drainage Board for introducing an alternative raw material for clay-products or creations under the Research and Development Programmes of the year and with the Sri Lanka Institute of Nano Technology for initiate joint Research Projects. Furthermore, measures were taken to meticulously design and develop machines to raise efficiency in handicraft production in the red clay, rush and reed and coir industries this year.

“Yugayata Nimaum” 2023 handicraft exhibition was successfully conducted at the BMICH, and our Centre could involve in 06 other promotional programmes on requests made by the government and non-government institutions this year as well.

We focused more on executing the Act of the Design Centre modifying the strategies applied in the action plan, and being the Chairman of the Design Centre, I am pleased to declare that the government Auditor General has issued a good audit opinion on the financial statements presented by the National Design Centre in 2023.

I would like to bestow my sincere thanks to the entire staff of the head-office and the Nattarampota office who dedicated themselves with utmost diligence and determination to achieve the progress targeted in 2023 and the officers of the line Ministry and State Ministry for their unstinting support and guidance.

W.G.K.B. Ranathunga  
Chairman  
NDC

## Message from the Director

I was assigned with the duties of the post of Director since the post has fallen vacant in 2023 as well. The approved cadre of the Design Centre was 114, but the existence of vacancies in the posts of 40 officers was an enormous challenge to achieve goals and objectives targeted by the institute. However, seventeen (17) training programmes could be conducted in this year under diverse fields and 402 craftsmen were empowered by providing them with practical training through which the base for introducing 217 inventions was formed. Likewise, the Design Centre had the opportunity to compile a book to reproduce and introduce fundamentals of designing (designs/patterns) in the traditional fields of art and sculpture that evolved under the arena of Handicrafts.

Our annual exhibition “*Yugayata Nimaum*” could not be held in 2022, but we had the opportunity to unfold this annual event this year successfully under two stages. Accordingly, the exhibition organized by the head-office was conducted at the BMICH while the exhibition of the Nattarampota was rolled out at the “City Centre” in Kandy along with the fashion show of the students who followed the National Diploma Course in Lifestyle Product Design.

In addition, our craftsmen along with their innovative new designs participated in exhibitions arranged by the government and non-government organizations. Eight (08) advertising and promotional campaigns were successfully conducted to transmit new designs and concepts of the Centre and presentation of innovative designs for the Sinhala and Hindu New Year, joint involvement in the Creative Design Show with Sri Lanka Twins Association, and invention of new designs for Vesak lanterns using hemp were some of them.

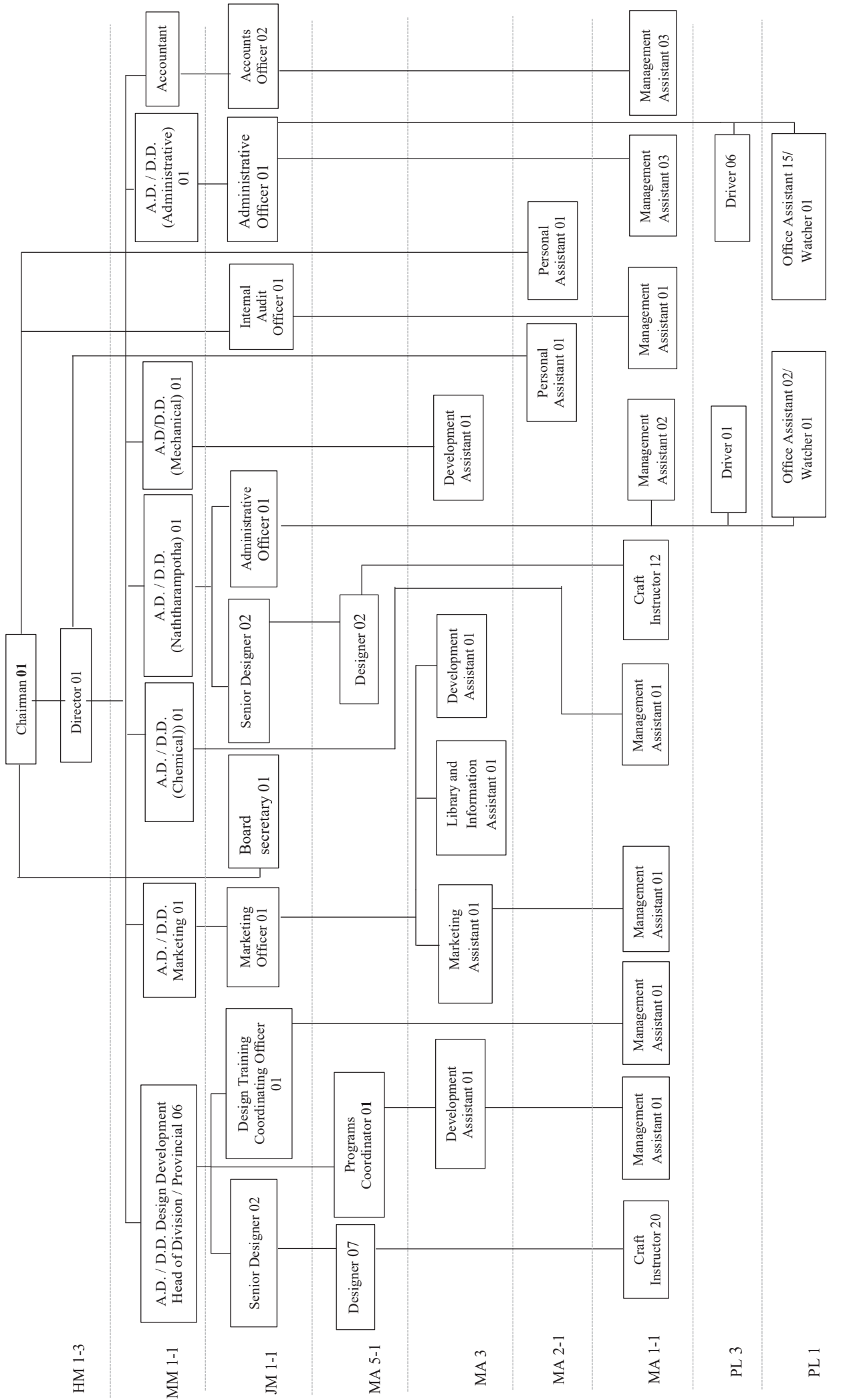
Furthermore, the Research and Development (Chemical and Mechanical) sectors were succeeded in conducting research and development programmes that were identified as one of the key functions mentioned in the National Design Centre Act and conducting nine (09) programmes under the introduction of new technical, technological and innovative mechanisms which are vital for the field of Handicraft

Finally, the Certificate Awarding Ceremony held at the BMICH, Colombo, for distributing certificates among 34 students who successfully completed the National Diploma in Lifestyle Product Design conducted at the Nattarampotha Branch Office by the National Comprehensive School (2021 - 2022) maintained by the National Design Centre was a remarkable achievement.

I take this opportunity to offer my gratitude to the Ministry of Industries for its guidance and the Chairman and all the staff for their support extended to navigate the Action Plan and beyond that point as well to reach the goals and objectives of the Design Centre leaving behind numerous challenges and vacancies in the staff.

Nisham Asangika,  
Director (Actg),  
National Design Centre.

Business Structure



## Human Resource

Position Name	Service Category	Approved	Existing	Vacancies
Director	HM 1-3	01	-	01
Assistant Director/ Deputy Director (Design Development)	MM 1-1	06	04	02
Assistant Director/ Deputy Director (Administration)	MM 1-1	01	01	-
Assistant Director/ Deputy Director (Mechanical)	MM 1-1	01	01	-
Assistant Director/ Deputy Director (Chemical)	MM 1-1	01	01	-
Assistant Director/ Deputy Director (Sales)	MM 1-1	01	01	-
Accountant	MM 1-1	01	01	-
Administrative Officer	JM 1-1	02	01	01
Accounting Officer	JM 1-1	02	01	01
Senior Design Compiler	JM 1-1	04	04	-
Internal Accounting Officer	JM 1-1	01	01	-
Design training coordinating officer	JM 1-1	01	01	-
Council Secretary	JM 1-1	01	-	01
Sales Officer	JM 1-1	01	01	-
Design Compiler	MA 5-1	09	01	08
Program Coordinator	MA 5-1	01	-	01
Library and Information Assistant	MA 3	01	-	01
Development Assistant	MA 3	03	01	02
Sales Assistant	MA 3	01	-	01
Private Assistant	MA 2-1	02	01	01
Management Assistant	MA 1-1	13	08	05
Craft Instructor	MA 1-1	32	26	06
Driver	PL 3	06 01 contract	05	01 01 contract
Office Assistant	PL 1-1	17	12	05
Watchman	PL 1-1	04	02	02
<b>Total</b>		<b>114</b>	<b>74</b>	<b>40</b>

## National Design Centre

### Performance – 2023

The physical progress of the development programs carried out using the approved capital allocation of Rs. 40 million to implement the action plan including the development programs planned for the year 2023 by the National Design Centre can be mentioned as follows.

#### ❖ Development of new designs, improving knowledge and capacity development

##### 01. Design development

Planning new designs that suit the current and future market trends in the local as well as export markets and producing the basic samples of those new designs in the institute's workshop - under this, 468 new design plans were targeted, and 509 new designs were planned under the following handicraft sectors.

New Designs that were planned to be introduced to the workshop for the preparation of basic samples	
For the Head office workshop	
Handicrafts Division	Planned Design Size
Wood	34
Textiles	66
Bamboo and cane	30
Red clay	154
Coir	41
Jewellery	09
Rush and reeds	29
For the Nattarampotha branch office workshop	
Leather	42
Brass - Plate	11
Brass - Casting	27
Laksha	48

Batik	03
Curtain printing	06
Painting	07
Flax	02
	<b>509</b>

While it was targeted to convert the new design, plans introduced to the workshop as such in to 468 basic samples under each handicraft sector, from that 432 samples were prepared. The samples prepared as such can be categorized as follows.

<b>Handicrafts Division</b>	<b>Number of new designs introduced</b>
Wood	33
Textiles	45
Bamboo and cane	41
Red clay	102
Coir	42
Jewellery	11
Rush and reeds	22
Leather	33
Brass - Plate	18
Brass - Casting	38
Laksha	47
	<b>432</b>

## **02. Establishing a forum for designers in Sri Lanka**

An open discussion was organized as a first step to create a single platform for designers to exchange knowledge in order to achieve collaboration between designs and designers with the design industry. For this, 200 people including professors, university lecturers, university students and experts in the design industry were invited.

This program was held on 08.12.2023 at the Trace Hall, Colombo, and since it is necessary to continue the forum to achieve the objectives targeted through this forum, the second phase of this is planned to be held next year.

## **03. Providing knowledge about new designs and new technologies**

- **Expanding quality training programs across the country to meet the needs of selected artisans**

17 new design training programs were conducted, and 402 artisans were provided with practical training in various handicraft sectors during the year. Through these, 217 new designs planned by the institution were introduced and new technical knowledge was provided. Attention was paid in giving prioritizing women during these training programs with the aim of empowering and uplifting women through skills and economically. Accordingly, 318 women were included among the above beneficiaries.

Also, upon request, 68 people were given the opportunity to receive practical training in the handicraft field of their interest within the institution workshop.



**New Design and new Technology Training Programmes held in  
2023**

	<b>District and Area</b>	<b>Handicraft Sector</b>	<b>Commencement Date</b>	<b>Number of Days</b>	<b>Number of Beneficiaries</b>	<b>Number of new designs introduced</b>
1	Gampaha – Mirigama - Hadidenikanda	Rush and reeds	July 29	05	20	10
2	Mathara - Weligama-Kumbalgama	Red clay	September 16	03	23	10
3	Colombo - Moratuwa-Katubeddha	Textiles - Bags	September 14	04	23	04
4	Kandy - Harispattuwa-Senarathwela	Handloom Fabrics and Rexin Bags	September 25	03	20	05
5	Kandy - Kundasale	Screen Printing	September 22	03	25	-
6	Mathara - Thalalla	Coir	October 04	05	21	06
7	Puttalam - Dhankotuwa	Coir	October 25	05	25	08
8	Kaluthara - Nagoda	Textiles- Soft toys	October 25	04	27	04
9	Kurunegala - Malkaduwwa	Wood	October 26	04	21	13
10	Kaluthara - Walallawita-Panthota	Rush and reeds	October 26	05	24	07
11	Monaragala-Senapathiya- Aywela	Cane	October 13	04	19	06
12	Kandy- Kundasale	Textiles	November 22	05	27	05

13	Puttalam- Wennappuwa	Coir	November 22	05	26	05
14	Kandy- Naattharampotha	Handloom Fabrics and Rexin Bags	November 23	03	20	05
15	Gampaha- Mirigama	Jewellery- Coconut shells	December 04	05	30	06
16	Kandy - Nattharampotha	Jewellery	December 07	02	25	10
17	Polonnaruwa- Dhehiatthakandiya- Siripura	Textiles	December 15	04	26	10

**04. A book was prepared and published to introduce the systematic reconstruction and resocialization of design elements (designs/patterns) in traditional painting and sculpture art based on the current needs of the small and medium-scale local handicraft sector.**



## ❖ **Conducting local market promotion programs and new design exhibitions**

### **01. Conducting marketing research programs to identify customer needs and expectations**

While two marketing research programs were conducted during this year, one marketing research program was conducted using secondary data to guide the design department to create new designs on handicraft designs used based on the Sinhala Hindu New Year and the ability to use the Sinhala New Year market to promote handicraft products and the market segment that can be reached through it.

A marketing research program was also conducted on packaging and related market trends that can be used to create new designs.

### **02. Product Development Programme**

Through this program, new designs are developed in collaboration with artisans and these programs are carried out with the aim of introducing them to the market at the annual exhibition "Yugayata Nimavam" organized by the National Design Centre. Accordingly, in 2023, the National Design Centre developed 64 new designs through 18 identified artisans and launched them at the "Yugayata Nimavam" exhibition.

### **03. Organizing and conducting new design exhibitions to promote new designs developed by the institution**

#### **Yugayata Nimawum – 2023 Handicraft Exhibition**

The 2023 Yugayata Nimawum Handicrafts Exhibition was held in two phases, with the main exhibition successfully held at the Bandaranaike Memorial International Conference Hall on 18th and 19th December. The exhibition showcased over 200 new designs created by the National Design Centre and provided direct market opportunities to 27 artisans.

In addition to the launch of new designs by the National Design Centre, there was an exhibition area featuring the designs of students studying courses at the Sri Lanka National Institute of Design Education run by the National Design Centre, an exhibition area

featuring innovations and research information from the Research and Development sector, and a handicraft product sales area.

In addition, special events such as a Batik-related design exhibition, the launch of the design elements book compiled by the National Design Centre, and a discussion program on the field of design were organized and held in conjunction with this exhibition.

A sub-exhibition of the Yugaara Nimaavum exhibition was held at the Kandy City Centre premises in Kandy on December 22<sup>nd</sup> and 23<sup>rd</sup> and there new designs related to all handicraft products were unveiled. Also, a new design exhibition area of students studying the Lifestyle Design Diploma course of the Sri Lanka National Institute of Design Education and a design and fashion show of those students were organized and held in conjunction with this exhibition.

#### **04. Participation in exhibitions organized by government and non-government institutions**

The National Design Centre receives constant requests to participate in exhibitions and events organized by other government and non-government institutions and accordingly, the Institute participated in 06 exhibitions and events this year and introduced its new designs and technologies, training programs, short-term training programs, courses in the education sector and other services of the Institute. Accordingly, the participated exhibitions and promotional programme are as follows.

<b>Number</b>	<b>Exhibition/ Promotional Programme</b>	<b>Location</b>	<b>Organized Institute</b>
01	Craft in Ceylon	BMICH	National Crafts Council
02	Peoples Market	MJF Katubedda Area	MJF Foundation
03	Industries - 2023 Exhibition	BMICH	Sri Lanka Industrial Development Board
04	Industries - 2023 Exhibition	Kandy	Sri Lanka Industrial Development Board
05	World Children's Day Celebration	Derana Television Channel	Rathmalana Airport
06	Buyers and Sellers Meeting	Kandy	Organized by a Tourist Hotel

## **05. Conducting advertising and promotional programs to popularize new designs designed by the institution**

With the aim of transmitting the new designs and concepts of the institution and the potential of the design field to the public, 08 advertising and promotional programs were carried out by the National Design Centre during this year. It is special that through these it was possible to bring new design concepts to the public in a more attractive way and to effectively communicate to the public that the design field is a nationally important field and its potential for use in industries. It was also possible to attract people by informing them about the services, exhibitions and events of the institution. Accordingly, the following advertising and promotional programs were implemented during this year.

1. Advertising program to introduce new designs related to handicrafts for the Sinhala Hindu New Year
2. Advertising program to introduce new designs related to Vesak lanterns using flax
3. Advertising program on short-term training programs of the National Design Centre
4. Advertising and promotion program on new designs of Laksha Lamps
5. Social media discussion programs on the field of design
6. Advertising and promotion program on the design vision carried out jointly with the Twin Association
7. Advertising program on the Yugayata Nimaavum -2023 exhibition
8. Advertising program on design elements introduced by the National Design Centre

### **❖ Conducting research and development programs and introducing new technology, new processes and material innovations**

- **Connecting with recognised laboratories and institutions to analyse, certify and raise awareness about the quality of handicraft products and processes.**

As a means to improve the quality of the batik industry, the GMP standard draft for batik was published by the SLSI in August this year. Before the publication of the GMP standard draft by

the Sri Lanka Standards Institute, the required information was provided as a member of the working committee. The standard draft was studied, and discussions were held with the relevant parties regarding the awareness program for batik manufacturers.

- **Project of constructing a prototype of a small-scale batik wastewater treatment system**

Under this, studying the necessary information, preparing the technical specifications, inviting project proposals, evaluating and selecting proposals, directing and monitoring the project was done. As per the request received by this institution, a project to construct a prototype system capable of treating 500 liters of batik wastewater per day was carried out at the premises of the Walawwatta Batik Training Center in Miriswatta, Gampaha implemented by the National Crafts Council.

- **Research project on the use of sludge produced in water treatment carried out by the National Water Supply and Drainage Board for the creation of clay-based handicrafts,**

A Memorandum of Understanding was signed between the National Water Supply and Drainage Board and the National Design Centre at the Ministry of Industries to implement this project. Clay artisans in the Biyagama and Mahayala areas who are engaged in the production of clay lamps were informed about this. Accordingly, the artisans of the Mahayala Clay Village located near the Kandana Water Treatment Plant had requested this and as per their requirement, necessary arrangements were made to transport these raw materials to the Mahayala Clay Training Centre free of cost. Currently, five artisans have registered with the National Design Centre to obtain this clay and they are using this as an alternative raw material for decorative clay handicrafts.





- **Project to identify and commercialize the natural dye production process using plant residues for the batik industry**

The project is being implemented by the National Design Centre under the guidance and funding of the Small and Medium Scale Enterprise Development Division. Discussions were held with the relevant parties for this purpose.

While the Sri Lanka Institute of Nanotechnology was involved in the research activities of this, a Memorandum of Understanding was prepared to initiate such joint research projects. The Memorandum of Understanding was signed between the National Design Centre, SLINTEC and the Ministry of Industries.



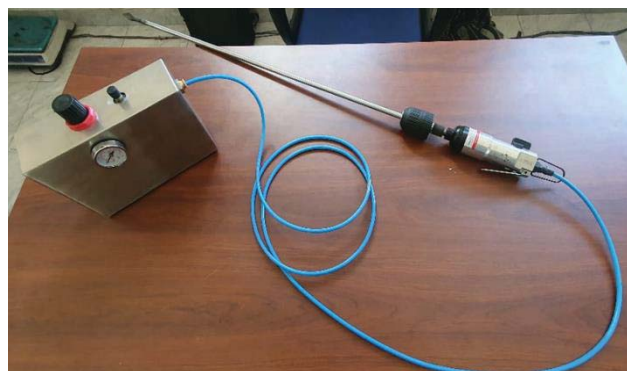
- **Design and development of a multi-functional clay lamp making machine for the red clay industry**

The aim is to make the production process more efficient and provide the customer with a completed Efficient, Quality & Uniformity Production output at once.



- **Project of introducing a machine that facilitates the weaving of coir rugs (Basic Pattern Weaving Machine) to the field**

This is aimed at making the production process more efficient and providing a quality end product to the consumer.



- **Basic workshop to introduce the Semi-automated Rush & Reed Forming Machine to the field**





- **A project to upgrade the field of Laksha industry to furniture manufacturing by introducing Knock-Down Technology to the field**



- **Workshop on Occupational Safety & Health Practices**

Conducting workshops on health and safety for craft instructors - 02 workshops were conducted targeting 40 beneficiaries.

Here, mechanical safety, electrical safety, general safety, safety regulations and guidelines, use of personal protective equipment, proper maintenance and repair methods of machinery and tools were explained to the artisans through lectures and practical sessions.



### ❖ **Standardized courses for the design field**

The performance of the Sri Lanka National Institute of Design Education, affiliated to the National Design Centre, in the year 2023 can be seen as follows.

The target of the National Diploma Course in Home Interior Design (2023-2024) has been achieved by 100% with the enrolment of 60 students, while the National Foundation Course in Home Interior Design (3 months) has been enrolled by 11 students, showing a progress of 73%.

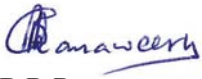
Arrangements have been made to commence the National Diploma Course in Lifestyle Design (2023 – 2024) at the Kandy - Nattharampotha Branch Office.

Arrangements were made to hold the certificate ceremony for 34 students who successfully completed the 2021 - 2022 National Diploma in Lifestyle Design course held at the Kandy - Nattharampotha Branch Office at the Colombo Bandaranaike International Conference Hall in April.

**National Design Center**  
**Statement Financial Position as at 31st December 2023**

<b><u>ASSETS</u></b>	<b>Note</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>CURRENT ASSETS</b>		<b>Rs</b>	<b>Rs</b>
Cash & Cash Equivalent	1	16,735,878.36	16,309,772.34
Trade & Other Receivables	2	4,158,924.29	3,404,477.29
Closing Stock	3	10,707,408.91	8,860,988.12
Prepayments	4	444,968.64	731,896.34
Staff Loans	5	13,298,575.00	13,745,355.00
		45,345,755.20	43,052,489.09
<b>NON CURRENT ASSETS</b>			
Property Plant & Equipment	6	158,580,288.70	170,825,503.40
		158,580,288.70	170,825,503.40
Work in Progress		-	62,595.00
<b>Intangible Assets</b>			
Software		1,330,052.43	316,578.04
<b>TOTAL ASSETS</b>		205,256,096.33	214,257,165.53
<b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITIES</b>			
Trade & other payables	7	4,470,113.83	4,346,918.92
Cash received as an advance for UNDP program	8	2,312,227.97	2,312,227.97
Accrued expenses	9	3,566,559.18	2,230,254.86
		10,348,900.98	8,889,401.75
<b>NON CURRENT LIABILITIES</b>			
Provision for Gratuity	10	25,543,488.00	26,763,675.50
<b>TOTAL LIABILITIES</b>		35,892,388.98	35,653,077.25
<b>TOTAL NET ASSETS</b>		169,363,707.35	178,604,088.28
<b>NET ASSETS /EQUITY</b>			
<b><u>DEFERRED INCOME</u></b>			
Accumulated profit		121,941,561.94	133,486,973.99
Revaluation Reserve		47,422,145.41	45,117,114.29
<b>TOTAL NET ASSETS /EQUITY</b>		169,363,707.35	178,604,088.28

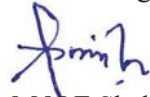
The accounting policies on page 12 -13 and notes from page 14 to 34 from an integral part of these financial



B.R. Ranaweera

Accountant

06.05.2024



M.N.F. Shahina

Director

06.05.2024

The Board of Directors are responsible for the preparation & presentation of these Financial Statements

These Financial Statements were approved by Board of Directors and signed on their behalf.



W.G.K.B. Ranathunga

Chairman

06.05.2024



P.G.P. Rasanjalie

Board Member

06.05.2024

**National Design Center**  
**Statement of Financial Performance for the year ended 31 st December 2023**

<b>OPERATING INCOME</b>	<b>Note</b>	<b>2023 Rs</b>	<b>2022 Rs</b>
Treasury Grant - Recurrent	11	72,047,000.00	67,380,000.00
Treasury Grant - Capital for Development			
Activities		26,115,000.00	5,601,506.34
Development Activities - Ministry Funds		686,115.00	818,715.71
Other Income	12	8,540,214.99	10,355,256.62
		<u>107,388,329.99</u>	<u>84,155,478.67</u>
<b>OPPERATING EXPENSES</b>			
Personal Emoluments	13	56,723,133.47	56,442,225.51
Travelling expenses	14	184,615.00	135,229.17
Supplies	15	2,624,814.70	1,640,603.34
Maintenance	16	3,672,497.47	3,618,950.43
Contractual Services	17	8,231,481.09	6,176,349.55
Depreciation	18	17,976,104.22	11,761,315.51
Gratuity		2,318,602.50	2,595,521.00
Development Expenses	19	21,749,950.49	4,962,824.39
Development Activities _ Ministry Funds	20	686,115.00	307,630.00
Other Expenses	21	4,960,466.10	4,266,427.75
		<u>119,127,780.04</u>	<u>91,907,076.65</u>
<b>SURPLUS /(DEFICIT) FOR THE YEAR</b>		<b>(11,739,450.05)</b>	<b>(7,751,597.98)</b>

**National Design Center**  
**Statement of Cash Flow for year ended 31.12.2023**

	<b>2023</b>	<b>2022</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Cash Flow Operating Activities</b>		
Surplus / Deficit from ordinary Activities	(11,739,450.05)	(7,751,597.98)
(+) Prior Year Adjustments	215,038.00	376,487.24
(-) Prior Year Adjustments	<u>(21,000.00)</u>	<u>(377,947.04)</u>
	(11,545,412.05)	(7,753,057.78)
<b>Non Cash Movements</b>		
Depreciation	17,976,104.43	11,761,315.51
Gratuity	2,318,602.50	2,595,521.00
Doubtful Debts		12,086.80
Obsolete Stock		142,265.46
(Increase ) /Decrease in Closing Stock	(1,846,420.79)	(794,570.33)
(Increase ) /Decrease in Trade & Other Receivables	(754,447.00)	(2,091,264.96)
(Increase )/ Decrease in Staff Loan Receivables	446,780.00	(779,895.00)
(Increase) / Decrease_ Prepayment	286,927.70	(153,267.69)
Increase / (Decrease) in Trade & Other Payables	123,194.91	(5,702,530.82)
Gratuity Payments	(3,538,790.00)	(1,166,260.00)
Increase/(Decrease) in Accrued Expenses	<u>1,336,304.32</u>	<u>(1,011,047.75)</u>
	<u>16,348,256.07</u>	<u>2,921,677.22</u>
Net Cash flow from operating activities	4,802,844.02	(4,831,380.56)
<b>Cash Flow from Investing Activities</b>		
Improvements to Buildings (DCF)		(21,765.73)
Building	(90,179.00)	-
Expenditure on Software	(1,076,790.00)	-
Purchase of plant & Machinery	(2,682,775.00)	-
Purchase of Furniture	(397,121.50)	(1,677,620.00)
Purchase of Office Equipment	(102,147.50)	(69,665.00)
Purchase of Computer & Other Equipment	(27,725.00)	-

Net Cash Flow from Investing Activities	(4,376,738.00)	(1,769,050.73)
Cash Flow from Financing Activities		
Capital Grant from Treasury	-	9,557,493.66
Net Cash flow from financing activities		9,557,493.66
Net Increase /decrease in Cash & Cash Equivalent	426,106.02	2,957,062.37
Cash & Cash Equivalent at the beginning of the Year	16,309,772.34	13,252,709.61
Cash & cash Equivalent at the end of the Year	16,735,878.36	16,309,772.34

**National Design Center**  
**Statement of Cash Flow for year ended 31.12.2023**

	<b>2023</b>		<b>2022</b>
	<b>Rs.</b>		<b>Rs.</b>
<b>Cash Flow Operating Activities</b>			
Surplus / Deficit from ordinary Activities	(11,739,450.05)		(7,751,597.98)
(+) Prior Year Adjustments	215,038.00		376,487.24
(-) Prior Year Adjustments	<u>(21,000.00)</u>	(11,545,412.05)	<u>(377,947.04)</u> <u>(7,753,057.78)</u>
<b>Non Cash Movements</b>			
Depreciation	17,976,104.43		11,761,315.51
Gratuity	2,318,602.50		2,595,521.00
Doubtful Debts			12,086.80
Obsolete Stock			142,265.46
(Increase ) /Decrease in Closing Stock	(1,846,420.79)		(794,570.33)
(Increase ) /Decrease in Trade & Other Receivables	(754,447.00)		(2,091,264.96)
(Increase )/ Decrease in Staff Loan Receivables	446,780.00		(779,895.00)
(Increase) / Decrease_ Prepayment	286,927.70		(153,267.69)
Increase / (Decrease) in Trade & Other Payables	123,194.91		(5,702,530.82)
Gratuity Payments	(3,538,790.00)		(1,166,260.00)
Increase/(Decrease) in Accrued Expenses	<u>1,336,304.32</u>	<u>16,348,256.07</u>	<u>(1,011,047.75)</u> <u>2,921,677.22</u>
Net Cash flow from operating activities		4,802,844.02	(4,831,380.56)
<b>Cash Flow from Investing Activities</b>			
Improvements to Buildings (DCF)			(21,765.73)
Building	(90,179.00)		-
Expenditure on Software	(1,076,790.00)		-
Purchase of plant & Machinery	(2,682,775.00)		-
Purchase of Furniture	(397,121.50)		(1,677,620.00)
Purchase of Office Equipment	(102,147.50)		(69,665.00)



Purchase of Computer & Other Equipment	(27,725.00)	-
Net Cash Flow from Investing Activities	(4,376,738.00)	(1,769,050.73)
<b>Cash Flow from Financing Activities</b>		
Capital Grant from Treasury	-	9,557,493.66
Net Cash flow from financing activities		9,557,493.66
Net Increase /decrease in Cash & Cash Equivalent	426,106.02	2,957,062.37
Cash & Cash Equivalent at the beginning of the Year	16,309,772.34	13,252,709.61
Cash & cash Equivalent at the end of the Year	16,735,878.36	16,309,772.34

## Statement of Changes in Equity for the year ended 31.12.2023

	Capital Grant Rs.	Accumulated Reserve Rs	Revaluation Reserve Rs.	Total Rs.
Balance as at 01.01.2023	109,431,667.13	24,055,306.86	45,117,114.29	178,604,088.28
Changes in Accounting Policy				
Prior Year Adjustment		194,038.00		194,038.00
Deferred Expenses				
Provision for Deferred Depreciation				
Transfer	(109,431,667.13)	109,431,667.13		-
Revaluation Reserve			2,305,031.12	2,305,031.12
Treasury Grant - cash assets				
Statement of Financial Performance				
Currency Exchange Differences				
Surplus /Deficit for the period		(11,739,450.05)		(11,739,450.05)
Balance as at 31.12.2023	-	121,941,561.94	47,422,145.41	169,363,707.35

## **National Design Centre**

### **Accounting Policies for the year 2023**

#### 01. Basis of Preparation

Financial Statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflationary factors affecting the accounts and the financial statements are prepared in Sri Lanka Rupees

These financial statements are for a public sector entity. The financial statements encompass the reporting entity as specified in the relevant legislation / guidelines.

The financial statements comply with Sri Lanka Public Sector Accounting Standards for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

#### 02. Government Grants

The Institutions receives two types of Government Grants namely, Recurrent and Capital.

#### 03. Depreciation

Depreciation on tangible fixed assets has been provided on diminishing balance method at the following annual rates.

Building	5%
Office Equipment	10%
Computers and Accessories	20 %
Furniture & Fittings	10%
Tools & Equipment	25%
Motor Vehicles	20%
Machinery & Equipment	15%
Library Books	5%
Software	20%

#### 04. Statement of Financial Performance

The revenue of the Institutions represents the income from Government Grants and other miscellaneous income. All income has been recognized on an accrual basis.

#### 05. Valuation of Inventories

Inventories are valued at cost. The cost of inventories is determined on first in first out (FIFO) basis.

#### 06. Post Balance Sheet Events

All material events occurring after the Balance Sheet date are considered and when necessary adjustments have been made in the accounts

07. Value of the land where head office building and the project office building is located has not been included in the financial statements since the ownership has not been transferred to the institution from the Department of Small Industries
08. Provision for gratuity has been provided for employees who have completed five years of service in the institute.
09. Provision for bad and doubtful debts has been made on trade receivables at 2 ½ %
10. Provision for Obsolete stock has been made at 1% on raw materials and 2% on finished goods
11. A Labor Tribunal Case No.32/RM/04/2022 is in progress
11. Furniture and Fittings have been revalued during the year.

## Note 01 - Cash & Cash Equivalent

	31.12.2023 Rs	31.12.2022 Rs.
National Design Centre Account - Bank of Ceylon A/c No. 407273	15,168,039.64	15,773,677.58
National Design Centre Account - Bank of Ceylon kandy A/c No . 32777	96,302.87	78,079.27
Staff Loan Account - Bank of Ceylon A/c No. 407325	1,471,535.85	458,015.49
	16,735,878.36	16,309,772.34

## Note 02 - Trade and Other Receivables

	31.12.2023 Rs	31.12.2022 Rs.
Advance on cash	704.53	725.53
Advance for deposits	8,894.55	8,894.55
Receivable 2.1	687,614.21	497,044.21
Advance By Cheque	49,775.00	-
Advance - Dust Dynamic (PVT) Ltd	-	564,775.00
<u>Deposits</u>	-	-
Telephone Deposit	11,950.00	11,950.00
Fuel Deposits	10,000.00	10,000.00
Newspaper Deposit	300.00	300.00
Cylinder Deposits	6,500.00	6,500.00
Electricity Deposit	20,000.00	20,000.00
Fuel Deposit Lanka IOC PLC	500,000.00	500,000.00
Refundable Deposit (BMICH)	240,000.00	-
Class Fees Receivable 2.2	2,025,000.00	1,150,000.00
Sri Lanka Handicraft Development Board	146,155.00	327,155.00
Barefoot	50.00	50.00

Advance DCF	46,641.00	46,641.00
Trade Commerce and Tourism Dept . Central Province	23,600.00	137,832.00
Lankarcade (PVT) Ltd	351,740.00	122,610.00
A.Asanka	30,000.00	-
	4,158,924.29	3,404,477.29

### Note 02.1. – Receivable

	Rs.	Rs.
Ministry of Industries	686,115.00	465,640.00
Staff Welfare Association	-	1,500.00
L.C Kodithuwakku	-	4,570.00
R.M Sarath Ranasingha	-	5,680.00
Dilip Madushanka	-	1,399.21
W.P.K Wijesingha	-	18,255.00
Bicycle Loan	1,499.21	-
	687,614.21	497,044.21

### Note 02.2. - Class Fees Receivable

	31.12.2023 Rs.	31.12.2022 Rs.
HND 2021-2023 Course	110,000.00	
NDID 2021-2023 Course	1,020,000.00	
NDLPD 2021-2022 Course	35,000.00	
NDID 2023-2024 Course	170,000.00	
NDLPD 2022-2023 Course	690,000.00	
	2,025,000.00	1,150,000.00

### Note 03 - Closing Stock

		<b>31.12.2023 Rs.</b>	<b>31.12.2022 Rs.</b>
Raw Materials		1,423,875.38	1,588,008.40
Finished Goods	3.1	8,337,761.48	6,319,269.18
Stationary		1,092,104.78	1,095,976.00
DCF Stock	3.2	38,000.00	-
Less provision for Obsolete Stock		(184,332.73)	(142,265.46)
		10,707,408.91	8,860,988.12

### Note 3.1 - Finished Goods

	<b>12.31.2023 Rs.</b>	<b>31.12.2022 Rs.</b>
Finished Good as per Board of Survey Report	8,500,051.48	6,475,543.38
Less : Excess / ( shortage) Adjustment	-	-
Unusable Finished Good	(162,290.00)	(156,274.20)
	8,337,761.48	6,319,269.18

### Note 3.2 - DCF Stock

	<b>31.12.2023 Rs.</b>	<b>31.12.2022 Rs.</b>
Stock at head Office	38,900.00	-
Less - Unusable Finished Good	(900.00)	-
	38,000.00	-

## Note 04 – Prepayments

	<b>31.12.2023</b> <b>Rs.</b>	<b>31.12.2022</b> <b>Rs.</b>
Insurance	279,082.44	278,350.57
Services Agreements	122,967.62	169,120.33
Licenses	42,918.58	33,872.42
Rates and Taxes	-	250,553.02
	<b>444,968.64</b>	<b>731,896.34</b>

## Note 05 - Staff Loans

	<b>31.12.2023</b> <b>Rs.</b>	<b>31.12.2022</b> <b>Rs.</b>
Bicycle Loan	10,300.00	32,500.00
Distress Loan	13,265,575.00	13,630,505.00
festival Advance	21,100.00	82,350.00
Special Advance	1,600.00	-
	<b>13,298,575.00</b>	<b>13,745,355.00</b>





## Intangible Assets

	2023	2022
<b>Cost</b>		
Balance as at 01.01.2023	781,175.00	781,175.00
Additions	1,076,790.00	
Balance as at 31.12.2023	<u>1,857,965.00</u>	<u>781,175.00</u>
<b>Amortization</b>		
Balance as at 01.01.2023	464,596.96	385,452.45
	<u>63,315.61</u>	<u>79,144.51</u>
Additions		
Balance as at 31.12.2023	<u>527,912.57</u>	<u>464,596.96</u>
<b>Net Book Value</b>		
<b>Balance as at 01.01.2023</b>	395,722.55	395,722.55
Balance as at 31.12.2023	<b>1,330,052.43</b>	<b>316,578.04</b>

## Note 07 - Trade and Other payables

	31.12.2023 Rs	31.12.2022 Rs.
Audit fees Payable (provision year 2023)	700,000.00	700,000.00
Cancelled cheques	-	8,000.00
Retention Money Penthouse Pvt Ltd	1,886,005.83	1,886,005.83
Retention Money Sakura project & Interiors	-	57,288.00
Retention Money U.G Gunarathna	-	10,750.00
Security Deposit(Ndc)	-	6,850.00
Retention Payable - Enviromec International Pvt ltd	-	149,581.00
Batik Saree Project	1,072,748.00	1,023,498.00
Batik Training Program	-	49,050.00
Ministry of Industries	-	153,374.29
Class Fees Received in Advance	559,000.00	180,000.00
Provision for Doubtful Debts	50,625.00	12,086.80
Refundable Tender Deposit	91,750.00	-
Modern Interior Projects Pvt Ltd	109,985.00	109,985.00
Stamp Duty Payable	-	450.00
	<b>4,470,113.83</b>	<b>4,346,918.92</b>

## Note 8 \_ Cash Received as an Advance UNDP program

(Special project on technical capacity development and monitoring support for selected handicraft producer group in Batticaloa, Mannar and Vavuniya districts where UNDP serves as implementing partner )

	31.12.2023 Rs	31.12.2022 Rs.
Amount received	2,312,227.97	2,312,227.97
Less - Work Completed	-	-
Balance in account to complete the project	2,312,227.97	2,312,227.97

## Note 09 - Accrued Expenses

	31.12.2023 Rs	31.12.2022 Rs.
Awareness/ Training /TOT program	43,901.84	141,842.11
Cleaning Charges	-	5,100.00
DET -Accrued Expenses	180,482.24	120,175.00
Electricity	249,712.30	111,315.45
EPF 8%	249,604.52	274,103.76
EPF Payable 12%	418,968.76	411,155.64
ETF Payable 3%	104,742.19	102,788.91
Fuel	103,994.38	30,350.00
Gratuity _ D Dharmasiri	-	738,900.00
New Design Exhibition	525,027.23	-
New Design Exhibition KCC	330,415.82	-
News Paper	4,580.00	-
Office Equipment Maintenance	276,375.00	-
Over Time	124,775.10	132,984.95
Over Time & Travelling	-	38,519.18
Payable Stamp Duty	14,175.00	7,025.00
Product development	192,986.00	-
Salaries &wages	201,586.97	-
Security Charges	244,331.00	55,734.00
Telephone	27,933.33	42,467.58
Trainee Allowances	13,500.00	-
Travelling	9,260.00	12,793.00
Vehicle Maintenance	245,870.00	-
Water	4,337.50	5,000.28
	3,566,559.18	2,230,254.86

**Note 10****Gratuity provision as at 31.12.2023**

			Years as at 31-12- 2023			Provision as at 31.12.2023 (6) = ( 3 ) x ( 5 )
	1		3	4	5	
1	U.L Wickramarathna	06/10/1985	38	52,380.00	26,190.00	995,220.00
2	P. Dharmasena	24/06/1985	38	46,275.00	23,137.50	879,225.00
3	G.W. Ramyalatha	16/03/1987	36	49,080.00	24,540.00	883,440.00
4	M.A Somalatha	03/01/1988	35	85,115.00	42,557.50	1,489,512.50
5	W.A.P.K Wijesingha	08/01/1988	35	86,490.00	43,245.00	1,513,575.00
6	Palitha Pushpakumara	15/04/1988	35	45,120.00	22,560.00	789,600.00
7	K.P.J. Perera	14/02/1989	34	42,820.00	21,410.00	727,940.00
8	B.K.K Perera	28/06/1989	34	42,310.00	21,155.00	719,270.00
9	Manel Rajapaksa	10/02/1989	34	57,420.00	28,710.00	976,140.00
10	U.A.LS.K. Jayathissa	01/01/1990	33	42,190.00	21,095.00	696,135.00
11	K.K.S.De Silva	15/08/1991	32	55,020.00	27,510.00	880,320.00
12	M.K Mahinda	07/01/1992	31	47,760.00	23,880.00	740,280.00
13	L.A Kularathna	04/05/1993	30	43,140.00	21,570.00	647,100.00
14	H.B.T Damayanthi	01/03/1994	29	74,707.00	37,353.50	1,083,251.50
15	A.M.T.K Alagiyawanna	05/02/1996	27	40,450.00	20,225.00	546,075.00
16	B. Manathunga	06/03/1996	27	80,455.00	40,227.50	1,086,142.50
17	D.M.A. Chandima	15/07/1996	27	46,690.00	23,345.00	630,315.00
18	M.A.R.U. Gunarathna	16/07/1998	25	45,780.00	22,890.00	572,250.00
19	Susil Wijethunga	09/01/1988	25	39,490.00	19,745.00	493,625.00
20	W.M. Piyaathna	01/04/1999	24	69,225.00	34,612.50	830,700.00
21	R.M. Vijitha Bandara *	06/01/1999	20	63,725.00	31,862.50	637,250.00

22	S.S Weerasuriya	02/01/2000	23	44,460.00	22,230.00	511,290.00
23	H.T. Dinesh Silva	02/01/2000	23	50,400.00	25,200.00	579,600.00
24	C.K.Kalansooriya	11/01/1999	24	50,400.00	25,200.00	604,800.00
25	N.D.H Mohotti	08/02/1999	24	36,910.00	18,455.00	442,920.00
26	K.R. Kumara	24/11/1999	24	38,650.00	19,325.00	463,800.00
27	P. C. J. De Silva	15/08/2005	18	57,716.00	28,858.00	519,444.00
28	V.G.B.D. Weeranayaka	15/08/2005	18	54,175.00	27,087.50	487,575.00
29	S.W.Vijithani	25/10/2005	18	48,870.00	24,435.00	439,830.00
30	B. R. Ranaweera	15/02/2006	17	74,725.00	37,362.50	635,162.50
31	R. M .Gamini Rathnayaka	12/12/2007	16	36,360.00	18,180.00	290,880.00
32	I. A. kleetas Asanga	15/02/2008	15	39,760.00	19,880.00	298,200.00
33	W.I.R.L Fernando	09/01/2008	15	36,380.00	18,190.00	272,850.00
34	N.G.K Indika	08/06/2009	14	69,225.00	34,612.50	484,575.00
35	M.D.L.Sri Sugath Rathnayaka	04/11/2009	14	37,510.00	18,755.00	262,570.00
36	H.M. S..D. Herath	06/03/2013	9	47,950.00	23,975.00	215,775.00
37	M. L.U. Edirisinghe	07/01/2013	10	53,420.00	26,710.00	267,100.00
38	P.L. Gamage	06/03/2013	10	53,420.00	26,710.00	267,100.00
39	S.A.S.C. Perera	07/01/2013	10	53,420.00	26,710.00	267,100.00
40	A. M. T. I Adikari	07/01/2014	9	50,400.00	25,200.00	226,800.00
41	R.M Sarath Ranasinghe	25/07/2013	10	38,617.00	19,308.50	193,085.00
42	W. K. Isuru Indika	07/01/2013	10	36,910.00	18,455.00	184,550.00
43	W.G.D.Anurada	15/07/2013	10	38,617.00	19,308.50	193,085.00
44	Champika Gunasekara	25/07/2013	10	38,660.00	19,330.00	193,300.00
45	R. M. Amith Kumara	25/07/2013	10	34,800.00	17,400.00	174,000.00
46	W. A . Amila Prasanna	07/01/2014	9	36,910.00	18,455.00	166,095.00

47	N. A. S. A . Kumara	02/03/2014	9	34,774.00	17,387.00	156,483.00
48	L. C. Kodituvwakku	07/01/2014	9	38,379.00	19,189.50	172,705.50
49	P.H.G. N. Rathnasuriya	07/01/2014	9	38,379.00	19,189.50	172,705.50
50	G.G.D.M.K. Somarathna	07/01/2014	9	38,379.00	19,189.50	172,705.50
51	K.P.N.R. Ariyavansha	07/01/2014	9	38,379.00	19,189.50	172,705.50
52	R.J.MAGAMAGE	08/01/2014	9	50,400.00	25,200.00	226,800.00
53	Nisham Asangika	24-04-2017	6	69,225.00	34,612.50	207,675.00
53	E.D.P. Krishanthi	25-07-2017	6	37,510.00	18,755.00	112,530.00
55	R.K.T Rajapaksa	08-08-2017	6	37,510.00	18,755.00	112,530.00
56	V.S Vidanage	25-07-2017	6	37,510.00	18,755.00	112,530.00
57	B.A.N.N. Bamunusinghe	14-07-2017	6	69,225.00	34,612.50	207,675.00
58	L.T.M .Karunathilaka	27-07-2017	6	37,510.00	18,755.00	112,530.00
59	H.A Rameshika	15-08-2017	6	34,050.00	17,025.00	102,150.00
60	G.Ruwan Kumara	15-08-2017	6	34,050.00	17,025.00	102,150.00
61	G.W .Sashith Sumanka	04-09-2017	6	34,050.00	17,025.00	102,150.00
62	W.N.S. Priyadarshani	15/09/2017	6	34,050.00	17,025.00	102,150.00
63	W.A.C.P. Weerathunga	16-08-2017	6	34,050.00	17,025.00	102,150.00
64	W.A.P.P.Sathsara	15/05/2018	5	33,800.00	16,900.00	84,500.00
65	M.k. Nissanka	16/07/2018	5	35,440.00	17,720.00	88,600.00
						29,082,278.00
-	-					
-	<u>Less</u>					
10	U.A.LS.K. Jayathissa	01/01/1990	33	42,190.00	21,095.00	696,135.00
16	B. Manathunga	06/03/1996	27	80,455.00	40,227.50	1,086,142.50
38	P.L. Gamage	06/03/2013	10	53,420.00	26,710.00	267,100.00
4	M.A Somalatha	03/01/1988	35	85,115.00	42,557.50	1,489,512.50
						3,538,890.00
	Stamp duty					(100.00)
						3,538,790.00
	Total Gratuity					25,543,488.00

## Treasury Grant Recurrent

	31.12.2023 Rs	31.12.2022 Rs.
January	4,735,000.00	4,881,000.00
February	4,735,000.00	6,688,000.00
March	5,735,000.00	6,716,000.00
April	4,735,000.00	4,746,000.00
May	8,492,000.00	5,295,000.00
June	4,735,000.00	5,310,000.00
July	4,735,000.00	5,235,000.00
August	9,209,000.00	5,235,000.00
September	4,600,000.00	6,235,000.00
October	9,256,000.00	4,735,000.00
November	4,455,000.00	6,250,000.00
December	6,625,000.00	7,304,000.00
Refund 31 - 12- 2022	-	(1,250,000.00)
	72,047,000.00	67,380,000.00

## Treasury Grant For Capital

	31.12.2023 Rs	31.12.2022 Rs.
<b>Treasury Grant For Assets</b>	-	6,733,493.66
Ministry of Industries Grand For Assets	-	2,824,000.00
<b>Treasury Grand For Development Activities</b>	26,115,000.00	5,601,506.34
	26,115,000.00	15,159,000.00



## Note 12 - Other Income

	Note	31.12.2023 Rs	31.12.2022 Rs.
Levy on private use of vehicles		6,000.00	6,000.00
Non Refundable Tender Deposit		-	1,500.00
Miscellaneous		48,235.00	11,175.68
Profit & Loss	12.1	721,134.63	485,089.97
Government Contribution		-	480.00
Insurance Claim		33,850.00	-
Scarp Sales		-	60,235.00
Short Course Fee		144,800.00	-
Institutional Charges		-	740,308.65
Design Education Activity	12.2	6,504,500.00	8,091,000.00
Desing Consultancy income	12.3	230,575.00	283,453.40
Laksala Sales Income		-	14,040.00
Other Sales	12.4	284,130.00	114,565.00
Consignment Income		-	-
<b>Staff Loan Account income</b>		-	-
Interest Income		566,990.36	547,408.92
		8,540,214.99	10,355,256.62

**Sub Note 12.1****National Design Centre - Statement of profit & Loss Account for the Year end 31.12.2023**

	Note	31.12.2023 Rs	31.12.2022 Rs.
Income (sales)		1,106,938.85	873,522.00
Less : Cost of Sales (Note 1 .1)	12.1.1	403,735.22	400,669.03
Gross profit		703,203.63	472,852.97
Common facility center income		17,931.00	12,237.00
Total profit		721,134.63	485,089.97

**Note 12-1-1 - Cost of sale**

Raw Material		31.12.2023 Rs	31.12.2022 Rs.
Opening Stock ( 1st January 2023)		1,588,008.40	1,207,908.37
Add - Pervious Year Adjustment			26,393.75
Purchases		1,762,026.16	1,149,592.66
		3,350,034.56	2,383,894.78
Less Closing Stock		(1,423,875.38)	(1,588,008.40)
Material Consumed		1,926,159.18	795,886.38
<u>Finished Goods</u>			
Opening Stock 1st January 2023		6,177,003.72	5,607,732.88
Add - Previous Year Adjustment			174,053.49
Purchases		8,103,162.90	6,577,672.75
		492,001.00	-
<u>Less</u>		8,595,163.90	6,577,672.75
Closing Stock 31 December 2023	12.1.1-i	(8,191,428.68)	(6,177,003.72)
Cost of Sales		403,735.22	400,669.03

### Sub Note 12.1.1.-I - Closing Stock 31 December 2023

	31.12.2023 Rs	31.12.2022 Rs.
Stock as per Board of Survey Report 31.12.2023	8,500,051.41	6,475,543.38
Add: DCF Stock	38,000.00	
	8,538,051.41	6,475,543.38
Less : Shortage in Finished goods stock		
	8,538,051.41	6,475,543.38
Less - Unusable Finished Goods	(162,290.00)	(156,274.20)
Provision for Obsolete Stock	(184,332.73)	(142,265.46)
	8,191,428.68	6,177,003.72

### Sub Note 12.2 Design Education Activity

	31.12.2023 Rs	31.12.2022 Rs.
NDID 2021- 2023 Course Fee	1,440,000.00	4,322,000.00
NDLPD 2021- 2023 Course Fee	-	900,000.00
HND 2021-2023 Course Fee	125,000.00	1,345,000.00
NDID 2023-2024 Course Fee	3,400,000.00	-
NDLPD 2022-2023 Course Fee	1,065,000.00	900,000.00
NDID 2019 - 2020 Course Fees	-	360,000.00
Interior Design Foundation Course 2023	365,000.00	-
Application Fees	1,500.00	36,000.00
Repeat Exam Charges	-	-
Diploma Award Ceremony Income	108,000.00	198,000.00
Unidentified Course fee	-	30,000.00
	6,504,500.00	8,091,000.00

### Sub Note 12.3 - Design Consultancy Income

	31.12.2023 Rs	31.12.2022 Rs.
National Craft Council Interior design drawing for Handicraft Emporium Sigiriya (Drawing and Consultation fee)	-	144,447.50
Krisales Institute (design Drawing and Consultation fee)	-	139,005.90
Industry Exhibition Pandol (Design Drawing and consultancy fee)	230,575.00	-
	<b>230,575.00</b>	<b>283,453.40</b>

### Sub Note 12.4 - Other Sales Income

	31.12.2023 Rs	31.12.2022 Rs.
Other	30,000.00	24,480.00
Lak Arcade	254,130.00	90,085.00
	284,130.00	114,565.00

### Note 13 – Personal Emoluments

	31.12.2023 Rs	31.12.2022 Rs.	Estimate 2023 Rs.
Salaries & Wages	46,648,263.09	46,705,897.89	49,825,000.00
EPF	4,969,218.75	4,987,373.32	5,314,000.00
ETF	1,242,304.17	1,252,147.69	1,329,000.00
Over Time	1,214,772.27	1,550,496.61	2,752,000.00
Trainee Allowance	396,350.00	228,450.00	-
Fuel Allowances	589,004.03	1,437,860.00	589,004.00

Chairman's Allowances	1,426,576.00	-	1,426,576.00
Telephone Allowances	236,645.16	280,000.00	336,000.00
	56,723,133.47	56,442,225.51	61,571,580.00

#### Note 14 - Travelling Expenses

	31.12.2023 Rs	31.12.2022 Rs.	Estimate 2023 Rs.
Domestic	184,615.00	135,229.17	400,000.00
Foreign	-	-	-
	184,615.00	135,229.17	400,000.00

#### Note 15 - Supplies

	31.12.2023 Rs	31.12.2022 Rs.	Estimate 2023 Rs.
Stationery & Office Requisites	1,294,624.59	860,892.80	2,500,000.00
Fuel Expenses	1,243,045.85	688,097.11	1,884,420.00
Uniforms	72,000.00	76,000.00	90,000.00
Medical	3,184.26	8,658.43	12,000.00
Other Supplies	11,960.00	6,955.00	25,000.00
	2,624,814.70	1,640,603.34	4,511,420.00

## **Note 16 - Maintenance**

	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Estimate 2023</b>
	<b>Rs</b>	<b>Rs.</b>	<b>Rs.</b>
Vehicle maintenance	2,754,165.22	2,669,549.62	4,400,000.00
Building maintenance	103,350.62	90,130.90	1,000,000.00
Plant & Machinery	72,874.00	58,323.00	4,425,000.00
Office Equipment	742,107.63	800,946.91	
	3,672,497.47	3,618,950.43	9,825,000.00

## **Note 17** **Contractual Services**

	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Estimate 2023</b>
	<b>Rs</b>	<b>Rs.</b>	<b>Rs.</b>
Advertisement	54,271.38	-	75,000.00
Audit Fee	700,000.00	700,000.00	648,000.00
Audit & Management Committee Member fee	109,000.00	170,000.00	240,000.00
Bank Charges	-	5,950.00	25,000.00
Board Members Fee	545,000.00	271,500.00	1,200,000.00
Board of Survey Expenses	103,516.03	187,582.73	300,000.00
Contractual Services (service Agreement)	341,956.02	379,785.27	2,490,000.00
Electricity & Water	2,809,303.16	1,576,680.85	1,640,000.00
Insurance	473,939.40	423,685.57	1,500,000.00
Vehicle Licenses	65,463.84	47,340.34	
Interviews Expenses	28,391.00	4,250.00	
Legal Fee	202,961.00	239,336.00	300,000.00
Meeting With clients	82,689.52	72,376.10	400,000.00
Newspaper and Subscriptions	73,040.00	83,065.00	150,000.00

Pest control Services	60,000.00	105,430.00	75,000.00
Petty Cash & Miscellaneous	92,756.87	44,401.00	200,000.00
Printing Annual Reports	380,262.50	79,072.50	600,000.00
Rates & Taxes	250,553.02	269,623.04	750,000.00
Sanitary & Cleaning	332,233.31	270,825.00	800,000.00
Security Charges	1,047,219.49	637,663.00	720,000.00
Staff welfare	67,315.76	211,420.00	600,000.00
Stamp Duty	5,425.00	3,625.00	
Telephone charges	346,339.66	323,558.15	1,164,000.00
Postage	51,114.99	29,725.00	250,000.00
Transport & Hire Charges	8,729.00	39,455.00	1,000,000.00
	8,231,481.09	6,176,349.55	15,127,000.00

## Note 18 - Depreciation

	31.12.2023	31.12.2022
	Rs	Rs.
Building	4,500,018.33	4,734,871.89
Machinery	2,141,854.03	455,192.04
Office Equipment	433,568.47	473,903.58
Furniture & Fittings	1,979,209.08	2,051,145.82
Tools	914,422.06	408,426.49
Library Books	108,461.69	114,170.20
Computer	1,132,027.77	1,412,281.20
Vehicle	6,703,227.39	2,032,179.78
Software	63,315.61	79,144.51
	17,976,104.43	11,761,315.51

## Note 19 -\_Development Activities

	31.12.2023 Rs	31.12.2022 Rs.
Staff Training	64,266.00	171,150.00
Awareness/Training/ TOT programs	3,820,331.60	2,729,634.25
Monitoring of Evaluating project & programs	194,920.00	-
Awareness programs on chemical safety	-	72,555.00
Research on safe chemical day material	-	71,151.00
Research programs For Raw Material Processing	-	990.00
Training Programm On Request	3,696.00	-
Introducing New process Technology	-	169,975.00
Preventive Maintenance Strategy For NDC Mechanical	-	136,475.00
Research for introducing new Machine	-	117,475.00
New Design Exhibition (BMICH)	8,238,265.52	21,304.55
New Design Exhibition (KCC)	2,481,386.82	-
Exhibition In Collaboration With Other institutions	465,281.60	570,591.46
Publishing & Introducing Design Motif	1,606,700.00	-
Fashion Show	-	380,820.97
Web Updating & web Hosting Charges	-	520,702.16
ReUse of Water Treatment Sludge For Clay	32,179.50	-
Popularization New Design of Handicraft	472,203.60	-
Knock Down Technology For Lacquer Industry	222,725.00	-
Multifunctional clay lamp Making Machine	448,950.00	-
Creation A Designers HUB Programme	999,975.00	-
Conduction Research In Collaboration with Local University	538,645.30	-
Conduction Research & Development(Mechanical)	30,690.00	-
Work Shop on Health & Safety (R&D Mechanical)	209,270.00	-



Basic Patten Waving Machine for coir Industries	464,965.00	-
Mr & Mrs Twins Crowing Event	1,455,499.55	-
	21,749,950.49	4,962,824.39

## Note 20 - Expenses for Ministry craft development project

	31.12.2023 Rs	12.31.2022 Rs.
100 Handloom Batik Sarees program	-	90,275.00
Packaging Project Expenses	-	217,355.00
Creation of Designers Hub	436,140.00	-
Natural Dye from waste material	249,975.00	-
	686,115.00	307,630.00

## Note 21 - Other Expenses

		31.12.2023 Rs	12.31.2022 Rs.
Education Activity	21.1	4,597,393.39	4,152,080.95
Short Course Expenses		25,962.00	-
Other Sales Expenses	21.2	208,700.00	89,335.00
Consultancy Expenses		-	9,850.00
Other Expenses (dcf)		83,152.51	2,000.00
Consultancy Expenses NCC National Museum		6,720.00	-
SLF - Stamp Duty		-	1,075.00
Doubtful Debts		38,538.20	12,086.80
		4,960,466.10	4,266,427.75

## Note 21.1 - Education Activity

	31.12.2023 Rs	31.12.2022 Rs.
NDLPD 2022-2023 Course Expenses	871,827.97	444,808.86
Interior Design Foundation Course Expenses	188,761.00	-
HND 2021- 2023 Course Expenses	201,820.00	442,150.00
NDID 2021 - 2023 Course Expenses	329,072.50	1,110,337.50
NDLPD 2021- 2022 Course Expenses	-	659,337.40
Bad Debts (HND 2021-2023 Left Student)	640,000.00	-
NDID 2023- 2024 Course Expenses	840,725.28	22,915.00
Stationary & other office requisites	46,910.00	72,075.00
Fuel Expenses	121,063.60	-
Overtime Moratuwa	464,662.88	470,265.82
Maintenance Expenses	40,396.60	67,155.00
Trainee Allowance	91,500.00	-
Other Expenses	45,067.00	69,241.33
Diploma Award Ceremony	547,367.55	631,687.14
Postage	3,500.00	-
Telephone & Internet	51,135.08	-
Petty Cash & Miscellaneous	44,222.58	64,106.46
Sub Committee Meeting Expenses	15,471.00	-
Cleaning Charges	32,950.00	21,000.00
Advertising Expense	-	59,975.00
Service Agreement	20,940.35	17,026.44
	4,597,393.39	4,152,080.95

## Note 21.2 - Other Sales Expenses

		31.12.2023 Rs	31.12.2022 Rs.
Laksala Sales		-	11,700.00
Lak Arcade		184,700.00	41,935.00
Other		24,000.00	35,700.00
		208,700.00	89,335.00



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## தேசிய கணக்காய்வு அலுவலகம்

### NATIONAL AUDIT OFFICE



මගේ අංකය  
எனது இல.  
My No.

IMT/B/NDC/138/2023/FS

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

2024 සැප්තැම්බර් 24 දින

Chairman,

National Design Centre

Auditor General's report in terms of section 12 of the National Audit Act No. 19 of 2018 on the financial statements for the year ended from 31<sup>st</sup> December 2023 and other legal and regulatory requirements of the National Design Centre.

## 1. Financial Statements

### 1.1 Opinion

The statement of financial position as at 31<sup>st</sup> December 2023 of the National Design Centre, financial performance statement for the year ended on that date, net assets change statement as well as financial statements for the year ended on 31<sup>st</sup> December 2023 consisting of notes applicable to the financial flow statement for the year ended on that date and financial statements including information on important quantitative financial policies were audited under my command in terms of the National Audit Act No. 19 of 2018 to be read in concurrence with the statute 154 (I) of the Constitution of Democratic Socialist Republic of Sri Lanka and the Finance Act No. 38 of 1971. My report will be tabled in Parliament as per statute 154 (6) of the Constitution in due course.

In my opinion, the financial situation as of the 31<sup>st</sup> of December 2023 through the financial statements of the institution and its financial performance and financial flow for the year ended on the same date, furnish an accurate and fair situation in terms of Sri Lankan state sector accounting standards.

The audit was carried out as per Sri Lanka Audit Standards (SLAS). My responsibility in terms of these audit standards has been further described in the Auditor's Responsibility section on the Audit of the Financial Statements of this Report. I do here with believe that the audit evidence taken by me for furnishing a basis for my opinion is sufficient and appropriate.

### **1.3 Other information included in the 2023 Annual Report of the centre**

Financial statements and information about them that are not included in my report even though they are included in the 2023 Annual Report of the centre which is expected to be given to me after the date of this audit report is referred to as other information. The management is responsible for this other information.

While other information is not covered by my opinion related to financial statements, I do not express any kind of guarantee or opinion regarding it.

My responsibility in terms of my audit about financial statements is to read the other information identified above when I am able to receive it and in doing so, considering whether there is a sufficient mismatch of other information with the financial statements or my knowledge received during audit or any other method.

If I conclude that there are sufficient misrepresentations when reading the 2023 annual report of the Centre, I have to communicate those facts to the administrative parties for correction. If there are further misrepresentations that have not been corrected, I will be including them in the report that will be tabled at the parliament in due course according to the 154 (6) constitution.

### **1.4 Responsibilities of the Management and the Administrative parties on financial statements**

It is the responsibility of the management to decide on the internal controls that will be required to prepare these financial statements according to Sri Lanka State Sector Accounting Standards as well as presenting them with justification and void of any false statements that can be developed due to fraud and errors.

In the preparation of financial statements, it is the responsibility of the management to decide the capability of the continuation of the center, and except if the management intend to liquidate the institution or the operations are to be winded up when there is no other alternative, it is the responsibility of the management to keep accounts on the basis of continuity and reveal the matters pertaining to the continuity of the center.

The responsibility examining the financial reporting process of the center is held by the parties applicable for administration.

The center should maintain books and records pertaining to its income, expenditure, assets and liabilities so that the center is capable of preparing annual and contemporary financial statements in terms of sub section 16 (1) of National Audit Act No. 19 of 2018.

### **1.5 Auditor's responsibility on the audit of financial statements.**

My objective is to issue a justified confirmation that as a whole the financial statements are void of quantitative false statements created from forgery and erroneous acts and to issue the auditor's report comprised of my opinion. Although the justified certification is a higher-level certification, it will not always be a confirmation that ensure the quantity false statements revelation when performing the audit as per Sri Lanka Audit Standards. Quantity false statements may form due to the individual and group effect of forgery and erroneous statements formed whereas their quantitateness depend on influences to the economic decisions taken by the users of these financial statements.

I have audited with the professional judgment and professional doubtfulness according to the Sri Lanka Audit Standards. Furthermore,

- Planning and implementing appropriate audit procedures according to the situation when identifying and evaluating the risks of the quantity false statements that may appear in the financial statements due to frauds and errors, when acquiring a basis for the stated audit opinion. More than the effect of the quantity false statements occurring due to misrepresentation, the effect of fraud is more powerful due to reasons such as collusion, forging documents, intentional avoidance, misrepresentation or bypassing internal controls.
- An understanding of the internal administration was obtained, not in the idea of expressing an opinion on the productivity of the internal administration but for planning appropriate audit procedures according to the situation.
- The appropriateness of the accounting policies used, fairness of the accounting estimations and the related disclosures done by the management were appreciated.
- The decision to use the relevance of utilizing the basis of continuous existence of the center for accounting based on the audit evidence obtained with regard to whether there is a quantitative uncertainty on the continuous existence of the center due to incidences or circumstances. If I conclude a prevailing sufficient uncertainty, attention to the disclosures related to it in the financial statements should be paid in my audit report and if those disclosures are insufficient, my opinion should be modified. However, the continuous existence may end based on future incidents or situations.

- The overall presentation of the financial statements including the appropriate and fair inclusion of the transactions and incidents which were the basis for the structure and content of the financial statements and the disclosures were appreciated.

I inform the administrative parties about the important audit findings, major internal administration weaknesses as well as the other particulars found in my audit.

## **2. Report on other legal and regulatory requirement**

- 2.1 Special provisions on the following requirements are included in the National Audit Act No. 19 of 2018.
  - 2.1.1 According to the requirements mentioned in section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the required information and clarifications for the audit and as per my investigation, proper financial reports were maintained by the center.
  - 2.1.2 The financial statements of the Centre correspond with those of the previous year according to the requirement mentioned in section 6 (1) (d) (III) of the National Audit Act No. 19 of 2018 are
  - 2.1.3 The financial statements submitted contain the recommendations issued by me in the previous year according to the requirement mentioned in section 6 (1) (d) (IV) of the National Audit Act No. 19 of 2018.
- 2.2 Nothing was brought into my attention to furnish the following statements based on the actions followed and evidence obtained as well as within the limitation to quantity facts.
  - 2.2.1 Presence of a direct or indirect relationship of a member of the administration of the center, away from the general business relationship with regard to any agreement pertaining to the center as per the requirement of section 12 (d) of the National Audit Act No. 19 of 2018.
  - 2.2.2 Any action against a related written law or any other general or special commands issued by the administration board of the center as per the requirement of section 12 (f) of the National Audit Act No. 19 of 2018.

<b>Reference to Rules and Regulations / Commands</b>	<b>Observations</b>
(a) Section 2 (IV) of the public administration circular No. 9/2009 dated 16 <sup>th</sup> of April 2009 and Section (a) of the public administration circular No. 21/2013 dated 07 <sup>th</sup> of October 2013	Even though an officer should work for a period of not less than 8 hours for the payment of allowances for working on weekends and public holidays, in contrary to this, a total of Rs. 1,081,245 overtime and holiday allowances were paid for 13 officers without confirming the entry and exit by the fingerprint machine in 2022 and 2023.
(b) Paragraph 6.6 in the operation manual for state entrepreneurs introduced by the state business circular No. 01/2021 dated 16 <sup>th</sup> of November 2021.	Even though the annual report draft and financial statements should be presented to the auditor general within 60 days after the end of the accounting year, the financial reports of were presented on the 10 <sup>th</sup> of May 2024.

2.2.3 Action has been taken not in concurrence with the powers, activities and functions of the centre as per the requirement of section 12 (g) of the National Audit Act No. 19 of 2018.

<b>Powers, Activities and Functions</b>	<b>Observations</b>
Section 82 (i) of the National Crafts Council and Allied Institution Act No. 35 of 1982	Although the act allowed to run laboratories, workstations and other institutions, profits were earned by conducting courses by its education division without registering the Institute of design studies as a separate study institution.

2.2.4 Not carried out the procurements and utilized resources of the institutions thriftily, efficiently and productively within the time period according to the

applicable rules and regulations as per the requirement of section 12 (h) of the National Audit Act No. 19 of 2018 except for the following observation.

Even though it was stated that fair, equal and maximum opportunities must be given to qualified and interested parties to participate in procurement according to 1.2.1 (c) of 2006 National procurement guideline compilation, the selection of fashion designers for the batik fashion show and the diploma certificate awarding ceremony was done against the procurement guidelines. In addition, suppliers were not pre-registered according to 3.4.3. (a) of the procurement guideline compilation.

### **2.3 Other matters**

- (a) While Rs. 900,000 was allocated to provide handicraft training for vulnerable groups to contribute for the national economy, though it was targeted to conduct 2 programmes to benefit 40 trainees these tasks were not done as planned within the year.
- (b) Although a refining system was established on the 16<sup>th</sup> of December 2021 by spending Rs. 2,991,720 with the aim of teaching batik designs and providing public facilities for artists involved in that industry in 2020, in the year under review the expected aim of that machine was not fulfilled and the machine was inactive.
- (c) Rs. 712,000 was spent to design 16 batik gowns each for Rs. 44,500 using an external fashion design institution despite having 05 senior fashion designers and 02 assistant fashion designers within the institution.
- (d) Though it was aimed to benefit a total of 6700 beneficiaries including 5000 direct beneficiaries and 1700 indirect beneficiaries by preparing a project plan by the institution, no analysis was done to identify how many artists were benefitted. Accordingly, it was not observed whether the objective was achieved through the project plan. Rs. 1, 455,499 borne for the batik fashion show was not reimbursed by the ministry even by the audit date 30<sup>th</sup> June 2024.
- (e) While the head office CCTV camera system which had been inoperative in January 2022 was not been restored till the audit date 02<sup>nd</sup> June 2024, a payable balance of Rs. 1,886,005 was being carried forward as a non-current liability in the financial statements.



- (f) The bamboo steamer machine worth Rs. 255,000 purchased in 2021 for the bamboo and cane division remained inactive in the centre premises even by 03<sup>rd</sup> June 2024.
- (g) Finished goods worth Rs. 621,395 purchased for exhibitions in 2020 and 2021, 736 finished goods items worth Rs. 1,859,866 produced in the workstation of the centre and non-moving raw material and finished stock of worth Rs. 905,686 purchased time to time from 2010 to 2022 remained inactive in the stores even by 31<sup>st</sup> December 2023.
- (h) In addition, the loan balance of Rs. 168,485 of an officer who was dismissed from service on a disciplinary investigation order in 2021 had not been recovered.
- (i) Rs. 2,312,228 received for the promotion of artists under the United Nations Development Programme was stated under current liabilities in the financial statements without achieving the objectives.
- (j) Even though Rs. 8.5 million was allocated to conduct 29 programmes with the aim of expanding a quality training throughout the country to meet the needs of artists under the programmes of providing knowledge on new design and new technology, only 17 programmes were conducted. Due to this though it was planned to introduce 450 new designs to the artists through these programmes, only 216 new designs were introduced and 234 designs could not be introduced.

W.P.C. Wikramarathna

Auditor General

# WOOD PRODUCTS



## TEXTILE PRODUCTS





## BAMBOO & CANE PRODUCTS



## RED CLAY PRODUCTS



# LACQUER PRODUCTS





# RUSH AND REED PRODUCTS

