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வருடாந்த அறிக்கை 2022
Annual Report 2022

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பெருந்தோட்ட கைத்தொழில் அமைச்சு

Ministry of Plantation Industries

තල් සංවර්ධන මණ්ඩලය
பனை அபிவிருத்திச்சபை
Palmyrah Development Board

අපගේ දැක්ම/ எமது தூரநோக்கு/ Our Vision

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வளங்களையும் சூழலையும் அழியாமல் பாதுகாக்கும் அதே வேளையில் நாட்டின் மொத்த உள்நாட்டு உற்பத்திக்கு அர்த்தம் மிகுந்த பங்களிப்பைக் கொடுக்கும் பனை வளங்களை அபிவிருத்தி செய்வது.

To Develop the Palmyrah sector into significant contributor to the gross domestic product of the country while sustaining the resources and its environment.

අපගේ දැක්ම/ எமது தூரநோக்கு/ Our Vision

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பனைக் கைத்தொழிலையும் பனை வளங்களையும் ஒழுங்குபடுத்தி அபிவிருத்தி செய்தலும் முன்னேற்றுதலும்.

To regularize develop and promote Palmyrah industry and Palmyrah resources.

Annual Report 2022

Content

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1. PALMYRAH DEVELOPMENT BOARD – INTRODUCTION

The Palmyrah Development Board (PDB) which originally came under the Ministry of Plantations was constituted by Gazette notification of 18 August 1978 published in terms of Amendment no 24 of 1975 to the Sri Lanka Coconut Development Act no. 46 of 1971 to carry out all functions in relation to Palmyrah plantations. As per the Gazette Notification 2277/53 dated 28th April 2022, it is currently functioning under the Ministry of Plantation Industries

1.1 Our Goals & Objectives

- To provide a sound organizational base for Palmyrah based Development and Community upliftment.
- To provide a sound scientific basis for sustainable development of the Palmyrah based Industry in Sri Lanka at Micro enterprises, Intermediate industry & Hi-tech industry levels.
- To develop appropriate crop conservation, processing and product development technologies for Palmyrah resources through basic strategic and applied research leading to Hi-tech development.
- To develop improved Palmyrah based Crop & Livestock production systems to usher an integrated development effort.
- To effectively transfer technologies developed by the Palmyrah Development Board appropriate to dependents and industrialists.
- To serve as a national repository for the genetic resources of Palmyrah and produce improved planting materials.
- To collate and disseminate technical information on Palmyrah along with popularized versions with practical applications.
- To optimize Palmyrah based institutional development and support so that different options on managing production systems can be made available.

1.2 Review of the Chairman

Sri Lankans are engaged in a variety of traditional occupations. In addition, they are also actively involved in many kinds of cottage industries in order to enhance their livelihood more over they are also busy in cultivation. However, the palmyrah Industry could be established as another plantation industry that gives an identity to our country at the global level.

As the Chairman of the Palmyrah Development Board, I am proud and delighted to give my message to the Annual Report for the year 2022. The Palmyrah Development Board has identified the palmyrah related resources and the industry as an improving sector that can contribute to the livelihood of the people who are in need of the basic economic facilities. Having so identified, the Palmyrah Development Board is steering ahead with a variety of projects with a view to create employment opportunities.

The palmyrah Development Board is implementing variety of projects with the objective of elevating the traditional plamyrah cottage industry of the North to a global commercial and economic level. The palmyrah Research Centre is carrying out studies that are essential to promote the value added Industrial products in order to focus on this industry.

Large quantity of Palmyrah Toddy has been exported for the first time from Sri Lanka to France and Britain. Action has also been taken for the promotion of the sales of palmyrah products. Integration of the exporters is the significant event of the year at the palmyrah Board. They are encouraged to boost the sale of palmyrah products.

Action is being taken consistently in order to strengthen the activities as the palmyrah development board. Beside this, the new building block erected by the palmyrah development board in the palmyrah research Centre premises in Jaffna was ceremonially declared opens.

Activities for the palmyrah related organizational development and palmyrah Industrial Development were forged ahead while the transformation required for the effective management of the infrastructure for the production are being implemented. As such, contribution of everyone is vital for the improvement of the palmyrah related industrial products in order to propel and project the palmyrah Development Board into an economically growing concern.

I wish to express my sincere thanks to the members of the Board of Directors who have been rendering their unstinted support to us, our esteemed customers, the employees of our board and the stakeholders, particularly minister of plantation industries and the secretary to our ministry.

Mr.P.A.Krishantha Pathiraja
Chairman
Palmyrah Development Board

1.3 Review of the General Manager

Palmyrah related products and the palmyrah industry are an essential livelihood of the people in the north. Over 12 thousand families in the North and the East rely on the palmyrah related industries to earn a living. The demand for palmyrah products are increasing not only in Local Market but also in Global market.

This year a considerable amount of pamyrah products have been exported to European countries. While action is being taken to promote the sale of the palmyrah products, the palmyrah Development Board has taken steps to increase the production by improving the Palmyrah related industrial growth. With the objective of renewal of the palmyrah resources, 284,390 palmyrah seeds were planted this year by the Palmyrah Development Board with the co-operation of the district secretariats. On the other hand cutting down of Palmyrah palms is restricted upto 11,461 trees in collaboration with the Divisional Secretariats.

789 trainees were trained in the Palmyrah related Handicraft whereas tapping trainings was given to 138 trainees. Measures were taken to reconstruct the singainagar Palmyrah jaggery production center to increase the capacity and quality of the product. Training also was provided to the palm development cooperatives for the quality improvement of sweet toddy and palmyrah jaggery. A production Centre was built this year in Batticaloa district. We have manufactured 20.59 Million rupees worth palmyrah related products this year through our own production centers. Rs.50.05 million Turnover has been achieved this year through our katpaham sales outlets, regional level exhibitions and mobile sales. It is an increase to 33.08% when compared to last year. Thirteen research studies were conducted last year. We earned Rs.1.24 million through our laboratory services specially issuing analytical reports to the food samples.

All activities of the Palmyrah Development Board were reinforced and the permanent head office was declared open in Kaithady. The repair and renovation of the katpity production Centre has been completed. While the renovation work of the weerawila office block are under way.

I would like to express my sincere thanks and appreciation to our chairman who joined hands with us. I extend my gratitude to our managers, employees, the cooperative societies, and the producers while exhorting the cooperation of everyone in our future journey with a fresh passion.

Mr.M.B.Loganathan
General Manager
Palmyrah Development Board

2. CORPORATE GOVERNANCE

We are adapting to the code of perfect practices introduced by the Institute of charted Accountants of Sri Lanka and the Department of Public Enterprises, Ministry of finance and follow the guide lines provided by the line ministry.

2.1 Board of Directors

Board of directors comprises of 11 members appointed by the Minister and one of the members being a representative of the Ministry of the Minister in charge of the subject of finance and out of the appointed 08 members, minister appoints the chairman.

Table 1: Chairman& Board Directors of Palmyrah Development Board – 2022

Name	Designation
Mr.P.A.Krishantha Pathiraja	Chairman, Director, Palmyrah Developoment Board
Mrs.D.S.Wijesekara	Director
Mr.K.B.Abeyrathne	Director
Mr.S.K.G.Sisira Wickramasinghe	Director
Mr.B.V.P.Athula PriyanthaBellana	Director
Mr.Sumith Priyantha Halvitige	Director
Mr.H.P.K.Perera	Director
Mr.Kantharaja Ilango	Director
Mr.Sellaiya Selvarasa	Director
Mr.H.M.S.P.Herath	Director
Prof. Mr. Subramaniyam Mohanathas	Director

2.2 Meeting of the Board Directors

Board meets every month, to deliberate and decide on important policy, administrative and management matters 07 numbers of meeting were held in 2022

Table 2: Detail of Board of Directors Meetings

Board of Directors Meetings	Date of held
First Board of Directors Meeting	03.02.2022
Second Board of Directors Meeting	04.04.2022
Third Board of Directors Meeting	18.05.2022
Fourth Board of Directors Meeting	05.08.2022
Fifth Board of Directors Meeting	18.08.2022
Sixth Board of Directors Meeting	26.09.2022
Seventh Board of Directors Meeting	15.11.2022

2.3 Audit and Management Committee (AMC)

The Audit Management Committee of Palmyrah Development Board consists of three non- executive Directors of the Board of Management. Treasury representative of the Board of Management chairs the committee and representatives from the National Audit Office and the Chief Internal Auditor of the Line Ministry serve as observers in the Committee. General Manager and other Senior Managers should also be made to attend Audit Committee Meeting by invitation

Table 3: Audit and Management Committee members – 2022

Name	Designation
Mr.H.P.K.Perera	**Director**
Mr.D.S.Wijesekara	Director
Mr.B.P.V.Athula Priyantha Bellana	Director(AMC I & II)
Mr.Sumith Halvitige	Director(AMC III & IV)
Mr.Manivathanan	Observer
Mr.A.Podiralahmi	Observer (AMC I)
Mr.K.A.C.Shamantha	Observer (AMC II, III & IV)

The objectives of the Audit and Management Committee

1. The Audit Committee should assist the board in the task of overseeing to ensure that financial reporting (Interim and Annual) is done in compliance with relevant Sri Lankan Accounting Standards and other applicable legal requirements.
2. The Audit Committee should assist the Board to introduce and implement adequate internal control system.
3. The Audit Committee should be review the internal/ External Audit reports , Management letters and the recommendations of COPE, and help the board to take remedial actions
4. The Audit Committee should assist the Board to ensure the all relevant rules and regulations and circulars issued by the Government are complied with continuously reviewing and monitoring, making recommendations to the Board on non- compliance.
5. Management of Business Risk.
6. Assist to the External Auditor (Auditor General Department)
7. Review the continuing impartiality of the Internal Auditor.

2.4 Internal Control

The Board has taken steps to appoint Tender Boards, Pricing Committee and Purchasing Committee to ensure that the required procedure is followed in the procurement of supplies

2.5 Management

Seven divisional heads function under the General Manager. The divisional heads collaborate with the Districts Coordinators. Each divisional head report to the General Manager who is the chief executive officer.

Table 4: Details of the Executive Members

Designation	Name	Hand Phone	E-Mail
General Manager	Mr.M.B.Loganathan	0777176322	Mblogan-cro@yahoo.com
Deputy General Manager (Acting)	Mr.S.Srivijenthiran	0773787380	srthyln@yahoo.com
Manager (Finance)	Mr.D.S.Fernando	0706934416	dsaakalanka@yahoo.com
Manager(Extension)	Mr.A.Kausitharan	0774400641	extensionpdb@yahoo.com
Manager(Applied Re-search)	Mr.S.Srivijenthiran	0773787380	srthyln@yahoo.com
Manager (Admin & HR)	Mr.G.K.Wahalathanthri	0712185399	Geethkw2009@yahoo.com
Manager (Marketing)	Mr.B.Suthaharan	0766688337	sbsuthaharan@yahoo.com
Manager (Production)	Mr.M.Hubert Antony	0766913101	antonygowry@yahoo.com
Manager (Development)	Mrs.S. Janarthanan	0773787380	Sumithira79@yahoo.com
Internal Auditor	Mr.S.D.D.J.Bandara	0704352565	Dhananjayabandara91@gmail.com

3. CORPORATE INFORMATION

Name : Palmyra Development Board

Legal form : According to the Amendment of the Coconut Development Act No. 24 of 1975 to the Coconut Development Act No. 46 of 1971, and was constituted by Gazette Notification No. 331, published on 18th August 1978.

Year of Incorporation : 1978

Table 5: Detail of Registered Office

Registered Office	Address	Telephone & Fax
Head Office	Palmyrah Development Board Kandy Road, Jaffna	021 2222034 021 2224154
City Office	498, Galle Road, Colombo – 06.	011 2364406/011 2364405
Regional Offices		
Batticaloa	Bar Road, Batticaloa	065 2223179
Trincomalee	Inner Harbor Road, Trincomalee	026 2224039
Ampara	No -20, N.H.D.A, Kalmunai	067 2220405
Puttalam	Near Bus Stand, Kalpitiya	032 2260749
Mannar	Pansala Road, Shanthi Puram, Mannar	023 2222373
Vavuniya	NO-67/68, Bazaar Street, Vavuniya	024 2222483
Mullaitivu	A9 Road, Mankulam, Mullivalai	021 2060042
Kilinochchi	Kandy Road, Kilinochchi	021 2285638
Hambantota	Wellawaya Road, Weerawila	047 3221201

E-mail : slpalmyrah@gmail.com & slpdbho@yahoo.com

Web : www.pdb.gov.lk

Auditors : Auditor General, Auditor-General's Department.

Consultant Lawyers : Attorney General Department

Bankers : Bank of Ceylon

The Palmyrah Development Board with its head office in Jaffna, carries out its activities on an island-wide basis through a network of 9 regional offices, 19 sales centers named "Katpaham", 11 production centers, 01 Research Centre, 01 Palmyrah Arrack Distillery and 07 Palmyrah model farm. The Colombo City Office serves as the liaison office for the Regional Offices, the Ministry, the Treasury and other important institutions. This is the only Government Organization to improve the livelihood of the palmyrah community.

4. PALMYRAH RESOURCES AND ITS USES

The palm tree, which has the botanical name of Borrasus flabilifer is a perennial plant that can tolerate drought in the tropics. The palm tree is found in South Africa, Southeast Asia, northern Indonesia, India and Sri Lanka. It has traditionally been integrated with the livelihood of the people in Sri Lanka especially in the North Eastern Provinces.

Table 6: The Distribution of Palmyrah palms in Sri Lanka is given below.

No	District	Palmyrah Palms
01	Jaffna	3,500.000
02	Kilinochchi	3,500,000
03	Mannar	3,000,000
04	Mullaithivu	500,000
05	Trincomalee	210,000
06	Batticaloa	200,000
07	Puttalam	120,000
08	Ampara	40,000
09	Anuradhapura	40,000
10	Vavuniya	8,000
11	Hambantota	2,000
Total		**11,120,000**

Table 7: Palmyrah Products

Sap based products: ✓ Sweeteners: Jaggery, Treacle, Sweet toddy, Sugar candy ✓ Alcoholic: Arrack, Bottled toddy ✓ Fermented product: Vinegar
Pulp based products: ✓ Bottled pulp, Pannaddu, PaniPannadu, Jam, Cordial, Ready to serve drink, palmyrah sauce, pulp mixed ice cream, jelly ,jelly yoghurt, facial cream, tooth paste
Tuber based products: ✓ Tuber (Fresh), Dried tuber, Dried tuber flour, Boiled tuber flour, Palm Posha, biscuits, cakes Instant khool mix ,soup cube, Noodles
Palmyrah leaf-based products ✓ Traditional handicrafts: rattan like weaving baskets, weaving chairs, boxes for packing cashew, tea and spices, hats, mats, ekel products, brooms, tooth picks, skew sticks etc, flower pots, ornamentals, wall hangers, fibre dust as growing media for horticultural plants, soil salinity control
Fiber based products ✓ Hard fiber- Heavy duty brushes, medium fiber - Cleaning and household brushes Soft fiber + Coconut fiber- Yarn Fiber handicrafts
Nut shell based products(charcoal) ✓ hand wash, shoe polish

5. SKILL REPORTING OF OCCUPATIONAL DIVISIONS

5.1 Plantation Development Division:

5.1.1 Palmyrah Plantation activities

Establishment and maintenance of Palmyrah Plantation is one the mandatory activity of PDB. Restoration of Palmyra while resulting in raw material availability for agro – based food and other consumer items would also be a boom to the environment. Palmyrah Development Board (PDB) being the only state organization engaged in palmyrah industry focuses its fullest attention in increasing the palmyrah vegetation and in protecting the existing palmyrah trees. In this regard annual planting program was implemented during the period of October to December.

Planting Campaigns are organized through Divisional Secretariats. Community based organizations are encouraged to involve in plantation activities with the monitoring of PDB. It is noted that, this year old boys association of Hartley College planted 200,000 palm seeds in point Pedro divisional secretariat with a technical support of palmyrah development board.

Quality Palmyra seeds collected from farmers in each division are used as planting material .Planting sites are mainly Crown land, bare land, House hold lands and Government building premises. Though development division of palmyrah development board is comparatively working with few staff, it closely works with divisional secretaries and district secretariats to effectively implement the programs.

Table 8: Seeds Planted during last Three years by PDB

Districts	2020	2021	2022
Jaffna	121,685	50,400	71,600
Mannar	81,600	55,000	52,520
Vavuniya	25,030	145,000	10,020
Killinochchi	41,900	-	7,500
Mullaithivu	74,700	125,000	3,750
Trincomalee	48,870	-	24,000
Batticaloa	58,173	100,000	36,400
Ampara	10,000	25,000	78,600
Total	**461,958**	**500,400**	**284,390**

Pic 1: Palmyrah seed plantation (Mullaithivu)

Pic2: Palmyrah seed plantation (Batticaloa)

5.1.2 Control of Indiscriminate Tree Felling:

Indiscriminate Palmyrah tree felling is a serious issue which is threatening the Palmyra industry. Palmyrah timber is a valuable products traditionally used for roofing in north and eastern provinces though unproductive mature trees are permitted to cut for timber purpose, emerging development needs such as road expansion, electricity supply, land cleaning housing schemes increase the demand for cutting trees.

By understanding the seriousness of this issue, Palmyra board is working closely with the divisional secretariats. Applications for tree cutting are checked by the field staff of PDB prior to granting approval. In addition to that, Palmyra board Reporting illegal tree felling cases to the police with the support of GN and DS. This control activity significantly reduces tree felling.

Table 9: Last three years Detail of Tree cutting

Districts	2020	2021	2022
Jaffna	8,398	10,514	7,382
Mannar	1,187	1189	1,232
Vavuniya	124	186	355
Killinochchi	658	1391	846
Mulaithivu	351	844	823
Trincomalee	459	453	338
Batticaloa	555	564	342
Ampara	175	198	143
Puttalam	258	-	-
Total	**12,165**	**15,339**	**11,461**

5.1.3 Palmyrah Model Farms

Majority of the farm lands are government lands given by the divisional secretariats for the palmyrah plantation. These lands are planted with palmyrah seeds time to time and developed as model palmyrah plantations of PDB. Hence most of the lands are not suitable for agricultural crops few farms are intercropped with suitable crops.

As palmyrah palms are planted in a certain area in a systematic Mannar. It acts as a model for palmyrah industrialization. Further it acts as a demonstration unit for the public and it create awareness among the people to utilize their unproductive own land efficiently in such kind of farming. Model farms are a long term investment for the palmyrah industry. Therefore we can't expect an income until maturity (15-20 Years). As most of the model farms given below are with young palmyrah trees it should be maintain properly to get better output in future. Anyhow reducing number of tappers or unavailability of tappers to working in this kind of plantations are the major short falls for the effective industrialization and maintenance of this farms

Table 10: Details of the model farms are given below

District	Location & Area	Main Crops
Jaffna	Mamunai – 200 Ac	Palmyrah and Cashew
	Delft – 05 Ac	Young Palmyrah
	Kudaththanai – 10 Ac	Young Palmyrah
Vavuniya	Puliyankulam – 10Ac	Young Palmyrah, lime
Killinochchi	Ootrupulam – 50Ac	Young Palmyrah, (5-10 years old)
	Mulankavil – 2 Ac	Young Palmyrah
Hambanthatta	Weerawila – 22Ac	Palmyrah and annual crops as banana, gingili

5.1.4. Sectorial Development Activities

As there is no planning division in palmyrah development board, plantation development division involving in planning activities such as;

- Preparation and progress reporting of annual action plan
- Development and submission of project proposals for sectoral development,
- Preparation of annual reports.
- Sector data collection and reporting.

Table 11: Detail of the palmyrah based producers in 2022

District	Toddy (Active tappers)	Handicraft	Tuber	Pulp	Food
Kilinochchi	650	300	300	40	30
Jaffna	1024	360	700	200	50
Mullaithivu	335	105	50	110	7
Mannar	176	135	615	235	0
Vavuniya	120	260	114	0	0
Amparai	0	63	0	0	0
Batticaloa	50	300	15	100	30
Trincomalee	60	200	100	15	50
Puttalam	3	15	10	0	0
Weerawila	1	32	0	0	0
Total	2667	1770	1904	700	167

Table 12: Trend of Palmyrah Production

Year	Toddy (Bottle)	Palmyrah Arrack (Bottle)	Jaggery (kg)	Odiyal (kg)	Pannaddu (kg)	Palmyrah Pulp (litr)	Handicraft items (value Mn.Rs)	Timber (no)
2021	6,500,000	210,000	65,000	360,000	6,000	35,000	38.0	15,339
2022	7,508,975	250,000	68,000	380,000	7200	52,000	42.0	11,461

5.2 Extension Division:

The palmyrah development board provides training for palmyrah industry every year through the extension division. Training in palm leaf handicraft making, pulp production, tapping and food production trainings are conducted by this division annually. At the end of training, trainees are affiliated to our production groups and marketing opportunities are also arranged through our katpaham sales outlets. Several women headed families, youths, school leavers and village folks are empowered by this skill training programs.

Table 13: Summary of Training program conducted in year 2022

Program	**Fund**	**No of training Program**	**No of Beneficiaries**
Handicraft Palm Leaf Training (06month)	Capital	17	348
Handicraft Palm Leaf Training (06month)	Line ministry	12	284
Handicraft Palm Leaf Training (03 month)	Line ministry	06	97
Handicraft Palm Leaf Training (Special Program, Jaffna District)	D.S ,Kayts	01	20
Handicraft Palm Leaf Training	PDB	02	40
Tappers training	Capital	05	130

Table 14: Last three years palm leaf handicraft trainee's details

Districts	Number of Trainees-2020	Number of Trainees-2021	Number of Train-ees-2022
Jaffna	78	149	168
Kilinochchi	-	40	24
Mullaithivu	25	20	23
Vavuniya	20	63	30
Mannar	20	63	64
Puttalam	-	25	31
Trincomalee	49	55	75
Batticaloa	218	214	191
Amparai	71	85	103
Hambanthota	-		39
Kurunagala	28	27	18
Anuradhapura	27	28	23
Total	**536**	**769**	**789**

Table 15: Last five years palm leaf handicraft producer detail and their production value

Year	Producer	Value of handicraft Product supply to Board(Rs.Mn)	Value of handicraft Product supply to Outside (Rs.Mn)
2018	1886	9.91	20.74
2019	1040	12.70	48.60
2020	2364	8.94	28.00
2021	2384	7.96	36.00
2022	2634	14.93	46.00

Pic 3: Trainees in palm leaf handicraft training center

Pic 4: Trainees in tapping training

Pic 5: Inauguration of handicraft training at Prison, Jaffna

Palm leaf handicraft new designs introduced in 2022

Pic 6: Gift bag

Pic 7: Wall hanger

5.3 Administration Division:

Human Resource Management Cadre, Management

- Officers Grading Promoted :
  1) 22 Instructors Gr -11 Promoted Gr – 1
  2) 04 Labours Gr – 11 Promoted – Gr – 1
  3) 01 Driver – Gr -111 Promoted – Gr -11

- Officers Retired :
  1) Mrs.John Mary Soosai - Management Assistant
  2) Mr.K.S.Nageswaran - Management Assistant
  3) Mr.T.Srivasan - Sales Assistant

- Officers Resigned
  1) Mrs.N.A.Kausalya - Research Officer
  2) Mr.A.M.R.N.Arawgoda - District Manager
  3) Mr.S.Sivakumar - Labourer
  4) Mr.N.Sathismohan - Management Assistant

Table 16: Cadre Position as at 31.12.2022

Serial No	Number of Employees (As at 31.12.2022)	Approved cadre	Actual cadre
		Nos	Nos
1	Executive	14	10
2	Supervisors/Technical Officer/Salesman	20	15
3	Clerical and Allied	82	71
4	Skilled and semi-skilled workers	61	58
5	Minor Employees and unskilled	50	50
6	Casual and Trainees	-	
	Total No of Employees	**227**	**204**

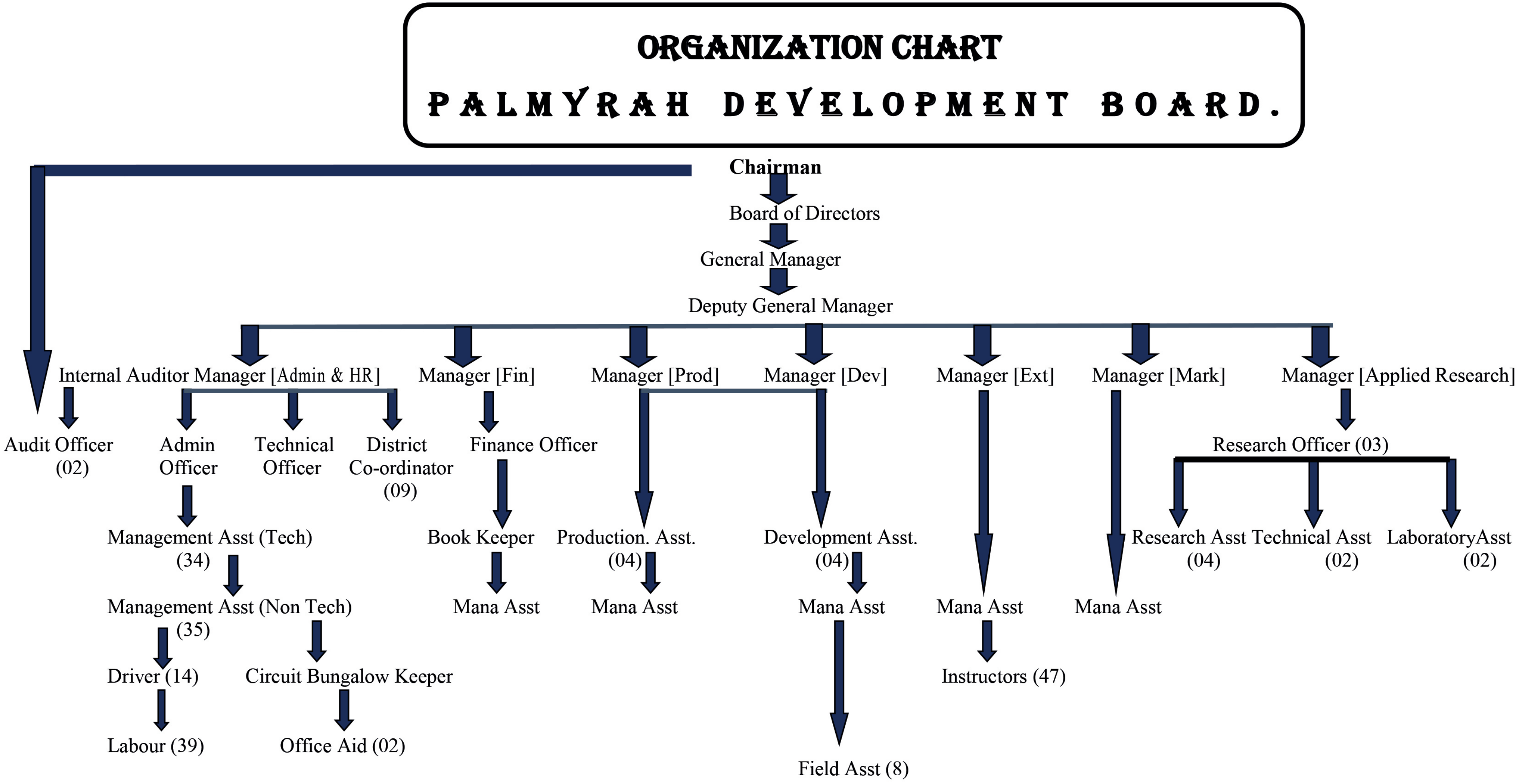
Physical Resource Management

a) vehicle Management

The following Registers are maintained.
1) Assets Register for vehicle
2) Log books for vehicles repairs and services

b) Infrastructure facility improvements in year 2022
1) Head office opening at Kaithady new building
2) Production center, Katpity renovation work completed
3) Weerawila district office building, stage – I completed

Structure of the Organization Chart:



5.4 Production Division:

The Palmyrah Development Board produces palmyrah based edible and non-edible products in our model production centers. Main edible products are derived from Palmyra Fruit, Tuber, Palmyra Sap and non-edible product is palmyrah fiber from leaf sheaths. Raw materials for production are purchased from the local producers with the guidance and quality assurance of the purchasing committee of PDB. The products manufactured in our Production centers are sold through our Katpaham Sales outlets. The main objective of the production division is to introduce value added palmyrah products to the market with the guidance of the Palmyrah Research Institute.

Main activities which were undertaken by this division are as follows

- Mn.Rs. 20.59 worth of palmyrah products were produced from our production ceters and transferred to katpaham sales centers
- Singainagar production center was renovated to increase the production capacity & quality
- Established container storage facilities for raw material to reduce storage loss.
- Technological support was given to divisional and district secretariats to introduce new technologies for palm toddy & palm jaggery productions to palm product development cooperative societies
- A new production center was established in Batticaloa district with the financial support of the divisional secretariat. Discussion was held with the divisional secretariat regarding the permission to obtain sweet toddy and the development of the palm industry in Batticaloa district.
- Training was given to production division staff for palm drink and palm crush production through PRI.

Table 17: Details of our model production centers are as follow:

<table>
<tr><th>Districts</th><th>Centre</th><th>Products</th></tr>
<tr><td rowspan="2">Jaffna</td><td>Karainagar Production Complex</td><td>Tuber Based Products, Sap Based Products, Pulp Based Products</td></tr>
<tr><td>Kaithady Production Centre</td><td>Pulp Based Products</td></tr>
<tr><td rowspan="4">Mannar</td><td>Tharavankoddai Production Centre</td><td>Sap Based Production, Raw Pulp Production</td></tr>
<tr><td>Padappadi Production Centre</td><td>Sap Based Production, Raw Pulp Production</td></tr>
<tr><td>Kaddukkaran Kudiyiruppu</td><td>Sap Based Productions</td></tr>
<tr><td>Selvari Fiber Production Centre</td><td>Fiber Production</td></tr>
<tr><td>Vavuniya</td><td>Puliyankulam Production Centre</td><td>Tuber Base Productions</td></tr>
<tr><td>Trincomallee</td><td>Varothayanagar Production Centre</td><td>Sap Based Production, Raw Pulp Production</td></tr>
<tr><td>Puttalam</td><td>Kalpity Production Centre</td><td>Fiber, Raw Pulp Productions</td></tr>
<tr><td>Colombo</td><td>Colombo Production Centre</td><td>Palm Chocolate, Palm Biscuit, Palm Cake, Panam Palakaram, Thaddu Vadai</td></tr>
<tr><td>Batticaloa</td><td>Batticaloa Production Centre</td><td>Raw Pulp, Palm Drink</td></tr>
</table>

Pic 8: Established new Jaggery production center, Batticaloa

Pic 9: Training for palm drink and palm crush

Table 18: Production Detail of last three years

Production	Unit	2020	2021	2022
SapBasedProducts				
Jaggery	Kilograms	3625.8	6664.00	6,357.254
Treacle	Liters	31.54	3999.63	3,952.89
Sugarcandy	Kilograms	49.95	46.7	29.95
Fruit/ PulpBasedProducts				
Pulp	Liters	7423.5	13466.75	20,289.75
SoftDrink	Bottles (190ml)	10821.00	6990.00	1,759.78
PalmCrush	Bottles (750ml)	2555.00	2556.00	6,114.75
PalmCrush	Bottles (375ml)	540.00	890.00	2,526.00
Jam	Bottles (400g)	1498.00	856.00	918.00
Panattu Production	Kilogram	582.5	495.00	318.00
Panattu	Kilogram	1098.45	507.700	531
SpicedPanattu	Kilogram	304.25	466.50	218.5
OilCak	No. of Items (pcs)	4040.00	5023.00	2,389
PalmPalakaram	No. of Packets	4307.00	2652.00	1,995
Sweet&Savory Items	No. of Items	16661.00	21784.00	9,280
Tetrapackfruitdrink	No. of pack(200 ml)	-	-	-
TuberBasedProducts				
Boiled Dried Tuber Flour	Kilogram	2248.00	2150.00	949.75
Dried Tuber Flour	Kilogram	2477.00	1587.00	1,916.5
Boiled&DriedTuber packed	Kilogram	922.500	1699.00	980.5
SeevalOdiyal packed	Kilogram	575.00	470.00	1,014.75
Round Chips packed	Kilogram	589.00	76.500	681.25
DriedTuberFlour	Kilogram	2134.800	729.00	2,803.60
Odiyalkool	No. of Packets (150g)	342.00	169.00	75
PalmPosha	Kilogram	944.75	818.75	262.5
Non PalmyrahProducts				
Curd chilli,masmalow,Gulukorasa,Thattuvadai	No.ofItem	3439.00	1333.00	1,157
Total Production Value	Mn.Rs	12.72	17.76	20.59

5.5 Marketing Division

PDB not only markets its own products but also purchase items from producers and sell through its sales outlets named as “katpaham”. In order to increase the sales they organized mobile sales and participated in exhibitions. Annual exporters meeting was organized at Colombo with the view to increase the export and to establish market linkages.

Table 19: Details of the katpaham locations:

District	Address
Jaffna	Pointpedro Road Nallur, Jaffna
	No – 129 D, K.K.S Road, Jaffna
	Bustand , Jaffna
	Kandy road, kaithady , Jaffna
Colombo	No – 498, megacity, galle Road, Colombo-06
	No – 02, navam mawatha narehenpittiya
Negombo	Lewis place, Kudapaduwa, negombo
Kandy	No – 309, peradeniya Road, kandy
Mannar	Madu Road , Mannar
	Mannar town Mannar
Kilinochchi	Ariviyal nagar, Kilinochchi
Batticaloa	15 UDA , Building , Batticaloa
	Show room, light house, batticaloa
Trincomalee	Power house road, trincomalee
	Main Road , varotheyanagar , Trincomalee
Amparai	Navithanveli, kalmunai
Vavuniya	67/68 , Bazar Street , Vavuniya
Puttalam	New bus stand , kalpity
Hambantota	Front of pansala , Tissamaharama

Table 20: Last Three years Turnover of the sales (Katpaham) outlets

District	Katpaham	2020	2021	2022
Jaffna	Nallur	5,005,330.80	9,097,324.76	10,239,084.80
	Show room	1,626,190.00	842,642.00	-
	K.K.S. Road	1,652,204.00	1,373,055.80	197,252.00
	Bus stand	979,716.55	608,851.90	1,975,365.90
	Manthikai	24,545.00	-	-
	Kaithady	197,276.00	549,709.00	910,028.00
	Cargill's food city / TCT	290,184.12	445,335.00	105,040.00
	Exhibition	88,840.00	437,301.00	1,053,796.00
	Export	3,082,200.00	-	-
Colombo	Megacity , Negombo Narehenpittiya	9,682,380.95	11,976,227.84	13,924,394.99 764,621.00
Kandy	Katpaham	-	1,895,074.00	5,286,400.20
Vavuniya	Katpaham	2,760,491.20	2,110,465.00	2,769,835.00
Batticaloa	Katpaham	1,372,596.50	983,772.00	4,231,381.00
	Showroom	540,693.00	726,732.00	2,567,412.00
Amparai	Katpaham	298,694.70	107,805.00	551,411.00
Mannar	Katpaham	478,209.10	543,996.00	2,184,223.00
	Madu katpaham	224,821.60	107,805.00	597,344.00
Trincomalee	Katpaham	853,513.50	714,479.70	1,010,350.00
	Varothayanagar	-	-	144,870.00
Puttalam	Katpaham	301,755.00	240,042.00	49,710.00
Hambantota	Weerawila	84,512.00	129,935.00	227,969.50
	Tissamaharama	200,925.00	269,950.00	459,745.00
	Kathirkamam katpaham	59,497.00	-	-
Kilinochchi	Katpaham	100,175.00	-	82,109.00
Total		**30,285,257.02**	**33,496,625.00**	**50,057,661.39**

5.5.1. Export of Palmyrah Products:

Registration of palmyrah product exporters was commenced in order to regularize and facilitate the export process. According to the data received from the registered exporters, the total value of palmyrah product exports for the year 2022 amounted to Rs. 124.41 million

Marketing Division - Highlighted events -2022

Pic 10: Exporters meeting on 15.11.2022

Pic 11: Participated National packaging Pavilion Exhibition on 18, 19 and, November, 2022

Pic 12: SAHAS Uyana Exhibition at Kandy 11,12and 13, November, 2022

5.6 Research Division:

Palmyrah Research Institute (PRI) is the research division of Palmyra Development Board. It is not only conducting research but also providing laboratory service to the local industries and supportive services to the universities specially assisting and guiding undergraduate for their palmyrah related research. PRI conducted several technology transfer training program and commercialization of newly developed products. There are 5 laboratories is functioning under PRI.

5.6.1. ANALYTICAL LABORATORY

Analytical laboratory has been accredited in accordance with the international standard ISO 17025:2005 by Sri Lanka Accreditation Board (SLAB) and International Laboratory Accreditation Cooperation (ILAC) in 2017. The chemical scope of the Analytical laboratory has been successfully transitioned to ISO 17025:2017 in 2021 and the scope has been expanded in 2022.

Research Highlights

1. A feasibility study for the authentication of palmyrah toddy using chemical test and various spectrofic studies - completed (in collaboration with University of Jaffna Sri Lanka)
2. Formulation and development of palmyrah health drink powder by spray drying and its application- Completed (in collaboration with University of Vocational technology, Sri Lanka)
3. Comparative study of performance of shoe polishes formulated from palmyrah charcoal- completed (in collaboration with University of Jaffna, Sri Lanka)
4. Characterization of activated charcoal prepared from palmyrah seed and formulation of hand wash - completed (in collaboration with University of Jaffna, Sri Lanka)

Testing Services and ISO Accreditation

1. No of Test report issued for the year of 2022 is 184
2. Income generated by analytical testing in 2022 is LKR Rs Mn 12.49
3. Followed training course on Introduction to ISO 17025:2017

1.1.2. MICROBIOLOGY LABORATORY

Microbiological laboratory provides testing services on the food samples. It has been accredited in accordance to the ISO 17025:2017 by Sri Lanka Accreditation Board (SLAB) in 2022.

Research Highlights

1. Characterization and partial purification of Bacitracin produced by bacterial species from palmyrah toddy
2. Case study on detection of Salmonella spp. in market available ice creams at Jaffna peninsula, Sri Lanka

3. Effect of different stabilizers on the consistency of palmyrah Ready to serve drink.
4. Extraction, modification and characterization of palmyrah tuber starch and its applicability as thickner.
5. Bread making potential of composite wheat and palmyrah tuber flour.

Testing Services and ISO Accreditation

1. No of Test report issued for the year of 2022 is 58
2. Income generated by microbiological testing in 2022 is Rs. 0.32 million

Publications

1. Characterization of modified palmyrah tuber starch by pre-gelatinization, acid and dextrinization processes and its applicability (2022) N. Sobini, S. Darsiga, T.C. Kananke, S. Srivijeindran, Food Chemistry Advances
2. Development and Characterization of Palmyrah (Borassus flabellifer L.) Tuber Starch Incorporated Biodegradable Packaging Film (2022), Sobini N., Arampath P.C., Anuluxshy B., Srivijeindran S., Journal of Food and Agriculture,15(2), pp.47-60
3. Effect of Xanthan gum and Homogenization on the Stability of Palmyrah (Borassus Flabellifer L) Ready to Serve Drink (2022) N. Sobini, S.A.Datchian, W.A.J.P.Wijiesinghe, S.Mathumai, S.Srivijeindran, Journal of Food and Agriculture.,15(2), pp.1-9.
4. Development and Characterization of Palmyrah (Borassus flabellifer L.) Tuber Starch and Gelatin Incorporated Edible composite biodegradable Packaging Material (2022), Sobini N., Arampath P.C., Anuluxshy B. Srivijeindran S. International Symposium on Agriculture and Environment.,University of Ruhunu,Sri Lanka pp.117.
5. Antimicrobial activity of biodegradable packaging film developed using palmyrah tuber starch, essential oil and chemical preservatives (2022), Sobini N., Arampath P.C., Anuluxshy B., Srivijeindran S. National Symposium on Agro-Technology and Rural Sciences 2022, University of Colombo, Sri Lanka, pp.16
6. Extraction and Modification of Palmyrah tuber starch and Its applicability as Thickner(2022), S.Darsiga, N.Sobini, T.C.Kananke. Applied Sciences undergraduate Research Symposium, Sabragamuwa University, Sri Lanka pp.25.
7. Effect of Xanthan gum and Homogenization on the Stability of Palmyrah (Borassus Flabellifer L) Ready to Serve Drink (2022) N. Sobini, S.A.Datchian, W.A.J.P.Wijiesinghe, S.Mathumai, S.Srivijeindran. Annual Research Session, Faculty of Technology, Eastern University, Sri Lanka, pp.31

1.1.3. BIOCHEMISTRY LABORATORY

Researches are conducted with regard to exploring the medicinal properties of palmyrah products and utilizing these medicinal properties in developing new products.

Research Highlights

1. Formulation of polyherbal cough syrup- Completed (In Collaboration with faculty of Siddha Medicine, University of Jaffna)
2. Production of yeast extract spread – Completed (University of Sabragamuwa)
3. Formulation of bread spread using Palmyrah fruit pulp – Completed (University of Sabragamuwa)
4. Enhancement of palmyrh fruit leather (panattu) palatability through producing panattu choco bar- Completed (University of Jaffna)
5. Development and quality evaluation of coconut milk based palmyrah pulp drink–completed (University of Sabragamuwa)

Publications

1. S. Sivarathan, M. Subajini, W. A. J. P. Wijesinghe and S. Maathumai and S. Srivijeindran Effect of Clarification on Quality of Palmyrah Toddy Annual Research Session - 2022, Faculty of Technology, EUSL pp 19.
2. N.Outschoorn1, N.Y.D.S. Weerakkody, M.C.N. Jayasooriya, and M. Subajini (2022), Formulation and Quality Evaluation of Palmyrah (*Borassus flabellifer*) Pulp Incorporated Vegetable and Yeast extract, Applied Sciences Undergraduate Research Symposium,pp 23.
3. R.Vithujan, A.Y.L. Fernando and S. Mahilrajan, (2022), Formulation and Quality Analysis of Palmyrah (*Borassus flabellifer*) Pulp Based Bread Spread, Applied Sciences Undergraduate Research Symposium, pp 34.
4. Aheeshan. B, Maathumai. S, Subajini. M, W. A. J. P. Wijesinghe, Srivijendran. S 2022, Antioxidant activity and physicochemical analysis Of coconut, kithul and palmyrah palm treacle, JSc EUSL (2022), vol. 13, no. 1, p 23-30

   DOI. http://doi.org/10.4038/jsc.v13i1.40
5. Keerthiga, S., Mahilrajan, S. and Sajiwanie, J.W.A., 2022. Palmyrah (Borassus flabellifer L.) Toddy as a Source of Vinegar Production and its Chemical Analysis. Journal of Agricultural Sciences – Sri Lanka, 17(2), pp.360–367.

   DOI: http://doi.org/10.4038/jas.v17i2.9749

6. S. Arjana, S.Thuraisingam, T.A.K.A Thennakoon, J.W.A Sajiwanie and S. Srivijeindran. Development and quality analysis of coconut milk (*Cocos nucifera* L) based palmayra (*Borrasus flabellifer* L) fruit pulp drink. Applied Sciences Undergraduate Research Symposium, pp 24.

7. Subajini Mahilrajan, Mary Jeno Winston, Thavarajah Vijayakumar and Thayalini Thileepan., 2022, Formulation and comparative analysis of polyherbal cough syrup prepared with different palmyrah sweeteners Vavuniya Journal of Science, Vol 1(2):50-55, December 2022, eISSN: 2950-7154.

Table 21: Training conducted at PRI & outside

Type of training	No. of Training	No. of Beneficiaries
Palmyrah pulp Jam	04	49
Preserved pulp	07	110
Palmyrah tuber flour soup mix	01	19
Palmyrah RTS, Cordial	05	105
Palmyrah tuber flour papadam	01	19
Palmyrah pulp soap	01	52
Total	**19**	**354**

1.1.4. FOOD TECHNOLOGY LABORATORY

Hence necessity arises to improve the quality of existing palmyrah products, produce novel Palmyrah products and to diversify the products which can compete with the many and various food and skincare products in the market to grab the attention of the consumers. In this respect, the laboratory conducted the below mentioned researches individually and as undergraduate student researches supervised by the laboratory staff:

Research Highlights

1. Formulation of Palmyrah based antimicrobial herbal ointment – Completed (in collaboration with Uva Wellassa University of Sri Lanka)
2. Formulation of Palmyrah based anti-dandruff herbal shampoo - Completed (in collaboration with Uva Wellassa University of Sri Lanka)
3. Formulation of Ayurvedic bathing soap with reduced alkali content enriched with antioxidant and antimicrobial properties - Completed (in collaboration with University of Jaffna)
4. A clinical study on the Palmyrah fruit pulp based moisturizing facial cream/ solid lotion bar – Ongoing

Publications/ Patents:

1. Christine Thevamirtha, Anuluxshy Balasubramaniam, Sri Vijeindran and Paulraj Mosae Selvakumar (2023). An Insight into the Antioxidant Activity of the Facial Cream, Solid Soap and Liquid Soap Made Using the Carotenoid Extract of Palmyrah (Borassus flabellifer) Fruit Pulp. Industrial Crops & Products.

2. N.Sobini, P.C. Arampath; B. Anuluxshy and S. Srivijeindran (2022). Development and Characterization of Palmyrah (Borassus flabellifer L.) Tuber Starch Incorporated Active Biodegradable Packaging Material. Food Packaging and Shelf Life

3. N.Sobini, P.C. Arampath; B. Anuluxshy and S. Srivijeindran (2022). Development and characterization of palmyrah (Borassus flabellifer L.) tuber starch and gelatin incorporated edible composite biodegradable packaging material. Proceedings of the International Symposium on Agriculture and Environment 2022.Faculty of Agriculture, University of Ruhuna, 16th June 2022.

4. Corrections regarding the application for patency for the palm moisturizing cream has been submitted to the National Intellectual Property Office (NIPO) of Sri Lanka

Testing Services and ISO Accreditation

a. Determination of energy in food products as a service function and issuing test reports

1.1.5. HI-TECH LABORATORY

Hi-Tech Laboratory is conducting undergraduate and postgraduate researches with the collaboration of local universities. Researches are conducted in the field of quantifying vitamins in Palmyrah products using HPLC techniques.

Research Highlights

1. "Characterization of activated charcoal produced from palmyrah seed shell for the formulation of liquid handwash".

2. "Formulation of activated charcoal from palmyrah seed shell and its applications".

Service, Education and Public Outreach

1. Provided training on theoretical and practical knowledge in HPLC instrumentation techniques for the Pharmacy undergraduate students of University of Jaffna.

2. Provided training on theoretical and practical knowledge in HPLC instrumentation techniques for the undergraduate students of Ocean University, Jaffna.

Pic 13: One day training on the production of palmyrah tuber flour biscuits and cookies

Pic 14: Visited National Institute of Post-Harvest Management, Anuradhapura

Pic 15: One day workshop on "Principles underlying testing for antibacterial activity"

5.7: Financial Review

Table 22: Cash flow statement for the year ended 31st December 2022

PALMYRAH DEVELOPMENT BOARD		
CASH FLOW STATEMENT		
FOR THE YEAR ENDED 31 DECEMBER 2022	**2022**	**2021**
(All amounts are in Sri Lankan Rupees)		
Cash flow operation Activities		
Surplus/(deficit) from ordinary Activities	(24,786,100.28)	(33,538,883.09)
Non cash movement		
Depreciation	21,561,323.75	39,831,897.53
Interest income	(258,278.64)	(29,225.22)
Interest income & Expense	21,880.00	-
Provision for bad debts	512,940.62	11,401.08
Provision for Gratuity	3,280,332.50	4,073,732.50
Profit on Disposal of Fixed Assets	-	-
Operating Profit before Working Capital Changes	**332,097.95**	**10,348,922.80**
(Increase) / Decrease in Stock	5,847,325.39	830,779.90
(Increase) / Decrease in Trade Receivable	(10,208,365.01)	(1,579,999.97)
Increase / (Decrease) in Current Liabilities	19,151,374.56	(26,172,675.79)
Retirement Benefit of Obligations Paid	(1,225,762.00)	(2,855,812.50)
	13,896,670.89	**(19,428,785.56)**
Interest income	258,278.64	29,225.22
Interest Expense	(21,880.00)	-
Cash Generated from / (Used in) Operation	**14,133,069.53**	**(19,399,560.34)**
Investment Activities		
Fixed Assets Purchases	(10,432,019.92)	(5,168,396.06)
Intangible Assets Purchase	(1,095,000.00)	-
Fixed Assets Donation	-	-
Year 2019 Fixed Asset Correction	-	-
Decrease Building Advance Capitalizes	-	-
Disposal Proceeds	-	-
Net Cash Flow Investment Activities	**(11,527,019.92)**	**(5,168,396.06)**
Financing Activities		
(Increase)/Decrease in fixed deposits	(2,711,872.60)	-
(Increase)/Decrease Distress Loan	(112,709.73)	73,009.53
(Increase)/Decrease Festival Advance	3,250.00	(1,250.00)
2019 Accounts Adjustment	-	-
Government Grant Received	10,025,852.08	28,340,000.00
Net Cash Flow Financing Activities	**9,916,391.95**	**28,411,759.13**
Net Increase / (Decrease) in cash and cash equivalents	12,522,441.56	3,843,802.73
Cash and cash equivalents at beginning of period	4,588,744.78	744,942.05
Cash and cash equivalents at end of period (NOTE A)	**17,111,186.34**	**4,588,744.78**

5.8 Risk Management

- ✓ Hence, this is the sole state organization involved in Palmyrah industry with limited manpower, action has been initiated to strengthen the institute and expand its activities national wise
- ✓ Since palmyrah products are seasonal products, effective management of resources is essential for the survival of the Board.
- ✓ As this is dry zone vegetation thus limiting its population, methodology has to be adopted in increasing the population and sustaining existing plants for the enhancement of the Palmyrah Industry.
- ✓ Most of the Palmyrah dependent families are pro-poor families. As a remedial measure to uplift the socio-economic standards of these Palmyrah dependent people, the board has to market their finished products at competitive prices.
- ✓ Increased demand for fermented toddy affects the Jaggery production. There for the price for sweet toddy has to be increased
- ✓ Also, special food preservation methodology has to be adopted to attract young generations to consume palmyrah foods.
- ✓ There are limited palmyrah products in the market, research activities should be further expanded to find new products and new production technologies should be adopted to increase the production.
- ✓ Plenty of palmyrah trees are cut down especially in north and east for various purposes such as housing, road expansion, and land cleaning for other cultivations. Though the existing law is weak, action has been taken to control indiscriminate tree felling with the support of divisional and district secretariat.
- ✓ Internal controls are being implemented by designing systems and by drawing up a realistic budget.

5.9 Strategies

- ➢ The Palmyrah Development Board is striving to be a premier organization in providing Palmyrah based development & related community upliftment.
- ➢ Continue research activities on effective maintenance of existing palmyrah plantations, new product development, and quality control and introduced new technologies.
- ➢ Implementing Annual Palmyrah Seed /seedling Planting Programme to restore the palmyrah vegetation and maintenance of existing palmyrah plantations, with the view to sustain the industry.
- ➢ Purchasing and storing of seasonal palmyrah products during season to ensure continuous market supply

- Contacting handicraft trainings in resourceful villages with a financial assistance of line ministry and other funding agencies.
- Catalyzing the trainees and producers by conducting palm leaf handicraft trainings and providing part of the working capital required by them thus ensuring that they complement the Board with quality finished products.
- Working close with donor agencies (eg: NGO, INGO, Line Ministry) for the Palmyrah Development Board to play the role of implementing partners for Palmyrah based program such as seed planting, food and fiber production and handicrafts training.
- Participating in regional, national and international trade fairs to popularize the palmyrah products and establishing new market linkages.
- Improving income generation activities other than katpaham sales (Providing consultancy services, Technology transfer programs, Analytical Report, Farm sales) with the view to increase the income of the board.
- Submitting proposals to the ministry and other government and non-government organizations to attract funds for palmyrah sectoral development

5.10 Human Capital

Inorder to enhance the productivity of the employees, an attempt has been made to restructure the board. The employees are the assets of this organization, well-structured training programm, scholarships and workshops are being carried out in order to enhance the contribution of these employees to the upliftment of this organization.

5.11 Environmental Reporting

- Hence palmyrah products are ecofriendly in nature, increasing the production will enhance gross domestic product.
- As Palmyrah is one of the items of food, component that determines the economy of a country and having medicinal important features, search for special technology is underway to revive this industry.
- As the Palmyrah food items are organic, and the demand is out weighing the supply with regard to edible and non-edible products of Palmyrah, we have ambitiously embarked on a plan to increase the Palmyrah trees to sustain the industry.
- As our Handicraft items are eco-friendly and our food items are organic, Non-Governmental Organizations support us for our program. This not only helps in self-employment but also helps in Infrastructure Development of the particular villages.
- The palmyrah does not require fertilizer, pesticide, weedicide like agrochemical to grow, therefore cultivation of palmyrah is not harmful to the environment.
- Palmyrah act as natural habitat for several microorganisms, flora and fauna. Therefore it is boost to the environment

5.12 Challenges

- Drastic decline in skilled work force particularly tappers due to Influence of cast system, high life risk & tedious process during tapping has limited the supply of Palmyrah resources.
- The indiscriminate felling of Palmyrah trees for security, timber and development purpose has a repercussion on the Palmyrah population.
- Though several trainings and awareness programs were conducted, private sector involvement in palmyrah sector is rare and lack of interest to engage palmyrah industrial sector
- Inability to produce diversified quality products due to poor technological advances, innovation research & development programs as these require additional funds.
- Excessive production of primary products during seasons and subsequent loss of products in perishable nature. Lack of availability of all products of Palmyrah throughout the year on account of undeveloped storage facility to overcome the seasonality of the Palmyrah products.
- Poor marketing network & facilities locally as well as internationally, due to inadequate attention, effort and strategies to develop the same.
- Absence of separate law to control and govern the Palmyrah sector effectively.
- Inorder to compete with the local sellers we have to fix a competitive to the palmyrah products based on the quality.
- As handicrafts are hand make products it is very difficult to maintain the standard quality all the time
- Several Trained and skilled producers in palmyrah sector dropouts their jobs intermediately for several reasons.
- Optimum utilization of manpower is not possible due to the interference of external forces.
- Surplus manpower in certain category (management staff) staff and deficit in technical and functional category at PDB.
- The major producer of sap products such as Co-operative societies, show their special interest in toddy and alcoholic products than other edible food products.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 General Accounting Policies

6.1.1 Accounting Conventions:

The published results and the financial positions of the Board are prepared in accordance with generally accepted accounting principles and the applicable Sri Lanka public sector Accounting Standards. The Financial Statements have been prepared based on the historical cost convention except for certain items of Property, Plant and Equipment. No adjustment has been made for inflationary factors affecting the accounts.

The accounting policies have been consistently applied by the Board and, are consistent with those used in the previous year. Where appropriate, significant accounting policies are explained in the succeeding notes.

6.1.2 Consolidation Policies

The Consolidated Financial Statements of the Board are prepared to a Common Financial year, 1st January to 31st of December.

6.2 Assets and basis of valuation

6.2.1 Property, Plant and Equipment

A) Assets

Items of property, plant and equipment are stated at cost or valuation, less accumulated depreciation. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production expenses.

The total cost for the training programme, expenditure occurred in research activities sectorial development expenses for Seed plantations have been capitalized and amortized over the period. This presentation is since changed so as to treat it as development expenditure.

The Management of the board has decided to implement the policy as follows;

Since 2015 The Expenditures related to Palmyrah Research activities, plantation and all kind of training programs are treated as development expenditures and they are all written off for the respective years in the financial statements.

B) Subsequent Expenditures

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the income statement as an expense as and when incurred.

C) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Generally, assets are written off over the following periods.

Land & Building	-	10 Years
Vehicle	-	05 Years
Production Accessories	-	05 Years
Equipment	-	05 Years
Furniture and Fittings	-	10 Years
Lab Accessories	-	05 Years

D) Amortization

Amortization written off over the following period.

Development activities (plantation), Handicraft training, research expenditures – 05 years

6.2.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated cost of completion and selling expenses. The cost of inventories is based on the first-in-first-out (FIFO) principle. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overhead, based on normal operating capacity.

6.2.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and short-term deposits.

6.3 Liabilities and Provisions

6.3.1 Retirement Benefit Obligations

A) Defined contribution plans

Liabilities to defined contribution plans, including Employees Provident Fund and Employees Trust Fund, are recognized as expenses in the income statement as and when incurred. The Board contributes 12% and 3% of gross emoluments of employees to Employees Provident Fund and Employees Trust Fund respectively.

B) Defined retirement benefit plans

Gratuity is a defined retirement benefit plan. The Board is liable to pay gratuity in terms of relevant statute. In order to meet this liability, a provision is carried forward in the balance sheet, based on a half month's salary of the last month of the financial year of all employees for each completed year of service, commencing from the first year of service.

However, as per the Gratuities Act No. 12 of 1983, the payment arises only upon completion of 5 years of continue service with the Board. The gratuity liability is neither funded nor actually valued. This item is grouped under provision and other liabilities in the balance sheet.

C) Trade and other payables

Trade and other payables are stated at their cost. Provision for Bad Debts is 5 %.

6.4 Income Statement

6.4.1 Income

Income is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue and associated costs incurred or to be incurred can be reliably measured. The following specific criteria are used for the purpose of recognition of revenue.

A) Local Sales

Income from sale of goods is recognized when the significant risks and records of ownership of the goods have passed to buyer. Revenue from services rendered is recognized after completion of services.

B) Farm income

Income earned by sales of intercrops and Palmyrah related items of the farms.

C) Palmyrah Research Institute (PRI) Testing income

Income from Palmyrah Research Institute (PRI) obtained by providing testing services to the public and private companies.

6.4.2 Other Income

A) Interest Receive

Income from Saving Account Interest.

B) Profit on Fixed Asset Disposal

Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other noncurrent assets have been accounted for the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.Other income is recognized on an accrual basis.

C) Tender Deposit Non-Refundable.

Income from Tender Deposit Non-Refundable by supplier.

D) Other Received.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

E) Trade Promotions.

Income from Exhibition, Mobile Sales and Other Trade Promotions Income.

F) Palmyrah Tree Cutting Income.

Income from Public for Palmyrah Tree Planting.

6.4.3 Expenditure

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income when arriving at the profit/ loss for the period.

6.5 Cash flow

The cash flow of the Board has been presented using the indirect method in accordance with the Sri Lanka. Accounting Standard No. 7 – Cash flow statement.

6.6 Government Grants

Government grants, which are recognized in the financial statements only upon receipt and treated as income for the year.

7. FINANCIAL STATEMENTS – DISCLOSURES

7.1: Financial position

Table 23: Balance sheet as at 31st December 2022

PALMYRAH DEVELOPMENT BOARD
BALANCE SHEET
AS AT 31St DECEMBER 2022
(All amounts are in Sri Lankan Rupees)

	NOTE	2022	2021
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	19	97,901,800.21	109,031,104.04
Intangible Assets	19-A	1,095,000.00	-
Investment		2,711,872.60	-
Total Non - Current Assets		**101,708,672.81**	**109,031,104.04**
Building Advance Capitalize (Work In Progress)		84,601,169.17	19,601,169.17
Funded Projects	20	-	46,906,684.63
Current Assets			
Trade Receivables	21	12,142,311.23	21,046,623.32
Prepayments & Other Receivable	22	-	-
Stock In Hand		32,366,813.86	38,214,139.25
Cash in Hand & at Bank	23	16,924,118.26	4,588,744.77
Total Current Assets		**61,433,243.35**	**63,849,507.34**
Total Assets		**247,743,085.33**	**239,388,465.18**
EQUITY AND LIABILITIES			
Equity			
Capital		888,950,614.55	826,450,614.55
Government Grant & Foreign Fund		48,485,525.40	42,990,053.00
Government Grant -Special Project		11,082,560.86	-
Funded Projects (Research, Development, Training)		(14,658,338.95)	(14,658,338.95)
Revaluation Reserve		52,643.00	52,643.00
Retained Earnings		(782,518,895.39)	(691,785,047.70)
Total Equity		**151,394,109.47**	**163,049,923.90**
LIABILITIES			
Non Current			
Retirement Benefit of Obligations	24	68,589,545.50	67,730,485.48
Interest Bearing Loans and Borrowings		-	-
Treasury Loan		-	-
Non Current Liabilities		**68,589,545.50**	**67,730,485.48**
Current			
Trade & Other Payables	25	27,759,430.36	8,608,055.80
Treasury Loan		-	-
Advance Received		-	-
Current Liabilities		**27,759,430.36**	**8,608,055.80**
Total Equity and Liabilities		**247,743,085.33**	**239,388,465.18**

The Financial Statements have been prepared in accordence with the requirement of the Sri Lanka Public Sector Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka and Finance Act No. 38 of 1971.

S.Srivijeindran

General Manager - Palmyrah Development Board

S.Srivijeindran
General Manager (Actg)
Palmyrah Development Board
Sri Lanka.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by,

P.A.Krishantha Pathiraja
Chairman
Palmyrah Development Board

Board Director
Palmyrah Development Board

Board Director
Palmyrah Development Board

Dr. Krishantha Pathiraja (Phd)
Chairman
Palmyrah Development Board
No.498, Galle Road, Colombo 06

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7.2: Financial Performance

Table 24: Profit & Loss Account as at 31st December 2022

Detail	NOTE	2022	2021
(All amounts are in Srilankan Rupees)			
Revenue	**11**	53,477,674.25	37,101,674.49
Direct Cost	**12**	(45,303,967.51)	(26,751,955.55)
Gross Profit		**8,173,706.74**	**10,349,718.94**
Other Income	**13**	178,247,933.84	219,109,605.43
Administration & Establishment Expenses	**14**	(198,661,580.90)	(177,665,219.37)
Selling & Distribution, Production Expenses	**15**	(2,318,390.62)	(13,162,495.49)
Surplus/(Deficit) from Operation		**(14,558,330.94)**	**38,631,609.51**
Development Expenses	**16**	-	(4,735,743.71)
Finance Expenses	**17**	(51,980.00)	(53,695.00)
Project Expenses -Capital Oriented Expenses	**18**	(10,175,789.34)	(67,381,053.89)
Net Surplus /(Deficit) During the Period		**(24,786,100.28)**	**(33,538,883.09)**

7.3: Cash flow statement

Table 25: Cash Flow Statement for the year ended 31 December 2022

Detail	2022	2021
Cash flow operation Activities		
Surplus/(deficit) from ordinary Activities	(24,786,100.28)	(33,538,883.09)
Non cash movement		
Depreciation	21,561,323.75	39,831,897.53
Interest income	(258,278.64)	(29,225.22)
Interest income & Expense	21,880.00	-
Provision for bad debts	512,940.62	11,401.08
Provision for Gratuity	3,280,332.50	4,073,732.50
Profit on Disposal of Fixed Assets	-	-
Operating Profit before Working Capital Changes	**332,097.95**	**10,348,922.80**
(Increase) / Decrease in Stock	5,847,325.39	830,779.90
(Increase) / Decrease in Trade Receivable	(10,208,365.01)	(1,579,999.97)
Increase / (Decrease) in Current Liabilities	19,151,374.56	(26,172,675.79)
Retirement Benefit of Obligations Paid	(1,225,762.00)	(2,855,812.50)
	13,896,670.89	**(19,428,785.56)**
Interest income	258,278.64	29,225.22
Interest Expense	(21,880.00)	-
Cash Generated from / (Used in) Operation	**14,133,069.53**	**(19,399,560.34)**
Investment Activities		
Fixed Assets Purchases	(10,432,019.92)	(5,168,396.06)
Intangible Assets Purchase	(1,095,000.00)	-
Fixed Assets Donation	-	-
Year 2019 Fixed Asset Correction	-	-
Decrease Building Advance Capitalizes	-	-
Disposal Proceeds	-	-
Net Cash Flow Investment Activities	**(11,527,019.92)**	**(5,168,396.06)**
Financing Activities		
(Increase)/Decrease in fixed deposits	(2,711,872.60)	-
(Increase)/Decrease Distress Loan	(112,709.73)	73,009.53
(Increase)/Decrease Festival Advance	3,250.00	(1,250.00)
2019 Accounts Adjustment	-	-
Government Grant Received	10,025,852.08	28,340,000.00
Net Cash Flow Financing Activities	**9,916,391.95**	**28,411,759.13**
Net Increase / (Decrease) in cash and cash equivalents	12,522,441.56	3,843,802.73
Cash and cash equivalents at beginning of period	4,588,744.78	744,942.05
Cash and cash equivalents at end of period (NOTE A)	**17,111,186.34**	**4,588,744.78**

7.4 Notes to the financial statements

Table 26 : Notes to the financial statements 1 to10

NOTE A

Cash & Cash Equivalents	2022	2021
Bank of Ceylon , Jaffna 1093005	827,228.46	363,958.79
Bank of Ceylon , Jaffna 1093004	18,377.61	312,692.16
Bank of Ceylon , Jaffna 1092999	179,386.79	80,868.29
Bank of Ceylon , Jaffna 74904925	9,163,702.12	1,850,607.43
Bank of Ceylon , Milagiriya 1991642	93,013.66	172,948.02
Bank of Ceylon , Milagiriya 1991647	13,304.95	30,470.67
Bank of Ceylon.(saving)-Colombo 1996054	62,339.77	81,206.87
Bank of Ceylon.(saving)-Jaffna 1098363	4,586,034.58	1,066,132.38
Bank of Ceylon.(saving)-Batticaloa 2905767	5,802.52	35,730.61
Bank of Ceylon.(saving)-Kalmunai 6138832	2,127.66	13,443.15
Bank of Ceylon.(saving)-Kilinochchi 71166258	5,281.07	6,876.72
Bank of Ceylon.(saving)-Trincomalee 2902326	33,274.15	183,418.89
Bank of Ceylon.(saving)-Vavuniya 3321197	18,696.75	17,722.87
Bank of Ceylon.(saving)-Mannar 2902426	16,507.61	46,478.54
Bank of Ceylon.(saving)-Mullaithivu 73640702	8,465.91	8,422.03
Bank of Ceylon.(saving)-Kalpittiya 4664963	5,374.22	91,601.91
Bank of Ceylon.(saving)-Weerawala 77713079	5,136.69	10,594.39
National Saving Banks 1-0006-02-7511-5	112,063.09	108,534.06
Cheque payment transit	35,000.00	35,000.00
Cash In Hand (Centers)	1,920,068.73	72,037.00
	17,111,186.34	**4,588,744.78**

7.5: Equity Changes

Table 27: Statement of changes in equity for the year ended 31st December 2022

Description	Capital	Other Capital	Government Grant		Funded Projects (Research, Development, Training)	Revaluvation Reserve	Retained Earning	Total
			Capital	Special Project				
Opening - 2021	**299,572,193.20**	**526,878,421.35**	**42,990,053.00**		**(14,658,338.95)**	**52,643.00**	**(691,785,047.70)**	**163,049,923.90**
Government Grant Treasury	-	-	9,360,000.00	18,820,000.00	-	-	-	28,180,000.00
Foreign Grant for PRI Capital Works	-	-	-		-	-		-
After Policy change Expenses transfer the recurrent Expenses (Past Years)	-	-	-		-	-	-	-
Gain on property revaluation	-	-	-		-	-	(65,947,747.41)	(65,947,747.41)
2022 Accounts Adjustment	62,500,000.00	-	(3,864,527.60)	(7,737,439.14)	-	-	-	50,898,033.26
Surplus /Deficit for the period	-						(24,786,100.28)	(24,786,100.28)
Total Recognized Revenue and Expenses for the Period	**62,500,000.00**	**-**	**5,495,472.40**	**11,082,560.86**	**-**	**-**	**(90,733,847.69)**	**(11,655,814.43)**
Closing - 2022	**362,072,193.20**	**526,878,421.35**	**48,485,525.40**	**11,082,560.86**	**(14,658,338.95)**	**52,643.00**	**(782,518,895.39)**	**151,394,109.47**

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7.6 : Notes to the Financial Statements 11 to 27

Table 28: Notes to the Financial Statements 11 to 13 for the year ended 31 December 2021

FOR THE YEAR ENDED 31 DECEMBER 2022	2022	2021
(All amounts are in Srilankan Rupees)		
NOTE - 11 REVENUE		
Trading Item Consumable Income	-	11,770.00
Local Sales	50,638,486.86	36,445,549.49
Mobile/Exhibition sales	569,467.00	112,925.00
Farm Income	337,787.00	10,000.00
PRI Testing Income	1,931,933.39	521,430.00
	53,477,674.25	**37,101,674.49**
NOTE - 12 DIRECT COST		
Cost of Sales	44,542,066.51	-
Cost of Palmyrah Food Product Income		86,825.00
Cost of Palmyrah Non Food Product		117,350.00
Cost of Regional Product		14,863,849.25
Cost of Chemical		70,659.58
Cost of Glassware		171,460.02
Material Cost Of Production	761,901.00	17,296,064.70
Finish Product At PC		-
FG At Store		-
Cost Of Sales /Production -FG		(5,854,253.00)
Cost Of Inventory Sold		-
	45,303,967.51	**26,751,955.55**
NOTE - 13 - OTHER INCOME		
Palmyrah Tree Felling Income	2,349,640.79	2,780,506.43
Bank Interest Received	258,278.64	22,299.30
Fixed Assets Disposal Profit	-	-
Rent Income	405,000.00	-
Vehicle Usage Received	9,350.00	10,200.00
Other Income	7,118,250.82	611,860.86
Government Grant (Recurrent Expenses)	149,600,000.00	130,000,000.00
Government Grant (Line Ministry)	18,494,255.46	84,820,000.00
Staff loan interest	13,158.13	6,925.92
Tender Deposit Non Refundable	-	343,500.00
Bad Debtors Adjustment	-	514,312.92
	178,247,933.84	**219,109,605.43**

Table 29: Notes to the Financial statements 14 for the year ended 31 December 2022

Details	2022	2021
NOTE - 14 - ADMINISTRATION & ESTABLISHMENT EXPENSES		
Audit Fee	1,200,000.00	1,200,000.00
AMC Meeting Expenses	97,500.00	-
Board Members Expenses	363,750.00	313,975.00
Building Maintenance	92,078.00	17,420.00
Casual Wages	1,990,752.08	319,856.92
Communication Allowance	696,500.00	753,932.98
Communication Expenses	837,368.09	-
Computer accessories	333,350.00	25,625.00
Computer stationary	-	69,000.00
Depreciation - Building	7,381,695.31	11,039,120.45
Depreciation-Furniture & Fittings	2,556,940.75	2,163,627.88
Depreciation-Lab Accessoceries	2,608,507.09	4,523,075.76
Depreciation-Office Equipment	1,526,241.74	2,571,796.11
Depreciation-Production Accessoceries	5,710,738.86	6,070,011.40
E.P.F	13,296,408.76	13,318,699.61
E.T.F	3,324,816.36	3,329,674.82
Electricity	2,536,845.79	2,042,874.62
Equipment Maintenance	394,398.00	273,015.28
Fuel Expenses	2,258,747.00	1,052,505.00
Fuel Allowance	1,887,180.00	1,452,079.40
Gratuity	3,280,332.50	4,869,332.50
Hire Charges	-	108,053.33
Internet Charges	-	471,182.24
Legal expenses	818,550.00	52,500.00
Maintenance Furniture and Fitting	-	22,248.00
Maintenance General	2,069,035.78	619,756.21
Office Expenses	710,012.76	216,648.00
Overtime Expenses	345,844.50	583,449.10
Penalties and Surcharge	86,280.00	-
Press Ads	657,170.00	-
Rates & Taxes	30,276.88	35,757.02
Rent	10,392,283.04	1,867,140.50
Salaries	123,164,655.86	112,667,489.97
Security fees	2,309,335.84	1,343,315.67
Special Allowances	368,259.43	81,000.00
staff welfare	8,000.00	73,232.50
Printing & Stationery	1,255,763.80	1,330,528.66
Telephone	-	372,414.89
Translation Fee	345,314.00	-
Travelling	1,657,478.07	704,730.26
Vehicle Insurance	7,404.21	54,378.40
Vehicle Maintenance	1,781,497.36	1,449,638.85
Water Expenses	280,269.04	206,133.04
	198,661,580.90	**177,665,219.37**

Table 30: Notes to the Financial Statements 15 for the year ended 31 December 2022

Details	2022	2021
NOTE - 15 - SELLING & DISTRIBUTION EXPENSES		
Bill Boards	-	122,850.00
Communication Allowance	-	74,964.66
Computer stationary	-	56,800.00
Depreciation - Motor Vehicle	1,777,200.00	1,777,190.04
Equipment Maintenance	-	20,050.00
Equipment Maintenance	-	198,010.00
Event Sponsorships	-	269,550.00
Exhibition	28,250.00	49,396.34
Fuel	-	195,350.00
Fuel Allowance	-	21,000.00
Gifts	-	29,844.00
Hire Charges	-	35,906.00
Maintenance General	-	306,539.05
Office Equipment Stationary	-	285,922.00
Office Expenses	-	181,510.60
Overtime Expenses	-	71,069.63
Press Ads	-	388,800.00
Provision for Bad Debts	512,940.62	-
Rates & Taxes	-	92,287.00
Rent	-	6,450,602.34
Sales Commission	-	36,750.00
Seminars	-	3,500.00
Special Discount	-	514,368.96
staff welfare	-	
Stationery	-	359,606.28
Telephone	-	4,961.73
Travelling	-	93,617.00
Travelling - Foreign	-	645,540.00
Vehicle Allowance	-	874,904.46
Water Bill	-	1,605.40
	2,318,390.62	**13,162,495.49**

Table 31: Notes to the Financial Statements 16 to 17 for the year ended 31 December 2022

Details	2022	2021
NOTE - 16 - Development Expenses		
Communication Allowance	-	49,997.01
Computer accessories	-	2,900.00
Computer stationary	-	2,750.00
Equipment Maintenance	-	956,180.96
Exhibition	-	-
Fuel	-	113,060.00
Fuel Allowance	-	32,880.00
Maintenance Furnitue and Fitting	-	-
Maintenance General	-	193,091.02
Newspaper & Periodicals	-	-
Non-Refundable Expenses	-	-
Office Expenses	-	18,183.78
Overtime Expenses	-	140,344.19
Press Ads	-	-
Rent	-	7,000.00
Security fees	-	2,095,885.26
Special Allowances	-	133,650.00
staff welfare	-	-
Stationery	-	-
Telephone	-	278.41
Travelling	-	47,553.00
Tree Felling Expenses	-	927,000.00
Upkeep of Building	-	-
Vehicle Maintenance	-	-
Water Bill	-	14,990.08
	-	**4,735,743.71**
NOTE - 17 - FINANCIAL EXPENSES		
Bank Charges	22,600.00	53,695.00
Cheque Book Charges	7,500.00	-
Interest Expenses	21,880.00	-
	51,980.00	**53,695.00**

Table 32: Notes to the Financial statements 18 for the year ended 31 December 2022

Details	2022	2021
Notes - 18 - Project Expenses -Capital Oriented Expenses		
Project Administration Expenses	-	439,038.33
HR Expenses	174,800.00	549,243.00
Asset Development	-	1,765,080.50
Building Upgrading Expenses	-	3,238,907.25
Donated Fixed Assets	-	33,571,688.00
Handicraft Training	1,511,850.00	8,168,182.98
Expenses of Increase Marketing Network	-	512,600.00
Livelihood Programs	2,984,700.00	-
Medical Expenses	-	-
Modal Farm development	944,575.00	107,680.00
Production Modernization	1,202,418.67	2,089,963.48
Pulp Training	191,065.00	-
Research Programs	1,106,719.67	6,178,733.61
Seed Plantation	1,736,400.00	4,329,937.61
Training Courses	233,826.00	375,900.00
Upgrade the Research Institute Facility	89,435.00	6,054,099.13
	10,175,789.34	**67,381,053.89**

Table 33: Notes to the Financial Statements 19 for the year ended 31 December 2022

NOTE - 19 - PROPERTY, PLANT & EQUIPMENT				
	Cost as at	**Additions/**	**(Disposals)/**	**Cost as at**
19.1 Gross Carrying Amounts	**01.01.2022**	**Transfers**	**Transfers**	**31.12.2022**
Land and Buildings	199,165,160.68	-	-	199,165,160.68
Furniture & Fittings	38,615,269.61	3,208,066.60	-	41,823,336.21
Lab Equipment	81,480,100.94	2,257,231.32	-	83,737,332.26
Office Equipment	27,249,449.15	3,492,722.00	-	30,742,171.15
Motor Vehicles	66,391,495.93	-	-	66,391,495.93
Production Accessories	117,051,740.62	1,474,000.00	-	118,525,740.62
	529,953,216.93	**10,432,019.92**	**-**	**540,385,236.85**
19.2 Depreciation	**Balance as at**	**Charge for the**	**(Disposals)/ (Error Correction)**	**Balance as at**
	01.01.2022	**year/Transfers**	**Transfers**	**31.12.2022**
	Rs. Cts.	**Rs. Cts.**	**Rs. Cts.**	**Rs. Cts.**
Land and Buildings	113,449,070.36	7,381,695.31	-	120,830,765.67
Furniture & Fittings	32,733,850.27	2,556,940.75	-	35,290,791.02
Lab Equipment	78,449,045.86	1,526,241.74	-	79,975,287.60
Office Equipment	23,578,845.14	2,608,507.09	-	26,187,352.23
Motor Vehicles	61,927,108.55	1,777,200.00	-	63,704,308.55
Production Accessories	110,784,192.71	5,710,738.86	-	116,494,931.57
	420,922,112.89	**21,561,323.75**	**-**	**442,483,436.64**
	109,031,104.04			**97,901,800.21**
NOTE - 19-A Intangible Assets				
Accounting Software	-	1,095,000.00	-	1,095,000.00
Network System	-	-	-	-
	-	**1,095,000.00**	**-**	**1,095,000.00**
Amortization				
Accounting Software	-	-	-	-
Network System	-	-	-	-
	-	**-**	**-**	**-**
	-			**1,095,000.00**

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Table 34: Notes to the Financial Statements 20 for the year ended 31 December 2022

NOTE - 20- FUND PROJECTS		
Seed Plantation	**2022**	**2021**
	Rs	**Rs**
Brought Forward	5,037,590.42	6,296,988.03
Plantation in 2021/2020	5,037,590.42	6,296,988.03
Fund project Expense	(5,037,590.42)	(1,259,397.61)
	-	**5,037,590.42**
Training (Handicraft) Programme	**2022**	**2021**
	Rs	**Rs**
Brought Forward	24,741,919.41	30,927,399.26
Training in 2021/2020	24,741,919.41	30,927,399.26
Fund project Expense	(24,741,919.41)	(6,185,479.85)
	-	24,741,919.41
Research Programme	**2022**	**2021**
	Rs	**Rs**
Brought Forward	17,127,174.80	21,408,968.51
Research in 2021/2020	17,127,174.80	21,408,968.51
Fund project Expense	(17,127,174.80)	(4,281,793.70)
	-	17,127,174.80
Total Fund Projects Expense	(46,906,684.64)	(11,726,671.16)

Table 35: Notes to the Financial Statements 21-24 for the year ended 31 december 2022

Details		2022	2021
NOTE - 21 - TRADE & RECEIVABLES			
Trade Debtors	**NOTE 21.1**	695,660.50	424,131.87
Sundry Debtors	**NOTE 21.1**	9,259,901.79	9,999,843.31
Festival Advances		11,750.00	15,000.00
Distress Loan		296,579.23	183,869.50
Staff Advances		(4,893,196.95)	829,884.97
Staff Debtors		832,722.99	-
Rent Advances		5,938,893.67	-
Refundable Deposits		-	9,593,893.67
		12,142,311.23	**21,046,623.32**
NOTE 21.1 - Trade Debtors & Sundry Debtors			
Trade Debtors & Sundry Debtors		10,479,903.99	435,532.95
Less- Provision for bad debts		(524,341.70)	(11,401.08)
		9,955,562.29	**424,131.87**
NOTE - 22 - PRE PAYMENTS & OTHER RECEIVABLES			
Vehicle Prepayments		-	-
Prepayments		-	-
		-	**-**
NOTE - 23 - CASH & CASH EQUIVALENTS			
Bank of Ceylon , Jaffna 1093005		827,228.46	363,958.79
Bank of Ceylon , Jaffna 1093004		18,377.61	312,692.16
Bank of Ceylon , Jaffna 1092999		179,386.79	80,868.29
Bank of Ceylon , Jaffna 74904925		9,163,702.12	1,850,607.43
Bank of Ceylon , Milagiriya 1991642		93,013.66	172,948.02
Bank of Ceylon , Milagiriya 1991647		13,304.95	30,470.67
Bank of Ceylon.(saving)-Colombo 1996054		62,339.77	81,206.87
Bank of Ceylon.(saving)-Jaffna 1098363		4,586,034.58	1,066,132.38
Bank of Ceylon.(saving)-Batticaloa 2905767		5,802.52	35,730.61
Bank of Ceylon.(saving)-Kalmunai 6138832		2,127.66	13,443.15
Bank of Ceylon.(saving)-Kilinochchi 71166258		5,281.07	6,876.72
Bank of Ceylon.(saving)-Trincomalee 2902326		33,274.15	183,418.89
Bank of Ceylon.(saving)-Vavuniya 3321197		18,696.75	17,722.87
Bank of Ceylon.(saving)-Mannar 2902426		16,507.61	46,478.54
Bank of Ceylon.(saving)-Mullaithivu 73640702		8,465.91	8,422.03
Bank of Ceylon.(saving)-Kalpittiya 4664963		5,374.22	91,601.90
Bank of Ceylon.(saving)-Weerawala 77713079		5,136.69	10,594.39
National Saving Banks 1-0006-02-7511-5		112,063.09	108,534.06
Check payment transit		35,000.00	35,000.00
Cash In Hand (Centers)		1,733,000.65	72,037.00
		16,924,118.26	**4,588,744.77**
NOTE - 24 - GRATUITY PAYABLE			
Balance B/F		67,730,485.48	4,051,322.98
Gratuity Provision/Adjustment for the Previous Y		(1,195,510.48)	61,665,642.50
Gratuity Expenses for the Year		3,280,332.50	4,869,332.50
		69,815,307.50	70,586,297.98
Gratuity Payments		(1,225,762.00)	(2,855,812.50)
Gratuity Payable		**68,589,545.50**	**67,730,485.48**

Table 36: Notes to the Financial Statements 25 -27 for the year ended 31 December 2022

Details	2022	2021
NOTE - 25 - TRADE & OTHER PAYABLES		
Trade Creditors	9,883,761.74	4,850,569.35
Sundry Creditors	14,238,056.89	(1,981,879.80)
Utility Creditors	285,015.09	(183,431.75)
Statutory Creditors	-	3,685,782.20
Staff Security Deposit	652,026.46	604,619.46
Provisions - Audit Fees	2,480,960.00	1,280,960.00
Staff Creditors	-	218,503.91
Salary Control	219,610.18	15,811.77
Stamp Dutt	-	1,025.00
Staff Contribution	-	116,095.66
	27,759,430.36	**8,608,055.80**

NOTE - 26- NON RELATED PARTY DISCLOSURES (LKAS 24)

NAME	DESIGNATION	NATURE OF THE RELATED PARTY TRANSACTION
P.A.Krishantha Pathiraja	Chairman	No
B.Loganathan	General Manager	No

No Related party transactions have taken place between Palmyrah Development Board and each of the above personnel and with any of their family members, for the financial year 2021.

NOTE - 27 - PRIOR YEAR ADJUSTMENTS

Expenses 2021	(19,577,630.05)	
Funded Project Reversal	(46,906,684.63)	
Income 2021	540,000.00	
Interest	(1,352.73)	
Surcharge	(2,080.00)	
	(65,947,747.41)	

7.7 Trial Balance

Table 37: Trial Balance as at 31-December-2022

Particulars	Debit	Credit
Provious Year Account Adjustment	1,222,175.82	125,802.64
Revaluation Reserves		52,643.00
Retained Earnings	244,416,339.53	
Government Grant Capital		48,485,525.40
Shares		362,072,193.20
Government Grant-Special Project		11,082,560.86
Audit Fees Provision		2,480,960.00
Bad Debts		524,341.70
Employee Gratuity Provision		68,589,545.50
Sundry Creditors	5,938,893.67	14,238,056.89
Trade Creditors	727,827.60	10,611,589.34
Utility Creditors		285,015.09
Salary Control		219,610.18
Work In Progress (Buildings)	84,601,169.17	
Intangible Assets-Accounting Software	1,095,000.00	
Land	62,525,897.40	
Builiding	136,639,263.28	
Electrical Fittings	12,390,822.93	
Fittings	14,000,422.52	
Funiture	15,432,090.76	
Equipment-PRI	10,791,967.77	
Machinery	72,935,814.49	
Other Lab Accessories	9,550.00	
Farm Equipment	2,295,888.33	
Other Equipment	1,123,863.13	
Technology Equipment	27,322,419.69	
Equipment-Production Accessories	14,648,957.32	
Machinery-Production Accessories	103,604,737.30	
Other-Production Accessories	272,046.00	
Distribution Vehicle	7,512,600.00	
Farm Vehicle	14,901,290.00	
Office Vehicle	43,977,605.93	
Acc. Dep. Building		120,830,765.67
Acc. Dep. Electricals		11,064,141.20
Acc. Dep. Fitting		10,684,187.85
Acc. Dep. Furniture		13,542,461.97
Acc. Dep. Equipment		7,029,923.11
Acc. Dep. Machinery		72,935,814.49
Acc. Dep. Other Equipment		9,550.00
Acc. Dep. Farm Equipment		1,323,309.58
Acc. Dep. Other Equipment-Office Equipment		1,113,591.87
Acc. Dep. Technology Equipment		23,750,450.78
Acc. Dep. Equipment-Production Accessories		12,829,363.35

Acc. Dep. Machinery-Production Accessories		103,393,522.22
Acc. Dep. Other Accessories-Production Accessories		272,046.00
Acc. Dep. Distribution Vehicle		6,695,104.10
Acc. Dep. Farm Vehicle		14,899,702.57
Acc. Dep. Office Vehicle		42,109,501.88
Investment-Fixed Deposit - 89333190	2,711,872.60	
Chemilcals	14,331,382.26	
Fibre Production	112.00	
Glaseware	7,079,928.16	
Handicraft Items	1,504,311.50	
Handicraft-Regional	302,361.00	
Local Product	2,666,934.00	
Palmyrah Food Item	1,540,238.25	
Raw Materials	4,941,546.69	
Staff Debtors	1,141,052.22	5,545,223.41
Sundry Debtors	9,747,265.04	
Trade Debtors	739,568.95	6,930.00
Cash-Batticallo	250,853.00	
Cash Batticaloa Show Room	335,899.00	
Cash-Colombo Mega City	304,257.74	
Cash-Jaffna	207,398.00	
Cash Kalpitiya	6,910.60	
Cash -Kandy	67,227.99	
Cash-K.K.S.Katpakam	13,402.40	
Cash-Thissamaharama	7,600.00	
Cash-Trincomalle Showroom	575,905.00	
Petty Cash-Audit		6,850.00
Petty Cash- Batticaloa	100.00	
Pettycash - Building Maintenance	15,000.00	
Petty Cash-Bus Stand Katpaham		3,000.00
Petty Cash-Colombo Admin		8,395.00
Petty Cash-Colombo Chairman Office		2,939.00
Petty Cash-Colombo Fuel		34,750.00
Petty Cash-Colombo Katpaham		2,610.00
Petty Cash-Colombo Production	58,050.00	
Pettycash - H.Office Other Maintenance	15,000.00	
Petty Cash- Jaffna Admin Cleaning	5,000.00	
Petty Cash- Jaffna Admin Communication	6,000.00	
Petty Cash-Kaithadi Katpaham	3,000.00	
Petty Cash - Kaithady PC		41,658.00
Petty Cash-Karainagara PC		81,866.08
Petty Cash-Mulative		5,000.00
Petty Cash-PRI Cleaning	15,650.00	
Petty Cash- Production Center Vavuniya	32,815.00	
Bank Accounts	15,156,117.61	
Payment Transit Account	35,000.00	

Loading & Unloading Charges	120,562.00	
Maintenance General	1,290,694.10	
Maintenance Specific	187,031.14	
Office Expenses	417,679.76	
Office Maintainance Expenses	277,380.54	
Overtime Expenses	340,469.50	
Penalties and Surcharge	86,280.00	
Proffessional Allowance	872,300.00	
Printing and Stationeries	1,255,763.80	
Production Accessories Depreciation	5,710,738.86	
Rates	12,251.16	
Refreshment Expenses	292,333.00	
Rent/Lease	10,392,283.04	
Salary	88,470,757.86	
Security Fees	2,309,335.84	
Special Allowance	368,259.43	
Staff Wefare	8,000.00	
Translation Fee	345,314.00	
Travelling Expenses	1,536,916.07	
Vehicle Allowance	637,237.50	
Vehicle Insurance	7,404.21	
Vehicle Maintenance	1,781,497.36	
Water Expenses	280,269.04	
Selling and Distribution Expenses		
Exhibitions Expenses	28,250.00	
Provision for Bad Debts	512,940.62	
Vehicle Depreciation	1,777,200.00	
Finance Expenses		
Bank Charges	22,600.00	
Cheque Book Charges	7,500.00	
Interest Expenses	21,880.00	
Project Expenses -Capital Oriented Expenses		
Handigraft Training	1,511,850.00	
HR Expences	174,800.00	
Modal Farm Development	944,575.00	
Research Programs	1,106,719.67	
Seed Plantation	1,736,400.00	
Training Courses- Local	233,826.00	
Livelihood Extension Program	2,984,700.00	
Research Collaberation	89,435.00	
Pulp Training	191,065.00	
PRODUCTION	1,202,418.67	
Total	**1,198,716,110.02**	**1,198,716,110.02**
		-

8. REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. NPCG/JF/C/PDB/1/2022 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 02 April 2024

Chairman,

Palmyrah Development Board.

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Palmyrah Development Board for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

The English version of the above mentioned report along with the Audited Financial Statement is sent herewith.

W.P.C.Wickramaratne

Auditor General

Copies to :- 1. Secretary, Ministry of Finance.

2.Secretary, Ministry of Agriculture and Plantation Industries.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
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ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. NPCG/JF/C/PDB/1/2022 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 02 April 2024

Chairman,
Palmyrah Development Board.

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Palmyrah Development Board for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Palmyrah Development Board ("Board") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No.38 of 1971. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) Assets and liabilities, and revenue and expenses shall not be offset unless required or permitted by a SLPSAS in terms of Paragraph 48 of the Sri Lanka Public Sector Accounting Standard 01. However, trade debtors amounting to Rs.727,828 had been set off against the trade creditors amounting to Rs.10,611,589 and the balance of

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
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Rs.9,883,761 had been shown as trade creditors. As a result, trade debtors and trade creditors had been understated by Rs.727,828.

(b) Assets and liabilities, and revenue and expenses shall not be offset unless required or permitted by a SLPSAS in terms of Paragraph 48 of the Sri Lanka Public Sector Accounting Standard 01. However, 02 credit balances aggregating to Rs.5,552,153 had been set off against the trade receivables in the financial statements. As a result, trade receivables and trade payables had been understated by Rs.5,552,153.

(c) The useful life time of the non-current assets should be reviewed annually in terms of Paragraph 65 of the Sri Lanka Public Sector Accounting Standard 07. However, the fully depreciated assets, which were in working conditions, amounting to Rs.105,028,848 had been used continuously for operating activities by the Palmyrah Development Board contrary to this provision.

(d) Government grant amounting to Rs.62,500,000 received during the year under review had not been adjusted in the financial statements as per Sri Lanka Public Sector Accounting Standard 11.

(f) Gratuity provision for the year had been overstated by Rs.1,515,028 due to the erroneous calculations. As a result, gratuity provisions as at 31 December 2022 and gratuity expenditure for the year under review had been overstated by the same amount.

(g) Over provision of gratuity of employees in or before the year 2021 amounting to Rs.2,042,975 had been adjusted in the financial statement for the year under review due to erroneous calculations. As a result, gratuity provision for the year under review had been understated by the same amount.

(h) A land which is belonging to the Board and registered at the Registrar's General Department on 24 November 2017 had not been valued and brought to the financial statements, As a result, the value of the non- current assets had been understated in the financial statements. Further, action had not been taken by the board to transfer the ownership of 8 lands which are being used for long period.

(i) A difference of Rs.270,606,433 was observed relating to four items between the financial statements and related supporting documents and schedules. Further, documentary evidence had not been provided to audit to confirmed the existence and accuracy of the balances of Rs35,336,480.

(j) Prior year adjustment amounting to Rs.65,947,747 had been erroneously shown as gain on property revaluation in statement of changes in equity.

(k) Fund project expenditure total as at 31 December 2022 amortized on previous year had been adjusted under prior year adjustment amounting to Rs.46,906,684 in the year under review. However, it had not been adjusted retrospectively in terms of Sri Lanka Public Sector Accounting Standard 03.

(l) Capital grant amounting to Rs.888,915,614 received from year under review and previous years erroneously accounted for as capital of the Board. As a result of this amortized expenses had not been identified and shown in the financial statements.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Board's 2022 Annual Report

The other information comprises the information included in the Board's 2022 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.
In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.
When I read the Board's 2022 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Board.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also,

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 and Universities Act No.16 of 1978 includes specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year except the audit matters of 1.2(h) described in the basis for Qualified Opinion section of my report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 To state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal cause of business as per the requirement of section 12(d) of the National Audit Act, No. 19 of 2018.

2.2.2 To state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of section 12(f) of the National Audit Act, No. 19 of 2018 except for the following observations.

Reference to Rules and Regulation	Description
(a) Financial Regulation of the Democratic Socialist Republic of Sri Lanka	
(i) Financial Regulation 139	Paying officer is responsible to that the net amount shown on the face of the voucher is duly paid and the fact of payment noted on the voucher by means of a "PAID" stamp, and initialed. However, a sum of Rs.1,791,598 had been paid without paying office's signature in 111 instances.
(ii) Financial regulation 260	A sum of Rs.1,216,684 had been paid without being obtained the payee's signature or letter with specimen signature to confirm that the payments must be made only to the persons named in the vouchers or to their legal representatives in 64 instances.
(iii) Financial Regulation 262(2)	All vouchers paid and their supporting documents should be stamped with the "PAID" stamp. Unless this is done in every case, there is danger of vouchers being presented for payment a second time. However, A sum of Rs.1,253,166 had been paid without stamped with the "PAID" stamp in 49 instances.

(b) Public Finance Circular No. 01/2020

(i)	Financial Regulation 371(5)	Sub-imprest should be settled to the accounting division within 10 days after completion the relevant purpose and in any case, should not be delayed later than the 31st of December of the financial year in which the sub-imprest is issued. However, in 30 instances, advances aggregating to Rs.368,750 paid to the employees had not been settled.
(ii)	Financial Regulation 371(2) (b)	Where a larger Ad hoc Sub-Imprest is considered necessary exceeding the maximum limit of which the Sub- imprest could be provided amounting to Rs.100,000, the authority of the General Treasury should be obtained through the Chief Accounting Officer. However, in 14 instances Ad hoc Sub-Imprest totaling to Rs.3,750,000 had been approved by the management without being obtained the prior authority of the General Treasury.

2.2.3 To state that the Board has not performed according to its powers, functions and duties as per the requirement of section 12(g) of the National Audit Act, No. 19 of 2018.

2.2.4 To state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12(h) of the National Audit Act, No. 19 of 2018

2.5 Other Maters

Following observations are made.

(a) Action had not been taken to recover the 10 trade debtor balances included under trade receivables aggregating to Rs.9,747,265 remained outstanding for over 07 years as at 31 December 2022.

(b) Action had not been taken to settle the 06 trade creditor balances included under trade and other payables aggregating to Rs.3,492,775 remained outstanding for over 02 years as at 31 December 2022.

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NAOSL

(c) The financial statements and the draft annual report should be furnished to the Auditor General within 60 days from the close of the financial year. However, the financial statements of the Board for the year 2022 had been furnished to audit on 05 October 2023 with the delay of 219 days and draft annual report had not been submitted until 17 November 2023.

(d) Daily vehicle running charts of 32 vehicles for the year 2022 had not been furnished to the audit.

(e) It was observed that one Pasteurizer plant valued at Rs.805,000 and one Auto clave plant purchased before 2018 had been lying idle for over four years.

W.P.C. Wickramaratne
Auditor General

8.1 Courses of action taken to rectify the weaknesses pointed out in the Audit Report

Explanations provided by management regarding the matters contained in the Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Palmyrah Development Board for the year ended 31st December 2022, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

1.2.

a. Separate ledger accounts have been created for parties acting as both customers and suppliers. Trade debtors and creditors are now recorded and reported separately in compliance with SLPSAS 01, Paragraph 48. Internal checks are being carried out to ensure accurate financial reporting.

b. The credit balances previously offset against trade receivables have now been reclassified correctly under trade payables. Trade receivables and payables are recorded separately in accordance with SLPSAS 01, Paragraph 48.

c. The necessary steps to address this issue have been initiated. The fundamental measures required for the valuation of the assets are currently underway.

d. Steps have been taken to correctly account for the government grant in accordance with SLPSAS 11. Necessary adjustments are being made in the 2023 financial statements.

f. The overstatement of gratuity provision has been identified and correction is being made in the 2023 accounts. Gratuity calculations are now reviewed and verified for accuracy as per the relevant SLPSAS.

g. The over-provision of gratuity amounting to Rs. 2,042,975.00 has been identified and corrected in the 2023 financial statements.

h. The necessary steps to address this issue have been initiated. The fundamental measures required for the valuation of the land are currently underway. Once the valuation report is received, it will be promptly incorporated into the financial statements to accurately reflect the value of the land and adjust the non-current assets accordingly.

i. A thorough reconciliation of the four items was conducted to identify and resolve differences amounting to Rs. 270,606,433.00 Missing or incomplete supporting documents totaling Rs. 35,336,480.00 were collected and verified.

j. The prior year adjustment of Rs. 65,947,747.00 has been correctly reclassified from gain on property revaluation to the appropriate account in the statement of changes in equity.

k. The fund project expenditure of Rs. 46,906,684.00 has been retrospectively adjusted in accordance with SLPSAS 03.

l. The capital grant of Rs. 888,915,614.00 has been correctly reclassified and removed from the Board's capital accounts.

2.2 (a) (i) Instructions Issued to all paying officers to strictly comply with Financial Regulation 139. Training Conducted for relevant staff on proper payment procedures and documentation.

(ii) Enforced strict compliance with Financial Regulation 260 requiring payee's signature or authorized specimen signature for all payments.

(iii) Reinforced compliance with Financial Regulation 262(2) by ensuring all payment vouchers and supporting documents are stamped "PAID" immediately after payment.

(b) (i) Issued reminders to employees regarding timely settlement of sub-imprests within the prescribed 10-day period or by year-end. Implemented stricter monitoring and follow-up procedures to ensure advances are settled promptly.

(ii) A sub-imprest was provided to non-staff grade officers to support operations, with around Rs. 500,000.00 utilized by district offices; moving forward, management will ensure board approval is obtained for such provisions.

2.5 (a) Management has initiated steps to assess the recoverability of these balances, including issuing final reminders, conducting follow-ups, and considering legal action where necessary. Further, procedures are being strengthened to avoid such long-outstanding balances in the future.

(b) Management is verifying the balances, and valid liabilities will be settled, while unsupported amounts will be written off with approval, payment procedures are being strengthened to avoid future delays

(c) Management has taken steps to strengthen the financial reporting process, including assigning dedicated staff and implementing strict timelines to ensure timely submission in future.

(d) Management has instructed all relevant units to ensure timely submission of vehicle logs and is implementing a centralized monitoring system to prevent such lapses in the future.

(e) Necessary repairs have been done.