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தெங்கு அபிவிருத்தி அதிகாரசபை
Coconut Development Authority

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வருடாந்த அறிக்கை
ANNUAL REPORT

2022



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பெருந்தோட்ட கைத்தொழில் அமைச்சு
Ministry of Plantation Industries

Coconut Development Authority



**Annual Report
2022**

Coconut Development Authority

Our Vision

**“To be the highest contributor in plantation sector
For gross domestic product from
Coconut industry and
Global leader in diversification
of product marketing”**

Our Mission

**Facilitation for the highest contribution to long term
commercial productivity, sustainability and national
economy ensuring coconut and coconut products for home
consumption and industry**

Introduction

The Coconut Development Authority, prior to its establishment, was originally set up under the name of Coconut Board and subsequently, it was promulgated as Coconut Processing Board, Fiber Board and Coconut Marketing Board. Later, for the development of the entire coconut industry together with all those institutions, the main statutory body established in terms of Section 24 “ There shall be established an Authority which shall be called the Coconut Development Authority “ in Part III of the Coconut Development Act No. 46 of 1971 is the Coconut Development Authority.

Subsequently, in 1980, the current institution called the Coconut Development Authority was established as the main entity associated with the coconut industry.

The Coconut Development Authority, in pursuance of its powers, performs the activities such as processing, quality control and quality assurance, exercise of regulatory powers, supervision, control, guidance, provision of technology as the apex body involved in the industry in the performance of other affiliated functions in relation to the assistance extended to the Minister in the formulation of policies pertaining to the industry and in the fields of research and local and foreign marketing development , granting approvals and financial assistance required for the projects.

In addition, The Coconut Development Authority has been empowered to bear responsibility in the direct operational functions such as development activities and provision of facilities, supervision and regulatory activities in respect of the small medium and large scale entrepreneurs engaged in the industry relating to processing, quality control and quality assurance, marketing and for the improvement of entire industry.

In addition to the extending of assistance when identifying and formulating main policies in respect of coconut industry development by the Ministry, in order to carry out the operational role in the development and monitoring of the processing and marketing sectors of the coconut industry, the Coconut Development Authority is functionally consisting of 5 operational divisions: Processing Development Division, Quality Control and Quality Assurance Division, Marketing Development and Research Division, Finance Division and Administration Division and each Division is being led by a Director. In executing these functions, the Engineering Division and the Internal Audit Division extend their assistance to the aforesaid Divisions.

The Chairman serves as the head, overseeing the management and supervision of the Authority. The implementation of policies and programs, as formulated by the Board of Directors, is carried out through the Director General, who coordinates with the heads of all departments. The approved cadre for this Authority is 259 positions. In the year 2022, the total number of employees was 191, with 36 of them occupying management-level positions.

Members of the Board of Directors from January – December 2022

1. Mr. Keerthi Sri Weerasinghe - Chairman
2. Mrs. R.P. Kasthuriarachchi
3. A.P.L.D.D.N. Fernando
4. Mr. Dinesh Fernando
5. Mr. Priyalath Kimbiyahettige
6. Mr. Jagath Chandana Thalgasduwa
7. Mr. Upali Dammika De Silva
8. Mr. T.M. Jude Anton Pieris
9. Dr. Saranga Alahaperuma
10. Mrs. A.V.K. Madhavi Herath

Heads of Divisions including the Chairman

1. Mr. Keerthi Sri Weerasinghe - Chairman
2. Mrs. Sumudu P. Withanage - Director General
3. Mrs. S.S. Purasinghe - Director (Quality Control & Quality Assurance)
4. Mrs. M.P. Sandhaya Kanthi - Director (Finance)
5. Mr. P.A.S.K. S. Samarawickrama - Director (Marketing Development and Research)
6. Mr. P. Edirimanna - Director (Processing Development)
7. Mrs. S.W. Rasika - Director (Administration) Performing of Duties
8. Mr. W.M.T.S. Weerasuriya - Internal Auditor

Chairman's Review

The coconut tree, deeply intertwined with Sri Lankan culinary traditions and cultural practices throughout history, has emerged as a pivotal economic crop in our nation. Numerous families are reliant on the coconut industry, both directly and indirectly, while the export of coconut and its derivatives remains a significant contributor to our foreign exchange reserves.

Presently, a substantial global demand exists for coconut related products and it is truly satisfying to efficiently manage substantial workloads across various tasks, encompassing financial support for production, consultation, and oversight by the Coconut Development Authority which ensures the sustained quantitative and qualitative expansion of exports, as well as the continued enhancement of the strong international demand for Sri Lankan coconut-based products.

By popularizing processed coconut products among the Sri Lankan people, the Coconut Development Authority has already taken steps to curtail household coconut wastage and assist in the development of coconut kernel-related industries through contribution and regulation, and by gathering non-coconut kernel-related industries through precise and efficient methods and applying them to the production process through eco-friendly techniques, to uplift those industries. Our objective is to raise the Sri Lankan coconut industry to an international standard by actively participating in its enhancement, which includes the implementation of a 5-star quality certificate for labeling facilitating the identification of pure and premium coconut oil for the local populace, contribute to the adoption of standardized machinery to ensure high-quality production processes, promoting high quality products through the issuance of quality certificates, supported by laboratory testing services, and additionally, we collaborate with state banks to provide credit facilities that support the production process.

Keerthi Sri Weerasinghe

Chairman

Director General's Review

As the Coconut Development Authority is the designated specialized agency empowered to oversee and regulate coconut-related production endeavors in Sri Lanka according to the Coconut Development Act, our Authority plays a pivotal role in offering extensive support to the coconut-related industry.

Sri Lankan coconut-related products hold a distinct position in the global market, attributed to the unparalleled flavor of the indigenous coconut kernel and the exceptional characteristics of the coconut shell and husk.

The Coconut Development Authority offers ongoing guidance for the registration of coconut-related industries, provision of technical expertise, investment support, and facilitation of access to international export markets.

Despite the challenges posed by the Covid-19 pandemic this year, I find it fortunate that the Coconut Development Authority has managed to make a significant contribution of foreign exchange to the nation through the coconut-related production sector, and subsequently contributed to stability in the local job market.

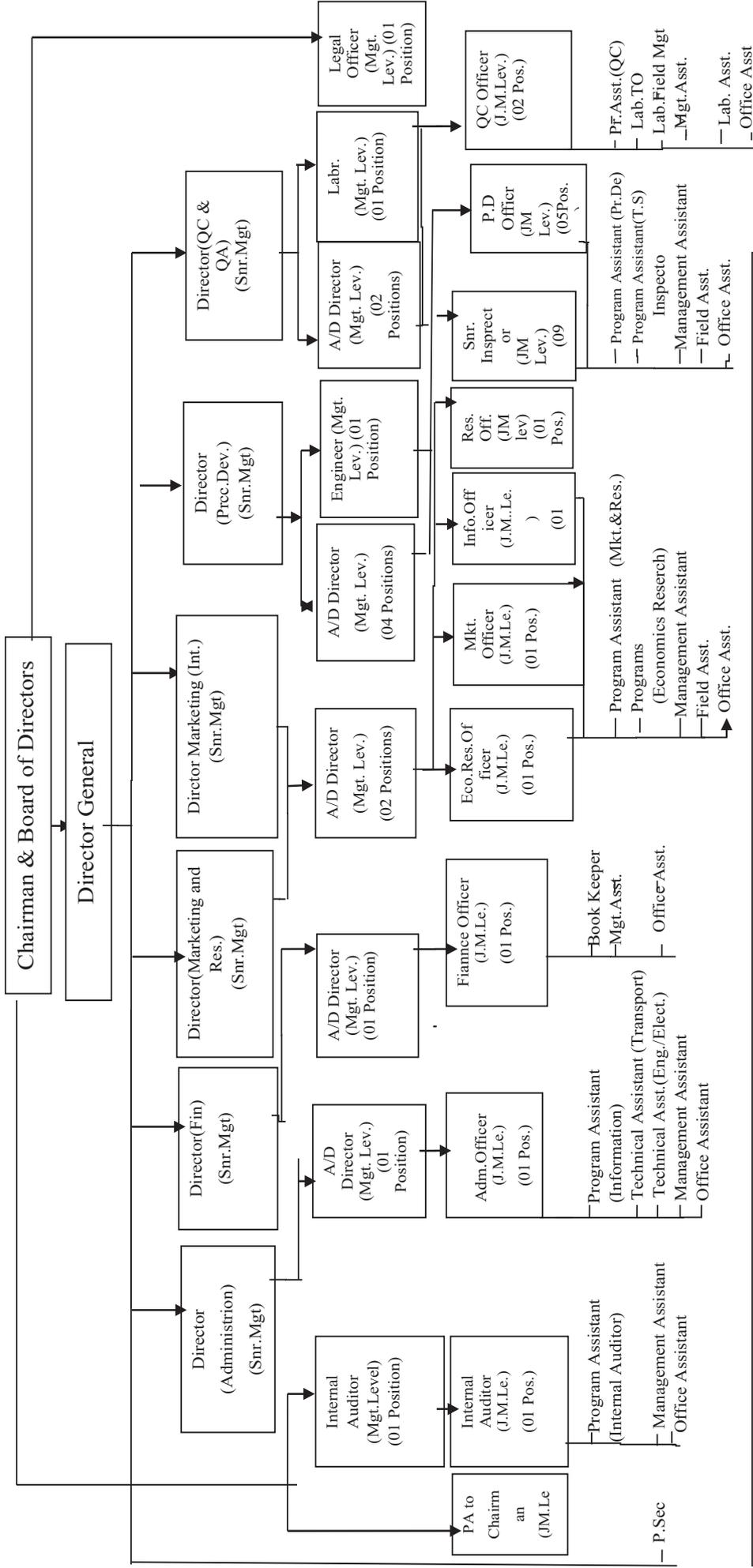
Due to the laboratory test reports provided by the Coconut Development Authority, there has been an opportunity to conquer the international market by being able to supply state-certified products to the international market. While the desiccated coconut industry sector is being examined daily, future plans are being prepared by paying special attention to the regulation of the coconut oil industry sector. The Limited field staff of the Coconut Development Authority is working to improve the quality of the local coconut oil industry. To achieve this objective, coconut oil producers are directed to participate in the Five Star certification program. Furthermore, future initiatives are underway to educate the public about the consumption of quality and safe coconut oil.

We take pride in focusing on the promotion of coconut-related products both as an export industry and a means of livelihood development. Additionally, we are pleased to have achieved significant progress in our corporate action plan this year.

Sumudu P. Withanage

Director General

Organization Chart as at 2022.12.31



- Abbreviations :**
1. Snr. Mgt. – Senior Management Level
 2. A/D Director – Assistant Director /Deputy Director
 3. Mgt. Lev. – Management Level
 4. I.Audt. – Internal Auditor
 5. Adm.Officer – Administrative Officer
 6. Eco.Res.Off- Economic Reserch Officer
 7. Pro.Dev.Off. – Processing Development Officer
 8. QC Officer – Quality Control Officer
 9. JM Le. – Junior Management Level
 10. Mkt.Dev.&Res. – Marketing Development & Research
 11. QC & AC Quality Control and Quality Assurance Division

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▪ Marketing Development & Research Division	03
▪ Administration Division	04
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01.Processing Development Division

In terms of the Section 20 of the Coconut Development Act, No. 46 of 1971, the objectives of the Coconut Development Authority have been assigned to the Authority by an order published in the Gazette, and out of that the manufacturing process of the coconut industry, the industrial process, the monitoring activities related to the sending of coconuts and coconut products to the local and the export market, and the activities of industrial development are carried out by the Processing Development Division.

To accomplish these tasks, the Division has assigned 55 field based officers and 20 office based officers. The Processing Development Division is located at Adipada Weediya, Colombo 01 and 3 Regional Offices administrated by it are located in Coconut Triangle at Gampaha, Kurunegala and Puttalam.

Under that, the Processing Development Division prepared plans to achieve the following objectives mainly in the year 2022 as well as previous year.

1. Assisting to export the products that are processed to be suit with the local and international standards and specifications through the manufacturing, assisting in manufacturing and regulation of coconut related products.
2. Providing contribution through Mills Development Fund for development activities of desiccated coconut industry, i.e. utilization of modern technology, development of infrastructure.
3. To set and maintain standards of quality of coconut products produced in Sri Lanka and exported from Sri Lanka.
4. Providing technical assistance and financial support for the production of value added coconut products.
5. Increasing of production efficiency, effectiveness and reduce unit cost by providing labor and capital facilities for coconut related products.
6. Implementation of training programs and training of officers to encourage new trends, technology and research for coconut related manufacturers and to direct industrialists to local and foreign technology for skill development.
7. Contributing to the upliftment of the informal industry.
8. Contributing to the implementation of livelihood development programs implemented by the government to uplift the rural economy.

Through this planning, it was primarily expected to develop the quality of the products and targeted export income with the aim of sustainable development, based on the Mission and Vision of the Coconut Development Authority.

Accordingly, the projects and programs implemented by the Processing Development Division for the implementation of the above mentioned plans in the year 2022 are as follows.

Relevant to the above mentioned Fact No. 1 and 2,

- i. Through the registration of coconut related industries as a manufacturer, to direct and regulate those to maintain the industry as per the existing laws and regulations.
- ii. Formulation of new laws and regulations related to the Authority Act, revision of existing laws and regulations from time to time.
- iii. When opening new industries related to coconut, to intervene for distribution of industries relatively to the expansion of coconut cultivation. Acting as an intervener in registration of business names,
- iv. Identification of issues encountered by industrialists, discussing those, coordination with other public organizations when necessary, problem solving.
- v. Implementation of programs to educate people and industrialists to reduce wastage of raw materials.
- vi. To intervene to provide fair price to industrialists and stakeholders by providing production targets to industrialists in relation to coconut yield.
- vii. Inspection of coconut manufacturing entities, taking samples and directing them to analysis and thereby directing the industrialists for manufacturing in conformity with the Sri Lanka standards. Providing of relevant instructions in that regard.
- viii. Inspection of containers for importation of coconut products, taking samples and sending them for analysis and thereby directing industrialists to manufacture products in conformity with Sri Lankan standards. Providing of relevant instructions in that regard.
- ix. Directing of industrialists to maintain standard specifications of coconut products by issuing microbiological and physical quality assurance certificates.
- x. Motivating industrialists towards product diversification.
- xi. Improving quality of finished products and production processing by contributing to audit activities in the process of obtaining international certifications of ISO 22000 Quality Certification on Food Security for coconut kernel based industries and Good Manufacturing Practice (GMP) Certification for non-kernel industries, and contributing to obtain an international recognition for those products.
- xii. Making arrangements to obtain ISO 17020:20102 accreditation/ compliance certificate for testing to the Inspection Unit of Processing Development Division, and through that to conduct testing affairs according to a globally accepted procedure.
- xiii. To act as an intervener to validate the production process.

Relevant to the above mentioned Fact No. 3, 4 and 5,

- i. To direct industrialists to manufacture quality coconut oil, assist them, an implementation of public awareness programs on consumption of quality coconut oil.
- ii. Implementation of a concessionary loan scheme jointly with the People's Bank and the Regional Development Bank for coconut related manufacturers, and to develop industries through the granting of interest concessions.

- iii. Investment assistant for infrastructure development of coconut fiber manufacturing firms.
- iv. Direct contribution for relevant firms for formulation of standards in manufactured products.

Relevant to the above mentioned Fact No. 7 and 8,

- i. Implementation of training programs, technical transfer programs, provision of equipment, linkage of product buyers and follow-up for introduction of value added products for informal industries.
- ii. Under the Livelihood Development Program, taking a proactive role in stimulating the growth of the rural economy in collaboration with local institutions to establish coconut-related rural industries.

To accomplish the aforementioned objectives, it is imperative to focus on enhancing the skill set of officers within the Processing Development Division. Consequently, pertaining to the above 06, essential training has been conducted to foster the technical expertise, attitudes, and aptitudes of the Division's personnel.

Amidst the severe economic crisis faced by Sri Lanka in 2022, the Processing Development Division of the Coconut Development Authority demonstrated remarkable efforts to fulfill its obligations and fortify the export-driven economy.

1. Directing to maintain the industry as per the existing laws and regulations of the country through registration of coconut-related industries as a producer.

2022, coconut-related producers and processors were granted one-year registrations, following the previous year's protocol. Registration forms were obtainable from the Coconut Development Authority's Processing Development Division and regional offices situated in Kurunegala, Gampaha, Puttalam, and Galle. Additionally, industrialists were facilitated in accessing registration forms via the Coconut Development Authority's website, allowing them to apply online. Moreover, an accelerated registration process was initiated through a mobile service within the Coconut Triangle region.

It was made mandatory to obtain ISO 22000:2018 Food Safety Management System Certificate for all coconut kernel related products except traditional coconut oil, copra, coconut treacle, coconut sugar and Good Manufacturing Practices certificate for all coir substrates. The industrialists who have completed the requirements are registered with the Authority as follows.

Table 1: Registration of Industrialists 2020 - 2022

	Product Category	2020	2021	2022
1	Desiccated Coconut	46	44	49
2	Creamed Coconut	14	18	16
3	Coconut Cream	13	13	16

4	Copra Oil	101	133	110
5	Virgin Coconut Oil	50	49	47
6	White Coconut Oil	39	60	81
7	MCT Oil	1	2	3
8	MCT Powder	2	2	1
9	Industrial Coconut Oil	9	5	6
10	Coconut Water	23	24	25
11	Coconut Vinegar	1	1	1
12	Paring Coconut Oil	35	47	34
13	Coconut Milk	24	26	28
14	Powdered Coconut Milk	6	6	6
15	Coconut Milk Related Products	5	6	7
16	Coconut Butter	8	8	9
17	Coconut Sugar	1	8	7
18	RBD Coconut Oil	8	10	10
19	Coconut Toddy	-	1	1
20	Emollient gel	1	1	1
21	Copra	26	27	27
22	Coconut Spread	5	5	5
23	Desiccant Coconut Repack	3	8	8
24	Coconut Syrup	3	3	3
25	Scraped Coconut	1	1	1
26	Coconut Treacle	10	11	9
27	Coconut Milk Processor	2	2	3
28	Coconut Amino	3	6	8
29	Coconut Jam	1	1	1
30	Desiccated coconut (Flakes)	-	1	1
31	Coconut Water Powder	-	2	2
32	Virgin Coconut Oil Powder	-	1	1
33	Virgin Coconut Oil (With Brown Testa)	-	2	1
34	Desiccated coconut (Flakes –With Brown Testa)	-	2	3
35	Coconut Flour	5	16	13

36	Coconut related Alcohol	-	3	4
38	Coconut Sambal	-	1	1
38	Activated Carbon	10	9	9
39	Value added Active Carbon	-	1	1
40	Fiber/ Fiber mills	283	226	217
41	Coconut Shell Charcoal Chips	5	6	9
42	Hub Operator	1	1	1
43	Coconut Shell Charcoal	33	30	32
44	Coconut Shell Pieces/ Powder	3	6	5
45	Ornamental Products based on Coconut Shells	11	11	7
46	Finished Goods	137	125	111
47	Coir substrate	124	139	139
48	Fiber intermediate products	37	47	53
49	Other	2	9	9
	Total	1092	1166	1143

In contrast to the previous year, coconut industry registrations saw a minor decline. This was primarily attributed to the economic downturn in 2022, leading to disruptions in production for certain entities. Similar to past years, compliance remained mandatory for purchasing products from authority-registered producers, a prerequisite for exporting coconut-related goods. Consequently, over 75% of registrations occurred within the initial quarter of the year.

Figure 1: Expansion of coconut Kernel related industries

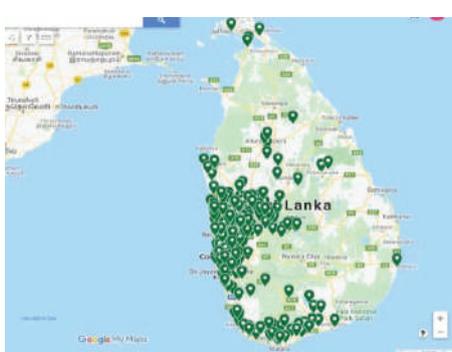


Figure 2: Expansion of coconut husk related products

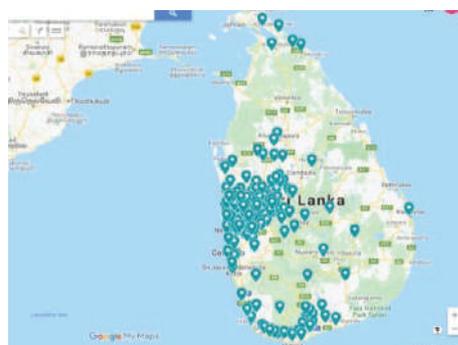
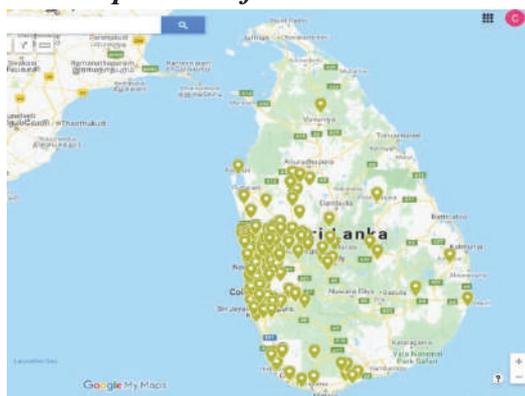


Figure 3: Expansion of coconut shell related products



2. When opening new industries related to coconut, to intervene for distribution of industries relatively to the expansion of coconut cultivation. Acting as an intervener in registration of business names.

When registration of new businesses with the objective of expanding industries relative to the coconut cultivation, according to the request made to obtain Authority's assistance for granting approval in that regard after studying the potential in the respective area to commence an industry, letters have been issued with the recommendation that there is no objection from the Coconut Development Authority for 231 industrialists who sought new business registration certificates for commencing coconut-related industries in the year 2022.

Accordingly, the distribution of industrialists involved in coconut-related ventures, who received recommendations for business registration in 2022, has been tabulated as follows based on districts and the specific coconut-related industry for which registration was sought.

Table 2: Permission granted for registration of business names in the year 2022

District/ Product	Broom	Industrial coconut oil	copra	Copra coconut oil	Coconut Coir	Coir ropes	Coir bale	Twain	Carpets	Coconut spice	Shredded coconut	Mixed coconut coir	Ornaments	Vinegar	White coconut oil	White copra	Collection
Kurunegala	0	5	21	25	41	4	2	3	0	4	12	7	0	0	4	4	132
Colombo	0	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	2
Gampaha	0	0	4	12	3	0	0	0	0	0	1	2	0	0	0	4	26
Galle	0	0	1	10	0	0	0	0	2	0	0	1	1	0	0	8	23
Kandy	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	3	4
Puttalam	0	0	0	2	4	0	0	0	0	0	0	0	0	0	0	1	7
Polonnaruwa	0	0	0	0	0	0	1	0	0	0	0	2	0	0	0	0	3
Badulla	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Matara	3	0	2	6	0	0	0	0	0	0	0	1	0	0	2	1	15
Hambantota	0	3	2	7	2	0	0	0	0	0	2	1	0	0	0	0	17
Total	3	8	30	64	50	4	3	3	2	7	19	8	1	2	22	4	231

Based on the above data, it is evident that among the 25 districts in Sri Lanka, applications for business registration certificates in the year 2022 were exclusively received from industrialists located in 10 districts. Consequently, within these 10 districts, requests for new business registration certificates encompassed a total of 17 distinct categories of coconut-related industries.

The Coconut Development Authority expects to stimulate increased interest among industrialists to initiate novel coconut-related industries beyond the confines of the traditional coconut triangle, and utilizing coconuts cultivated within those regions for industrial purposes. To achieve this objective, field officials will extend guidance and impart technical expertise, and to register the new industries at the Coconut Development Authority.

3. Inspection of coconut manufacturing entities, inspection of containers for importation/exportation of coconut products, taking samples and sending them for analysis and thereby directing industrialists to manufacture products in conformity with Sri Lankan standards. Providing of relevant instructions in that regard.

3.1 Coir Fiber and Coir Dust Substrate Sample Analysis Process.

Here, the parameters of pH value, moisture, electrical conductivity, extraneous matter, E-coli, and salmonella of the coir dust substrate samples, and the parameters of moisture and impurities of the coir samples have been analyzed.

Accordingly, in line with preceding years, the year 2022 also witnessed the collection of samples from registered coir dust substrate manufacturing enterprises, totaling 136 products, for which subsequent issuance of quality certificates transpired under the auspices of the Authority. Correspondingly, samples from 35 specifically chosen coir fiber manufacturers underwent collection, followed by the issuance of quality certificates.

Guided by the Authority's directive, industrialists undertook a comprehensive assessment of and corrective measures for deviations identified in adherence to the Sri Lankan Standards within their respective establishments. This directive aligns with the Authority's overarching objective of enhancing product quality and ensuring the introduction of products with high standards to the market.

3.2 Virgin Coconut Oil Sample Analysis Process.

Virgin coconut oil samples were analyzed by the authority's laboratory under the analytical parameters of free fatty acids, Color, Moisture, Iodine value and Yeast & Molds.

During the year 2022, a total of 30 samples of virgin coconut oil underwent analysis. Following this, industrialists were directed to rectify deviations observed in adherence to

the specified Sri Lankan standards within their respective establishments. This directive signifies the Authority's core objective of enhancing product quality with the intent to introduce an elevated range of quality products into the market.

Based on the analysis reports, the primary aim of this analytical process is to undertake corrective actions when discrepancies arise between product quality and the stipulated standards set by the Sri Lanka Standards Institute for virgin coconut oil.

3.3 Coconut Milk Product Sample Analysis Process.

The implementation of this program was directed towards the oversight of processed coconut milk and powdered coconut milk. Here, assessments included the testing of fat content and pH values within coconut milk samples, while powdered coconut milk samples underwent evaluations for Salmonella presence, E-coli, pH value, and fat content. A total of 105 samples encompassing coconut milk and powdered coconut milk, along with 45 samples of desiccated coconut from various factories, were subjected to testing procedures. Subsequently, analytical reports were generated and disseminated to the respective industrialists.

3.4 Coconut Oil Sample Analysis Process.

Under the program of providing a logo for quality coconut oil products implemented by the Processing Development Division, 82 coconut oil samples were taken from coconut oil manufacturers and prioritizing the basic points of the program, the iodine value of coconut oil, the amount of free fatty acids, Aflatoxin values were sample tested in accordance with SLS 32: 2017 of the Sri Lanka Standards Institute and analytical reports were obtained.

In addition, from the year 2022, samples were taken and tested for aflatoxin in the registration of industries, in order to get confirmation about the quality of coconut oil and raw materials produced in those industries. Here, samples have been taken from 124 factories and sent for laboratory analysis.

Industrialists were directed to study and rectify the deviations from the Sri Lankan specifications that were tested in the respective institutions and the future activities of the related program are being carried out based on the analyzed information.

3.5 Coconut Shell Charcoal Analysis Process.

The analysis of coconut shell charcoal, which is the basic raw material in activated charcoal manufacturing, identified as a major sector related to coconut that contributes for increasing export income of Sri Lanka, was carried out in the year 2022 as well. Here, the parameters of moisture, ash content, and external debris were analyzed. Samples were obtained from 14 manufacturing firms and directed for analysis.

The industrialists were directed to study and rectify the cases of deviation from the Sri Lankan specifications which were tested in the respective institutions.

Overall, the sampling process did not unfold as anticipated during the course of the year 2022. This outcome primarily stems from the prevailed fuel crisis within the country. The acquisition of samples for regulatory evaluations is done by our field officers, who encountered constraints due to limited fuel availability for their operational responsibilities, and they have managed the allocated fuel supply to maximize their efforts in collecting samples.

4. Directing of industrialists to maintain standard specifications of coconut products by issuing microbiological and physical quality assurance certificates.

Through the aforementioned service provided by the Service Coordination Unit of the Processing Development Division, these certificates are provided to the exporters to carry out the clearance activities more efficiently in the export of their products. Given that the issuance of these quality certificates is intricately tied to the analytical specifications of the products, they are inherently incentivized to manufacture products of superior quality.

During the year 2022, 35,028 metric tons of desiccated coconuts have been manufactured out of which 8553 daily desiccated samples have been received by the Processing Development Division for analysis of microbial and physical parameters. Based on that, 1,144 export certificates have been issued.

Table 3: Issuing microbiological and physical quality assurance certificates for desiccated coconut stocks for importation.

Certificate Type	No. of Issued Certificates	
	2021	2022
Salmonella free	228	456
Physical quality analysis	228	456
Aflatoxin free	170	113
Sulfur Dioxide free	130	119
Total	756	1,144

The number of export certificates issued in the year 2022 shows significant increase over the previous year. Since late 2022, the requirement for export certificates prior to export activities has led to a gradual rise in demand.

Additionally, based on the outcomes from analyzing samples of coconut-related products submitted by exporters and manufacturers to the laboratory, certificates of analysis have been subsequently issued as outlined below.

Table 4: Issuance of Results Reports for the samples received according to the requests made by the industrialists.

Product Category	No. of Reports Issued		
	2022	2021	2020
Fiber/ Coir Dust	337	437	250
Coconut Oil	294	411	319
Desiccated Coconut	06	11	08
Defatted Desiccated Coconut	25	14	51
Coconut Milk	03	-	03
Poonac	09	14	03
Coconut Cream	03	03	02
King Coconut	01	06	-
Coconut Water	04	04	-
Coconut Husk Charcoal	02	02	-
Coconut	-	01	-

5. Improving quality of finished products and production processing by contributing to audit activities in the process of obtaining international certifications of ISO 22000 Quality Certification on Food Security for coconut kernel based industries and Good Manufacturing Practice (GMP) Certification for non-kernel industries, and contributing to obtain an international recognition for those products.

Representing the Authority when the certification bodies which are accredited by SLAB (Sri Lanka Accreditation Institute) and/or IFA (International Accreditation Forum) conduct audits, a field officer who had received training on audit is deploying for the purpose, and according to the observation report provided by the officer, it was directed to rectify the existing weaknesses of the relevant institutions. Participated in ISO 22000:2018 audit examinations in 52 industries by the end of 2022.

GMP is a quality system that ensures that a good manufacturing process is maintained. This quality assurance is mandatory for registration of coir-related products and coir dust products. The Processing Development Division assists in maintaining the quality of the manufacturing process and finished products by contributing to the audits of these quality assurance systems. By the end of 2022, participated in GMP audits of 57 industries.

6. Development of skills for efficient and effective employment of the officials of the Processing Development Division and technical service officers employed in industries.

During the year 2022, 08 training programs have been conducted for the officers of the Processing Development Division. For this purpose, the Sri Lanka Standards Institute, Sri Lanka Accreditation Board (SLAB) and the Institute of Supply & Material Management have contributed. These training courses included technical training courses, training courses on exports and courses on office related works, and the details of those are given below.

Table 5: Training provided to the officials of the Processing Development Division in the year 2022

Training Program	Conducted Institute
HACCP/ISO Workshop	Sri Lanka Standards Institute(SLSI)
Course in shipping & air cargo containerization	Institute of Supply & material management
HACCP/ISO 22000:2018 Internal auditing	Sri Lanka Standards Institute (SLSI)
Workshop on FSSC 22000:2018	Sri Lanka Standards Institute(SLSI)
General training- ISO 17020:2012	Sri Lanka Accreditation Board (SLAB)
Internal auditing-ISO 17020:2012	Sri Lanka Accreditation Board (SLAB)
GMP-Fiber	Sri Lanka Standards Institute (SLSI)
How to build a paperless office environment	National Institute of Plantation management (NIPM)

7. Making arrangements to obtain ISO 17020:20102 accreditation/ compliance certificate for testing to the Inspection Unit of Processing Development Division, and through that to conduct testing affairs according to a globally accepted procedure.

As per Decision No.2 from the Cabinet meeting on January 20, 2016, the Sri Lanka Accreditation Board's conformity assessment procedures and accreditation have become obligatory for certification bodies dealing with subjects that impact consumer protection. This accreditation is essential for making technical decisions under the scope of mandatory accreditation. Further, the Ministry of Science, Technology and Research have also sent a letter to the Authority in this regard dated 10.05.2016 to make the necessary arrangements. Further, the Ministry of Science, Technology, and Research has correspondingly issued a letter to the Authority dated 10.05.2016, urging the implementation of requisite arrangements.

In line with these decisions, the Processing Development Division initiated actions to acquire the Conformity Certificate and successfully secured the Conformity Certificate (ISO

17020:2012) by March 2020. This certification pertains to sampling and inspection protocols for desiccated coconut production.

This aids in preventing deviations and issues during inspections. The ISO 17020:2012 quality assurance system serves as the global standard certification for testing organizations, ensuring the assessment of conformity. The aforementioned standard outlines essential requirements that contribute to the effective upkeep of procedures in diverse testing institutions. This, in turn, assists organizations in upholding the integrity of their investigations with greater impartiality and continuity. This fosters trust in the organization's performance.

8. To act as an intervener to validate the production process.

With the application of modern technology to the industry, it is essential to confirm the validity of the relevant procedures. At present, there are two ongoing projects in collaboration with the Industrial Technology Institute.

Accordingly, the validation of the current steam blanching sterilization process utilized by desiccated coconut industry establishments is underway. Despite some setbacks in project advancement due to the prevailed COVID epidemic, the original projection aimed for completion by 2022. However, the economic challenges faced by the country this year have led to a deceleration in the project's progress.

A program was initiated with the Institute of Industrial Technology to validate the methodology used in the production of refined coconut oil (RBD). It is mandatory for these industrialists to enter this system during the annual registration. Here, the validity of the method by which refined coconut oil (RBD) is produced will be verified, and regular sample checks will be conducted by the Authority and the Industrial Technical Institute.

9. Guiding, assisting industrialists in the production of high-quality coconut oil and executing consumer awareness programs focused on promoting the consumption of quality coconut oil.

The predominant approach for coconut oil production in rural regions involves extracting oil from copra. However, a significant issue arises when substandard, moldy, or deteriorated copra is used, resulting in coconut oil that is unsuitable for consumption. Furthermore, the lack of proper technical methods in the production process leads to wastage of coconuts that could otherwise be utilized by other industries.

For that purpose, the Processing Development Division launched a project to provide assistance for the development of the coconut oil industry in 2021 as a strategic model program to identify and rectify the shortcomings within the rural coconut oil sector by implementing innovative technical approaches, to use eco-friendly energy sources and to promote the purchase of genuinely pure coconut oil, packaged in adherence to anticipated updates in the Food Ordinances. Under the Action Plan 2022, assistance was provided

amounting to a total of Rs.6.654million as Rs.150, 000 for one drying machine, and a maximum of Rs.600, 000 for 11 drying machines.

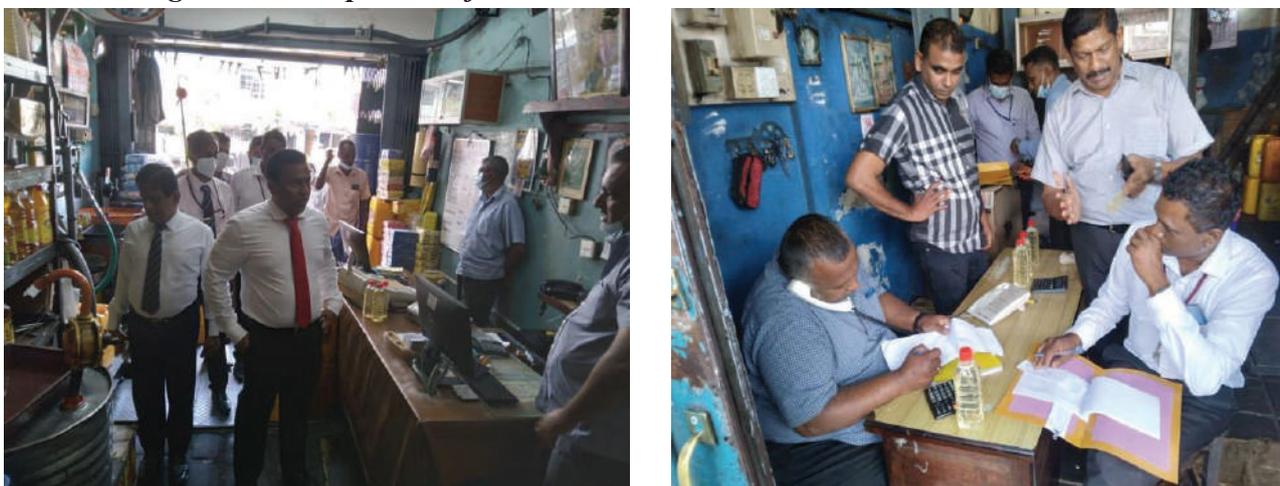
Figure 4,5: Before and after providing the dryer under the Action Plan



Accordingly, from the year 2021 until now, under the project of providing assistance for the development of the coconut oil industry, investment facilities have been provided for the purchase of machines for 45 industrialists. The coconut oil factories that have been provided with investment facilities are under constant supervision by the field offers, and accordingly, systematic transformations are being carried out under the supervision of the field officers to provide the certified star logo of the Coconut Development Authority for the coconut oil produced in those factories.

Further, in line with this project, a program to inspect coconut oil sold in the market was commenced in December 2022 in conjunction with the Consumer Affairs Authority. Accordingly, its first program took place in Pettah, focusing on wholesale coconut oil distribution. Based on the samples obtained, ongoing efforts in collaboration with the Consumer Affairs Authority are underway to address coconut oil selling outlets where aflatoxin levels surpass the established Sri Lankan standards.

Figure 6, 7: Inspection of coconut oil wholesale outlets in Colombo Pettah



9.1 Issuance of certified logo of Coconut Development Authority under Standardized Coconut Oil Promotion Programme.

The project of issuing the 5-star logo with a star standard certification of the Coconut Development Authority for the institutions that produce coconut oil was implemented continuously in the year 2022 aiming to direct the producers to produce quality coconut oil and thereby create consumer confidence in the coconut oil available in the market. Through this comprehensive process, the Coconut Development Authority has achieved notable advancements within the local coconut oil industry in the following ways:

1. Due to taking of random samples from the entire industry and testing the coconut oil released to the market to test whether the amount of free fatty acids, iodine and aflatoxin is compliant with the SLS: 32 standards issued for oil by the Sri Lanka Standards Institute, progress has been shown in the following manner.

- 1.1 Mixing with other oils and / or low quality coconut oil has become minimized.

- 1.2 Considering regarding the quality when marketing coconut oil.

2. A large of number Coconut oil manufacturers have entered in to the industry

3. The local coconut oil production which was 10% has now increased up to 35%.

4. The Coconut Development Board has continuously worked towards the obtaining of above benefits since 2018, and despite the fuel and economic crisis prevailed in the country in the year 2022, it has been able to achieve the following progress with 10 awareness programs.

Table 6: Obtaining of coconut oil samples and its progress

Year	2018	2019	2020	2021	2022	Total
No. of establishments	57	89	53	74	40	313
No. of samples	90	139	84	173	82	568
No. of coconut oil manufacturing entities that subject to expert committee testing for obtaining the logo.	-	21	16	19	4	60
No. of entities for which the logo has been issued.	-	-	7	7	3	17

Figure 8, 9: Inspection by the expert committee



10. Implementation of a concessionary loan scheme jointly with the People’s Bank and the Regional Development Bank for coconut related manufacturers, and to develop industries through the granting of interest concessions.

“Kapruka Nipeyum Diriya” Loan scheme has been commenced on 16.05.2012 by a Memorandum of Understanding signed joining with People’s Bank and “Kapruka Jaya Isura” loan scheme has been commenced on 25.02.2015 by a Memorandum of Understanding signed joining with Regional Development Bank. In the meantime, 02 concessionary loan schemes with low interest rates are also maintained with a view to attract small scale and medium scale industrialists and to develop coconut based industries.

By the “Kapruka Jaya Isura” loan scheme of People’s Bank industrialist is relieved to pay the said loan by 60 installments under bank’s commercial interest. The said loan scheme is worked out for industrialist to claim an interest of 6% at the end of year. The interest overcharged from industrialist is reimbursed to industrialist himself by the authority. By “Kapruka Jaya Isura” loan scheme of Regional Development Bank, loans are issued directly to industrialist under annual interest of 6%. Both these loan schemes are fallen under refinancing loan schemes.

By the” Kapruka Jaya Isura” loan scheme of People’s Bank industrialist is relieved to pay the said loan by 60 installments under bank commercial interest. The said loan scheme is worked out for industrialist to claim an interest of 6% at the end of year. The interest overcharged from industrialist is reimbursed to industrialist himself by the authority. By “Kapruka Jaya Isura” loan scheme of Regional Development Bank, loans are issued directly to industrialist under annual interest of 6%. Therefore, the said interest is not a current expense to the Authority. However, half of the interest i.e. 3% from the interest of 6% paid by the industrialist to the bank for both these loan schemes is paid to the Authority by the Bank.

Particulars of the industrialists, who have obtained loans under these two loan schemes, are given below.

Table 7: Overall progress of the loan scheme

Year	People's Bank		Regional Development Bank		Total	
	Number	Amount of loan Rs. million	Number	Amount of loan Rs. million	Number	Amount of loan Rs. Million
2012	17	11.99.	-	-	17	11.99
2013	67	47.35	-	-	67	47.35
2014	40	19.67	-	-	40	19.67
2015	31	17.54	06	7.42	37	24.96
2016	06	1.72	06	5.67	12	7.39
2017	02	1.50	05	8.40	07	9.90
2018	08	7.66	53	65.30	61	72.96
2019	07	5.65	59	70.86	66	76.51
2020	01	1.5	11	11.80	12	13.30
2021	00	00	31	36.15	31	36.15
2022	00	00	24	41.89	24	41.89
Total	179	114.58	171	206.00	374	362.07

Table 8: Amounts allocated by industry type

Type	Kernel based industries		Type	Non-kernel based industries	
	Number of industries	Amount allocated for industries		Number of industries	Amount allocated for industries
Coconut oil	02	3.0	Fiber	8	7.8
			Charcoal	1	1.0
Total	02	3.0	Total	9	8.8

Table 9: People's Bank's Kapruka Product Promotion Loan Settlement Details

Year	Borrowers		Settlement of money		The outstanding loan amount Rs. Million	
	Number of applicants	The loan amount Rs. million	Number of applicants	The loan amount Rs. million	Number of applicants	The loan amount Rs. Million
2012	17	11.99	16	9.99	1	2.00
2013	67	47.35	67	47.35	-	-
2014	40	19.67	38	18.74	2	0.93
2015	31	17.54	14	5.19	17	12.35
2016	06	5.50	03	2.75	03	2.75
2017	02	1.50	01	0.50	01	1.0
2018	08	7.66	-	-	08	7.66
2019	07	5.05	-	-	07	5.05
2020	01	1.0	-	-	01	1.0
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
Total	179	117.26	139	84.52	40	32.74

Table 10: Payment of interest concessions relevant to the years 2021 and 2022

Year	Bank's recommendation						Recommended by the Authority			
	Number of concessions for interest		Loan (Rs. Million)		Amount of concession on interest Rs. Mn		Concessions on interest paid		Amount of concession on interest paid Rs. Mn.	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
1 st Quarter	18	16	15.06	14.14	0.243	0.134	06	07	0.12	0.081

2 nd Quarter	24	13	19.63	12.15	0.23	0.134	11	08	0.14	0.092
3 rd Quarter	18	14	15.95	17.05	0.19	0.122	09	10	0.116	0.114
4 th Quarter	17	15	14.64	13.71	0.204	0.107	11	10	0.152	0.085
Total	77	58	65.28	57.05	0.867	0.497	37	35	0.528	0.372

Table 11: Summary of the payments made to the People’s Bank as concessions in year 2021 and 2022.

Year	2021	2022
Interest recommended by the Bank	0.663	0.39
Payment by the Authority	0.376	0.287
Payments made on the recommendation of the Bank as a percentage	56.71%	73.58%

Table 12: The progress of the “Kapruka Jaya Iusra” Loan Scheme in the year 2022.

Number of the applications received by the Authority as at 31.12.2022	70
Number of applications to which loans has been issued in year 2022	24
Amount of loans relevant to the applications	41,892,211.69

Workshops were held to discuss the two loan schemes, authority services for the industrial sector, and the establishment of domestic-level coconut shell and coconut husk businesses for eventual entry into the industrial domain.

Additionally, district-level progress review meetings were convened to assess the advancements made by industrialists under the loan schemes. These meetings encompassed discussions on loan scheme progress and challenges encountered in relation to bank interactions during implementation.

11. Providing investment assistance for the development of infrastructure in coconut fiber manufacturers.

Commenced in 2016, this initiative aimed to advance 250 coir factories. Subsequently, a project was launched in 2017 to offer investment assistance to coir industrialists lacking open drying yards. Between 2017 and 2021, 187 factories received investment aid for closed drying yards. The Authority ensured equitable support by extending investment assistance to coir factories in all districts, covering nearly 50% of registered factories within each district. Starting from 2020, investment support was also provided for enclosed drying spaces, further enhancing the overall drying process.

In 2022, an initiative was undertaken to extend investment support to coir industrialists without existing drying yards, encompassing districts beyond the Coconut Triangle. A funding allocation facilitated investment support, approving Rs.5.0 million for 12 factories. Consequently, the year witnessed successful provisioning of investment assistance for drying yards to a dozen coir industrialists, achieving a progress rate of 100%.

Figure 10,11,12,13: Some of the completed drying yards



12. Implementation of training programs, technical transfer programs, provision of equipment, linkage of buyers and follow-up for introduction of value added products for informal industries.

Coconut-related products are manufactured through both formal and informal channels, with approximately 10% of the export earnings originating from the informal sector.

The substandard quality of products and inefficient utilization of raw materials are consequences of informal coconut processing and coconut-related industries. In an effort to rectify this situation and bolster the rural economy, coconut-related production units were established in respective areas, leveraging the potential for initiating coconut-related products.

In line with this approach, individuals with limited incomes in rural settings are identified and equipped with technical expertise for crafting coconut-related products like Tawashi brushes,

ekel brooms, brooms, and coir ropes suitable for indoor production within their respective locales. These individuals are then organized into groups, linked with a buyer, and subsequently, the project is successfully executed.

Accordingly, technology transfer programs were conducted for the 511 beneficiaries in the following 10 districts and arrangements were made to provide equipment sets and machines to maintain the quality of the products.

- | | | |
|--------------|--------------|----------------|
| ❖ Ratnapura | ❖ Gampaha | ❖ Anuradhapura |
| ❖ Galle | ❖ Monaragala | ❖ Kilinochchi |
| ❖ Puttalam | ❖ Ampara | |
| ❖ Kurunegala | ❖ Matara | |

The equipment sets and tools provided are as follows.

❖ Hand Rope Manufacturing Machines	34
❖ Ekel broom manufacturing machine	01
❖ Tawashi brush manufacturing equipment	67
❖ Coir cutting machine	03
❖ Ekel broomstick rounding machine	02
❖ Safety coconut plucking equipment set	05

For this purpose, Rs.5.0 million was incurred out of PU-01 provisions of the 2022 Action Plan.

Figure14,15: Ekel broom manufacturing.



Figure 16, 17: Technical Transfer Program for Coir Twisted Fibre Manufacturing.



Figure 18, 19: Technical Transfer Program for Tawashi brush manufacturing.



Figure 20, 21: Safety coconut plucking equipment set.



13. Under the Livelihood Development Program, taking a proactive role in stimulating the growth of the rural economy in collaboration with local institutions to establish coconut-related rural industries.

Under the “Discussion with the Village” program conducted in 2021, Rs.275 million was allocated by the Budget speech to the Coconut Development Authority through 4 projects for the year 2022 for the purpose of implementing the “Livelihood Development Program.” The provisions were allocated as follows.

Table 13: Livelihood Development Program 2022.

Serial No.	Implementing Project	Provisions proposed for the year	No. of beneficiaries	Provisions allocated for a unit (Rs. Mn)
3.1.1	Facilitation for the development of fiber, fiber pith drying process	50.0	500	0.15
3.1.2	Facilitation for the development of traditional coconut oil industry	100.0	1000	0.15
3.1.3	Facilitating self-employment in coconut related industries, identifying groups and providing equipment	100.0	1600	0.0625
3.1.4	1. Collection of coconut raw materials, 2. To facilitate value addition and marketing 3. To provide machinery for value addition of coconut husks. 4. Others	25.0	400	0.15 0.15 0.15 0.0625

However, taking into account the financial issues that had arisen due to the economic downturn in the country, Rs.17.5 million were allocated for three projects out of above as follows, and the progress of the relevant projects has also been shown in the table below.

Table 14: Revised Action Plan and Progress of Livelihood Development Program for the year 2022.

Serial No.	Project	Annual Target		Progress as at 31.12.2022	
		Physical Progress (Number)	Allocated Provisions (Rs. Million)	Physical Progress (Number)	Financial Progress (Rs. Million)
3.1.5	Facilitation for the development of fiber, fiber pith drying process	17 fiber pith drying yards	2.56	17 fiber pith drying yards	2.56
3.1.6	Facilitation for the development of traditional coconut oil industry	31 drying machines	4.75	31 drying machines	4.75
3.1.7	Facilitating self-employment in coconut related industries, identifying groups and providing equipment	238 beneficiaries	10.194	238 beneficiaries	10.194

The following criteria were taken into consideration when selecting the beneficiaries.

Applications shall be submitted through the field officers appointed to the relevant District Secretariats, Divisional Secretariats and Grama Niladhari offices, and the completed applications shall be handed over to the field officers of the Coconut Development Authority appointed in the respective area. On the recommendation of the concerned Grama Niladhari and the District Secretary, the beneficiaries were selected. Each beneficiary must enter into a bilateral agreement with the Coconut Development Authority to continue production using their program/training.

Accordingly, under the project “Facilitation for the development of fiber, fiber pith drying process”, 11 drying yards were provided to Kurunegala district, 2 drying yards each to Gampaha and Anuradhapura districts, and 1 drying yard each to Puttalam and Polonnaruwa districts.

“Under the project "Facilitating the development of traditional coconut oil industry," 12 drying machines for Galle district, 4 drying machines each for Gampaha, Anuradhapura and Matale districts, 2 machines for Kandy district, and one drying machine each for Kurunegala, Ampara, Polonnaruwa, Ratnapura, Monaragala districts.

Under the project “Facilitating self-employment through coconut-related industries” identifying groups and providing equipment, Tawashi training programs and equipment were

distributed to 99 beneficiaries through 5 programs related to Vanathavilluwa, Puttalam, Kandy, Udubaddawa, Gampaha areas.

28 ekel broom making machines were distributed among 60 beneficiaries, 7 to Southern Province, 4 to Puttalam, 3 to Dangkotuwa, 2 to Galle, 2 to Kandy, 3 to Anuradhapura, 5 to Monaragala and 1 each to Polonnaruwa and Kuranegala districts.

After training, 42 coconut pickers were distributed, 11 each for Gampaha and Kuranegala districts, 9 for Kalutara, 13 for Galle/Matara, 4 for Hambantota, 2 for Anuradhapura, and 1 each for Kandy, Polonnaruwa and Monaragala districts. Along with training, 5 ekel broomstick rounding machines were distributed among 10 beneficiaries in Kandy, Matara, Anuradhapura, Matale, Puttalam districts, and Coir Twisted Fibre training and 8 machines were given to 16 beneficiaries in Galle.

Figure 22: Puttalam – Thawashi Training



Figure 23: Puttalam – Ekel Broom Training



Figure 24: Puttalam–Ekel broom Training



Figure 25: Galle–Coir fiber twisting training



Figure 26 : Matara- ekel Broom manufacturing training



02. Marketing Development and Research Division.

The Marketing Development and Research Division performed many exceptional functions and services as a significant operational division of the Coconut Development Authority in 2022 for its clients who are coconut dealers/exporters/industrialists and other service providers. As a result, by the end of 2022, the export income of the entire Sri Lankan coconut industry was stated as Rs. 262 billion or 817 million US dollars. Here, the providing of market information and data that is helpful for the development of various stakeholders in the coconut industry including our clients, contacting foreign buyers, providing relevant services to find dealers, introducing trends in packaging, providing information on new market trends, and other marketing activities were performed efficiently and effectively by the Marketing Development and Research Division in the year 2022 as well as in other years.

The following are the main tasks performed in the year 2022 according to the Action Plan.

- The division made aware exporters and producers about international sales promotion programs held in foreign nations, aimed at boosting the coconut industry's export revenue. This effort resulted in the discovery of fresh international markets and potential buyers for coconut products.
- Registration of exporters, traders, coconut plantations, and intermediaries while also offering them advisory services.
- Issuance of relevant permits to export high-quality coconut and king coconut to meet international market requirements and issuance of temporary export permits for export-oriented entrepreneurs who wish to enter the field.
- The division established a connection with the Sri Lankan Customs Department and facilitated the approval process for all coconut and coconut-related product exports using an online system.
- Monitoring of export and import activities related to coconut
- Assist in settlement of domestic and foreign trade disputes
- Conducting coconut auction through an online system
- Daily provision of coconut and coconut related market prices to print media
- Issuance of weekly, monthly, and annual reports encompassing details about coconut-related products, export and import volumes, auction prices, and global coconut-related market prices.
- Rising of public awareness about coconut-related industries and their significance by engaging in local marketing promotion programs.
- Participating in the rounds of negotiations related to trade agreements with the Ministry of Plantations, Department of Commerce, Ministry of Foreign Affairs, Customer Service Authority, Sri Lanka Export Development Board and other government agencies and providing necessary information.
- Providing foreign trade inquiries for exporters of coconut related products.

- Publication of newspaper advertisements, radio messages and programs in print/electronic media to create public awareness about the use of coconut milk and coconut milk powder as substitutes for coconuts and on reduce wastage of coconut shells and husks.
- Dissemination of up-to-date information about the coconut sector, including global demand for coconut-related products and the Coconut Development Authority's contributions to sector development, via social media platforms.
- Conducting of marketing surveys to identify both domestic and international applications of coconut and its related products.

Outlined below are the programs and services executed by the Marketing Development and Research Division in 2022, along with the attained progress.

2.1 Participation in international trade promotion programs.

Over previous years, the Coconut Development Authority has sponsored overseas sales promotion initiatives for exporters and producers, aiming to enhance the export revenue of the coconut industry by establishing connections with fresh buyers and exploring new markets for coconut and its associated value-added products. Throughout the said years, the Coconut Development Authority sought out novel purchasers for Sri Lankan coconut products, and has accomplished this by liaising with the embassies of these nations and engaging with the Chambers of Commerce in those countries, thereby fostering the expansion of potential avenues.

Through the active involvement of exporters and manufacturers in such sales promotion initiatives, multiple advantages are achieved including securing additional foreign orders, safeguarding the current market presence, discovering new potential buyers, gaining insights into rival products prevalent in foreign markets and entering emerging markets, ascertaining the anticipated product standards in line with international norms, and aligning with the expectations and quality standards of the global community. Thus, the influx of new orders received by exporters participated in international marketing promotion endeavors has played a pivotal role in augmenting the export revenue of the coconut industry. This progressive trend has led to a consistent annual growth in the export income of the coconut sector, thereby fortifying the national economy of Sri Lanka.

In 2022, although it was expected to provide sponsorship for export organizations for international sales promotion programs, despite the failure to provide sponsorship due to the current economic crisis, international sales promotion programs were made aware and facilities were provided to export organizations to participate in those sales promotion programs.

2.2 Registration of all parties involved in the marketing of coconuts and coconut-related finished products and coconut estates.

In contrast to the figures of 2021, there was a notable rise in the number of coconut-related export enterprises securing annual registrations in 2022, reflecting a substantial increase of 19%. In the year 2022, a greater number of organizations acquired annual registration for their involvement in the Coconut Development Authority's coconut auctions.

Table 15 - Registration activities - 2021/2022.

Registrations	2021	2022
Exporters	704	868
Brokers	17	23
Traders	31	69
Coconut estates	99	135

2.3 Conducting of coconut auctions.

2.3.1 Colombo Fresh Coconut Auction.

The Coconut Development Authority conducted the Fresh Coconut Auction for 28 years since 1994 in a way that does not disadvantage both the coconut grower and the buyer. In 2022, a total of 49 coconut auctions were conducted via Zoom technology.

Table 16: Colombo Fresh Coconut Auction.

Year	Number of nuts		Average Price Rs. (For 1000 nuts)
	Amount presented	Amount sold	
2021	34,784,736	23,530,226	56,512.88
2022	58,305,234	39,164,730	60,137.20

2.3.2 Proceedings related to trade disputes.

Throughout 2022, the Marketing Development and Research Division assumed a distinct role as a mediator, facilitating the resolution of trade disputes between sellers and buyers within the framework of the coconut auction. Furthermore, the Marketing Development and Research Division effectively contributed to resolve the trade disputes arising in the export of coconut and coconut-related products.

2.4 Organizing local sales promotion activities.

The Marketing Development and Research Division participated in 4 local trade shows and fairs in 2022 with the aim of introducing high quality coconut related products to the public.

Table 17-Organizing local sales promotion activities.

	Exhibition title	Venue	Organization
01	Jaffna International Trade Fair	Jaffna Municipal Council Stadium	Lanka Exhibition & Conference Services Pvt. Ltd and Chamber of Commerce and Industries of Yarlpanam
02	The exhibition coincides with the observance of International Coconut Day.	Karavitagara	Coconut Cultivation Board
03	The exhibition coincides with the observance of International Coconut Day.	Sethsiripaya, Battaramulla	Coconut Cultivation Board
04	Pro Food Pro Pack and Agbiz Exhibition	Sirimavo Bandaranaike Memorial Exhibition Centre	Sri Lanka Food Processors Association and Sri Lanka Exhibition & Convention Centre

Figure 27, 28, 29, 30 - Local sales promotion programs.



In the year 2022, using print and electronic media, billboards, digital billboards, people were made aware of importance of reducing wastage of coconut, reducing wastage of coconut shell and husk, importance of coconut products, earning foreign exchange from coconut related products, *etc.* Under this, the following promotional activities were carried out.

- i. People and industrialists were made aware of the promotion of the use of coconut milk products in order to reduce coconut wastage, the promotion of collecting coconut shells and coconut husks, the importance of coconut products, how to get high demand for high-quality products through quality control, how to earn foreign exchange from coconut related products using advertisements and articles.

Figure 31: Handouts



- ii. A total of 1928 radio advertisements and 109 television commercials were effectively harnessed to promote the coconut milk product usage, spearhead the campaign for collecting coconut shells and husks, and convey the general public the inherent significance of coconut products as a pivotal measure in curtailing coconut wastage.
- iii. A Zoom-based awareness program conducted for exporters of coconut kernel related products to present their products in high standards and with quality brands to the world market and regarding the global market demand for those products. The resource contribution for this was by Professor Ravi Dissanayake of the University of Kelaniya and nearly one hundred exporters participated in it.
- iv. The exporters were also made aware of the new measures to be followed in the export of desiccated coconut and virgin coconut oil, which are products related to coconut kernel.
- v. Through the platform of social media, individuals were sensitized to the pivotal role of the coconut industry in bolstering the Sri Lankan economy, as well as the significant value attributed to products derived from coconuts. In the year 2022, social media emerged as a potent tool for disseminating comprehensive insights about the coconut industry to diverse stakeholders engaged in various coconut-related sectors

nationwide, while also catering to individuals aspiring to venture into coconut-related industries in the foreseeable future.

- vi. On the occasion of International Coconut Day 2022, newspaper advertisements and television and radio interviews were conducted with the participation of the Chairman and officers of the Authority to inform the public about the progress and outlook of the coconut industry.

Figure 32 : Newspaper ads



2.5 Communicating information on manufacturing, trade and export of coconut and coconut related products.

In the year 2021, the following processes were performed for through the Information Service of the Marketing Development and Research Division enabling the coconut-related industries as well as exporters to obtain the relevant market information and data in determining the prices for their products and determine the trade pattern related to their industries through accurate analysis, and to facilitate the decision-making ability of the industrialists;

- Data collection and analysis of production information, export and import information of the diversified industries related to coconut and providing the same information and data to the interested parties.
- Publication of prices of coconut and coconut related Products obtained daily through print media in both Sinhala and English languages.
- Also in 2022, 48 weekly reports of "Coco Market Focus" were published which made aware the general public on coconut auction prices, farm prices for local coconut products, wholesale prices and international prices.
- The "Coco Market Focus" which consists of 12 publications was published in the year 2022, as well.

This publication encompassed detailed information regarding export quantities, prices of various coconut and coconut-related products, the origins of exporting nations, as well as import quantities and prices of imported items such as edible oil, coconut oil, activated carbon, and related commodities. These informative reports proved immensely valuable to stakeholders within the coconut industry and the export sector, aiding them in making well-informed trade decisions.

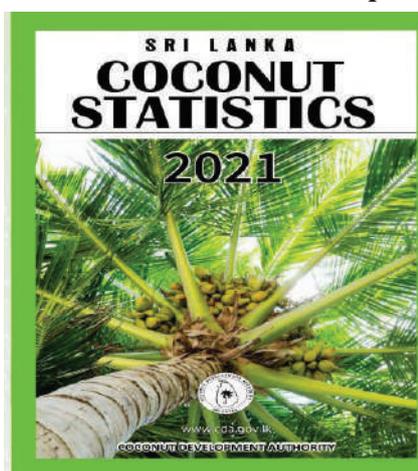
Figure 33: Coco Market Focus Monthly publication



- Sri Lanka Coconut Statistics – 2021, a comprehensive annual publication containing data, information and details on the coconut industry and export sector, which is in high demand locally and internationally, was prepared by the Marketing Development and Research Division.

This publication consists of coconut and all related export and import related prices, exporting countries, local prices, Sri Lankan coconut production, coconut production data in countries represented by the international coconut community, production and export information, coconut auction information.

Figure 34: Sri Lanka Coconut Statistics publication



- Systematically collect, tabulate and disseminate current and prospective information on coconut and coconut related products.
- The Marketing Development and Research Division provided data to the following organizations to contribute to the formulation of policies related to coconut and related industries in 2022.
 - Central Bank of Sri Lanka
 - Department of Census and Statistics
 - Export Development Board
 - Various Government and Semi-Government Institutions
 - In the year 2022, the Marketing Development and Research Division continued its exceptional efforts by consistently furnishing the Sri Lankan coconut community with vital information and data. This was achieved through active collaboration with international entities like the International Coconut Community, foreign publications such as Cocommunity, Oil World, UCAP, and the Indian Coconut Journal.

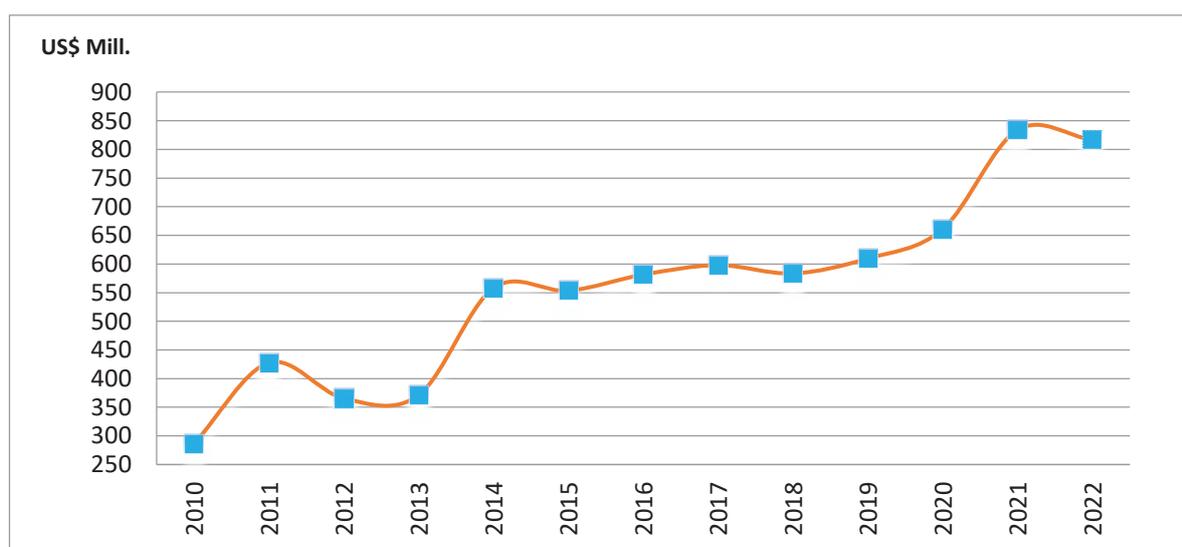
2.6 Export Income of the Coconut Industry.

The export earnings of coconut and coconut related products for the last 13 years (2010-2022) are shown below.

Table 18 - Export income of the Coconut industry.

Year	Value	
	(Rs.Million)	(US \$ Million)
2010	32,433	286.86
2011	47,306	427.85
2012	46,667	365.72
2013	47,952	371.40
2014	72,880	558.21
2015	75,259	553.63
2016	84,702	581.74
2017	91,198	598.19
2018	94,722	583.81
2019	108,946	609.77
2020	122,514	661.04
2021	166,034	834.12
2022	262,933	816.99

Chart 01- Export Income of Coconut Products



In the year 2022, the export revenue amounted to 817 million USD, marking a decrease of 2% in comparison to the figures from 2021.

In 2022, the export earnings from coconut kernel-related products reached USD 408 million, while the income of coir exports in the form of raw materials was USD 25.12 million. It shows a decrease of 6% and 14% respectively compared to 2021.

In 2022, an income of USD 162.53 million has been obtained from the export of coconut shell related products, which is an increase of 10% compared to 2021.

The income of value-added coir product exports is USD 215.60 million. It has shown a decrease of 2% compared to the income of 2021.

By the year 2025, the projected export income of the coconut and coconut-related industry is anticipated to escalate to USD 1.5 billion.

2.7 Enhancing new products, value additions, market promotion, and market access

2.7.1 Compared to 2021, there has been a significant increase in the export of coconut oil, desiccated coconut, king cocconut, coconut water, powdered coconut milk, and coconut flour in 2022 due to the receiving of more orders.

2.7.2 By updating the website of the Coconut Development Authority (www.cda.gov.lk), more formal data sharing was done in 2022.

2.7.3 In 2022, promotional services were carried out through printed and electronic media with the aim of increasing the exports of coconut related products by making aware of people on the use of value-added coconut related products and eco-friendly coconut related products and to direct people to coconut related products.

2.8 Sales Development Supporting Services

- Providing of information on local and international trade orders, information on products / markets / trade fairs to industrialists / exporters / buyers engaged in the coconut sector was carried out in 2022.
- Preparation of forecasts for products related to the coconut industry, assisting to the Ministry of Plantation Industries for formulation of trade policies was carried out in 2022.
- Information relevant to the coconut industry/export sector of Sri Lanka, which is important for cooperation and free trade agreements that Sri Lanka expects to enter into with other countries, was provided to the Department of Commerce and the Ministry of Foreign Affairs in 2022.

Exports of coconut products- 2021 /2022 Comparative statistics

Table 19-Exports of Coconut products - 2021 /2022

Product Type	Amount (MT)			Value (USD million)		
	2021	2022	Difference %	2021	2022	Difference %
1. Coconut kernel products						
1) Coconut oil	3,825	4,712	23	11.66	12.24	5
2) Virgin Coconut oil	14,960	14,965	0.03	73.97	62.86	-15
3) Desiccated coconut	36,116	43,791	21	107.85	96.11	-11
4) Copra	828	2,080	151	1.35	2.67	98
5) Fresh Coconuts(nuts '000)	14,565	13,376	-8	6.10	6.38	5
6) King coconut (nuts)	9,548,368	10,872,878	14	4.51	6.51	44
7) Poonac	5,317	30,886	481	1.86	13.61	631
8) Oil cake	365	174	-52	0.29	0.10	-66
9) Coconut cream	19,583	17,137	-12	47.91	36.66	-23
10) Coconut milk	53,255	52,765	-1	102.94	92.31	-10
11) Powdered coconut milk	7,442	8,621	16	40.81	42.09	3
12) Defatted coconut	3,376	5,324	58	5.18	6.12	18
13) Coconut water	26,414	26,484	0.3	22.52	23.61	5
14) Coconut arrack (liter)	19,078	28,870	51	0.18	0.22	18
15) Vinegar (liter)	44,410	17,525	-61	0.15	0.07	-57
16) Fatty acid	1,098	198	-82	0.92	0.22	-76
17) Coconut butter	214	143	-33	0.79	0.49	-38

18) Coconut flour	4,042	3,055	-24	5.02	3.00	-40
19) Coconut sugar/ treacle/ Syrup	-	78	-	-	0.25	-
20) Coconut amino	-	609	-	-	2.75	-
Sub total–Coconut kernel products				434.02	408.25	-6
2. Fiber products						
21) Mattress Fiber	73,492	73,342	-0.2	19.17	17.39	-9
22) Bristol Fiber	1,785	2,108	18	2.39	2.55	7
23) Twisted Fiber	20,720	13,769	-34	7.54	5.18	-31
Subtotal –Fiber products	95,997	89,219	-7	29.10	25.12	-14
3. Coconut shell products						
24) Coconut shell charcoal	8,355	14,110	69	5.07	7.54	49
25) Coconut shell chips and powder	365	241	-34	0.20	0.14	-29
26) Activated carbon	52,719	54,830	4	142.32	154.84	9
Subtotal –Coconut shell products	61,439	69,181	13	147.59	162.53	10
4. Finished items Coconut fiber based						
27) Coir twine	1,109	975	-12	0.94	0.74	-21
28) Coir ropes	8,191	9,080	11	10.85	11.43	5
29) Thawashi brushes (Amount) (1000)	22,425	22,382	-0.2	3.73	4.12	11
30) Brooms and brushes (Amount)(1000) Except Thawashi brushes	13,470	13,165	-2	9.09	9.60	6
31) Rubber mixed coir pads and mattresses (Amount)(’000)	809,090	1,007,247	24	0.98	0.81	-17
32) Coir matting carpets and rugs (Sqm)	380,205	381,771	0.4	1.84	1.55	-16
33) Coir carpets (sqm)	5,897	1,778	-70	0.02	0.01	-63
34) Coir pith	42,567	34,923	-18	11.68	8.57	-27
35) Coconut husk pieces	2,682	2,316	-14	1.06	0.94	-11
36) Geo-textile	4,550	3,746	-18	5.21	4.41	-15
37) Coir productions used for horticulture	324,855	292,364	-10	174.44	173.41	-1
Subtotal - Coir based finished items				219.84	215.60	-2
5. Other products						
38) Coconut ekel	11,889	16,170	36	3.33	5.33	60
39) Coconut husks	41	32	-21	0.23	0.16	-31
Sub total - Other products	11,930	16,202	36	3.57	5.49	54
Total income from exports				834.12	816.99	-2

Source –Sri Lanka Customs

03. Quality Control & Quality Assurance Division.

Ensuring the quality of export stocks by implementing programs on quality control, providing testing facilities according to the needs of various applicants, testing and issuing certificates when coconut products are referred to the local market, and providing consultancy to maintain a high level of coconut-related products is the key responsibility of the Quality Control & Quality Assurance Division.

Tasks of the Division;

1. Examination of coconut based productions, which are exported and certification of their quality

- Conducting microbiological and physio- chemical tests on desiccated coconut

The quality control of desiccated coconut industry, which is the main production Based on coconut kernel, is highly emphasized and accordingly all the samples of Desiccated coconut are tested daily by the Quality Control and Quality Assurance Division. These tests are helpful for the issuance of quality assurance certificates For the productions for export market.

- Testing coir pith based productions

2. Conducting laboratory tests on concessionary rates, as a service rendered to the industrialists of coconut related productions, exporters and consumers.

The Quality Control and Quality Assurance Division of the Coconut Development Authority has the capacity to conduct Microbiological and Physio- Chemical tests prescribed in the standards of Sri Lanka Standard Institute for coconut related productions accordingly the Authority makes every possible effort to ensure prompt and productive service delivery for the progress of the entrepreneurs occupied in the coconut industry.

3. Conducting microbiological and physio- chemical tests for the enhancements of desiccated coconut production

Collection, testing and issuing results of the samples of desiccated coconut and water samples, other than the tests conducted in the Authority's laboratory, are contributing for the maintenance of the higher quality of the productions and improvement in the production processing.

4. Making arrangements to maintain ISO 17025 standard at the physio- chemical tests and biological laboratories of Quality Control and Quality Assurance Division.

5. Carrying out tests to verify the health and safety measures applied in coconut oil mills in order to uplift and maintain the safety of coconut oil industry and to verify whether the copra which is the raw material used for producing coconut oil and poonac, its by product, are comply with Sri Lanka Standards.
6. Carrying out inspections to identify the adulterated coconut oil in the market and inform such cases to the food control unit of Consumer Affairs Authority and Ministry of Health. Forwarding the information of the identified adulterated coconut oil sellers, whilst conducting tests, to Consumer Affairs Authority and Food Control Unit of the Ministry of Health, this is the authorized body on food items, and then ensuring services to protect consumers from the adverse effects of mixed oil consumption.
7. Carrying out inspections on productions considering the complaints made by local as well as consumers on the coconut and coconut related productions.
8. Ensuring participation in the awareness programmes and exhibitions conducted on the importance of coconut related productions.
9. Carrying out other testing services for other food productions.
10. Implementation of programmes joining with Sri Lanka Standards Institution in order to update the existing standards of Sri Lanka Standard Institute and further to formulate standards for productions, for which standards are not available at present.
11. Conducting training programmes for the benefit of the staff serving at the laboratory pertaining to coconut related industry.

In terms of the above, Quality Control and Quality Assurance Division has carried out tests of coconut productions with the expectation of introducing high quality coconut productions and thereby expecting a growth in the overseas market. All these tasks are performed in accordance with an annual action plan and the progress of year 2022 is as follows.

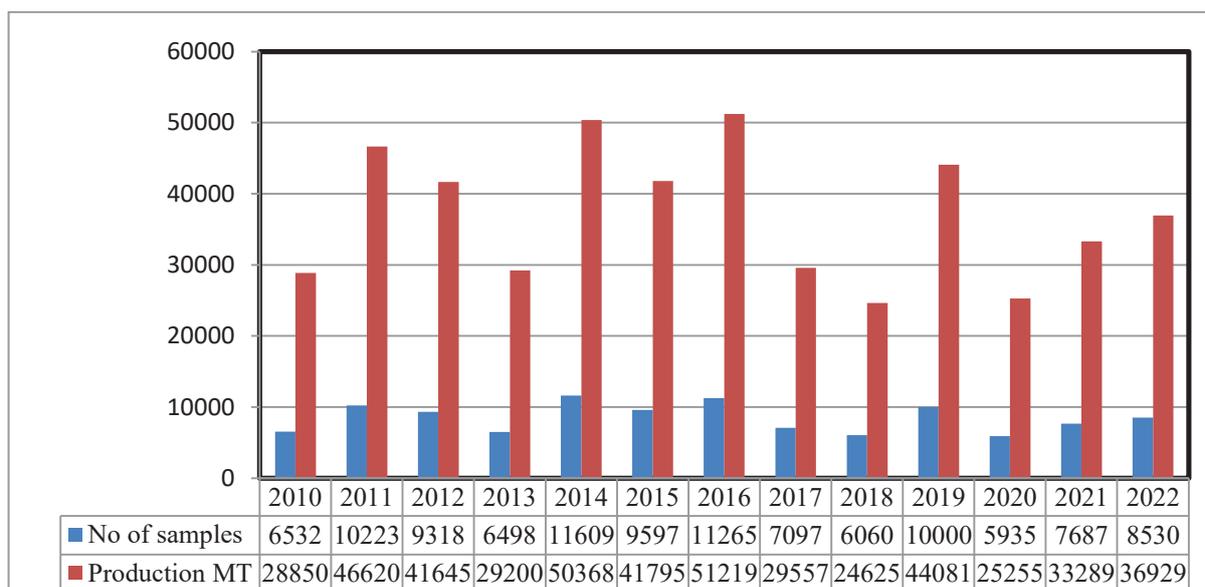
Q1. Certifying the quality of the coconut productions, which are produced for export market as well as domestic consumption.

- A. Conducting pre export microbiological analysis of coconut related productions and certification.

When considering the tests pertaining to coconut kernel related productions, mainly the tests are carried out in laboratories for the desiccated coconut. Accordingly salmonella test is carried out in the laboratory of Quality Control and Quality Assurance Division for daily productions of desiccated coconut manufactories. In this way all export oriented desiccated productions are tested.

For the year 2022, the target of daily sample testing is 7500 samples. 8530 samples were tested for Salmonella and a progress of 114% has been achieved for this testing in 2022. The number of samples tested in 2021 is 7687 and the progress in 2022 is 11% compared to 2021.

Chart 02-Production of desiccated coconut and receipts of samples



Salmonella contaminations were reported in 41 samples of desiccated coconut products tested in 2021. The percentage of contaminations is 0.53%. In 2022, 38 samples were contaminated and this is 0.45% as a percentage of desiccated samples subjected to microbiological testing in 2022.

Chart 03- Salmonella Contaminations -Desiccated Coconut Daily Samples

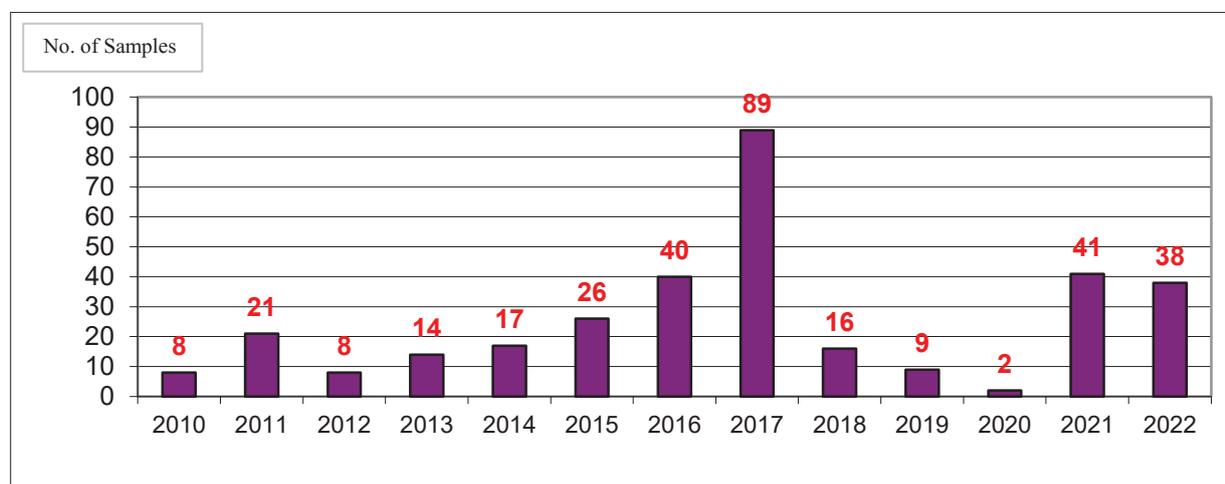
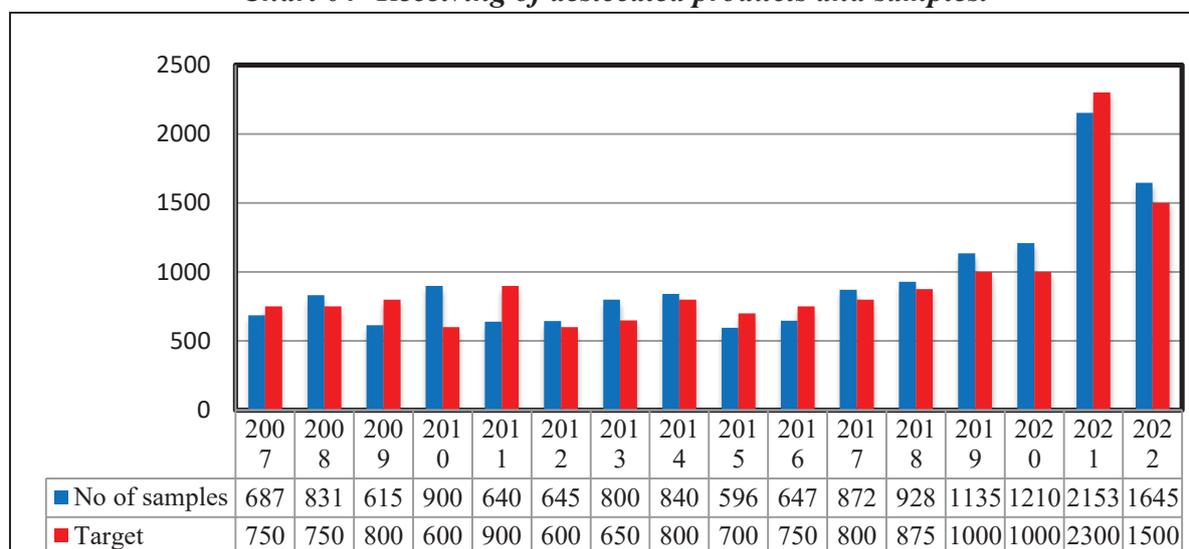


Table 20- Receiving of desiccated products and samples

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contaminations %	0.12	0.2	0.08	0.14	0.15	0.27	0.4	1.2	0.26	0.09	0.03	0.53	0.45

Coir pith based items are the main productions, which are subjected to pre export microbiological analysis out of non-kernel productions. Accordingly, 2153 samples have been tested during year 2021 and further 1645 samples have been tested during year 2022. 1989 tests have been carried out pertaining to these 1645 samples. Compared to the annual target of coir-related products in 2022, the progress is 110%. Among the tested samples, only 24 Salmonella contamination samples were reported and this is 7.3% of the samples. None of the samples exceeded the standard limits for E. coli bacteria. Compared to previous years, the largest numbers of coir-related product models have been sent for testing in the year 2021.

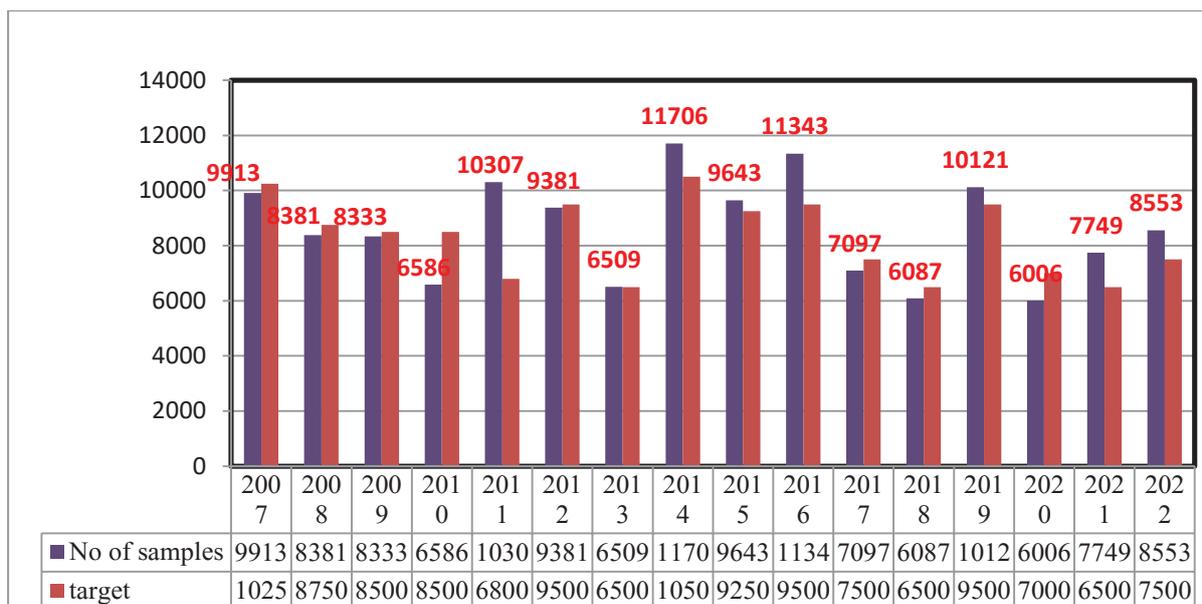
Chart 04- Receiving of desiccated products and samples.



B. Carrying out pre export physio - chemical tests on desiccated coconut productions and certification.

Tests for colour, grading, moisture, taste & smell, extraneous substances, parings and oiliness of desiccated coconuts had been carried out as **physio- chemical tests**.

Chart 05 - Physico Chemical Tests for Daily Desiccated Coconut Products



Accordingly, in the year 2021, 7749 samples have been tested and in the year 2022, 8553 samples have been tested. The total number of tests conducted on these 8553 samples is 68424. Compared to the target of 2021, the progress is 114%. Compared to the year 2021, the progress of 2022 sample testing is 10.4%.

Among the 7749 samples tested in the year 2021, 514 samples i.e. 7% showed defects in physical characteristics and in the year 2022, 457 samples i.e. 5.3% of the 8553 samples tested showed those defects. Thus, non-standard physical characteristics have decreased slightly in the year 2022. Thus, among the samples that did not agree with the Sri Lankan standard, the highest percentage of 72.7% was classified as non-compliant with the grading. Defects in standards were reported as follows.

Table 21 - Samples not in conformity with parameters.

Parameter	Samples not in conformity with parameters	
	Number	%
Colour	45	9.90
Oiliness	02	0.44
Charred pieces	44	9.63
Moisture	18	4.00
Extraneous matters	04	0.88
Paring	73	16.00
Grading	332	72.70
Odour and smell	03	0.66

(Certain samples had not been in conformity with the standards in several parameters)

Q2. Conducting of testing services for coconut based products.

Quality Control and Quality Assurance Division maintains the service of analyzing different coconut products of local manufacturers. Microbiological, chemical, physical and sensory tests are carried out under this service. The service is rendered at a reasonable price and reports are issued subsequent to conducting tests as per the parameters required by the applicants. The service of testing coconut related products is provided to any category engaged in coconut industry such as coconut based manufacturers, consumers, small-medium and large scale merchants and exporters.

The testing services are conducted in compliance with the Sri Lanka Standards for various coconut products such as desiccated coconut, partially defatted desiccated coconut, copra, coconut fiber, coconut oil, poonac, coconut fiber pith and related products and coconut milk and other products based on coconut milk. The Quality Control Division is equipped with sophisticated laboratory equipment required for this purpose and the Division issues expeditious results.

15% discount is offered for the aforesaid categories registered at the Coconut Development Authority with the intention of encouraging the manufactures to produce standardized coconut based products and to have an understanding about the quality of the products subsequent to testing the products and with the intention of encouraging the exporters to present high quality products consistently to the foreign markets safeguarding the Sri Lankan identity.

Coconut kernel based products are mainly submitted for testing and 778 samples had been tested in the 2021. 587 samples had been analyzed during the year 2022. The relative progress achieved for the targeted 600 samples were 98%. The total number of tests done for these 587 samples was 1185. In the year 2022, 232 samples of Desiccated coconut out of the total coconut kernel based products had been analyzed only for Sulphur Dioxide tests and aflatoxin compositions. The testing of coconut oil samples has shown a decline considerably when it is compared with the year 2021. All types of samples tested under this is mentioned below:

Chart 06 - Maintenance of inspection services for coconut related products

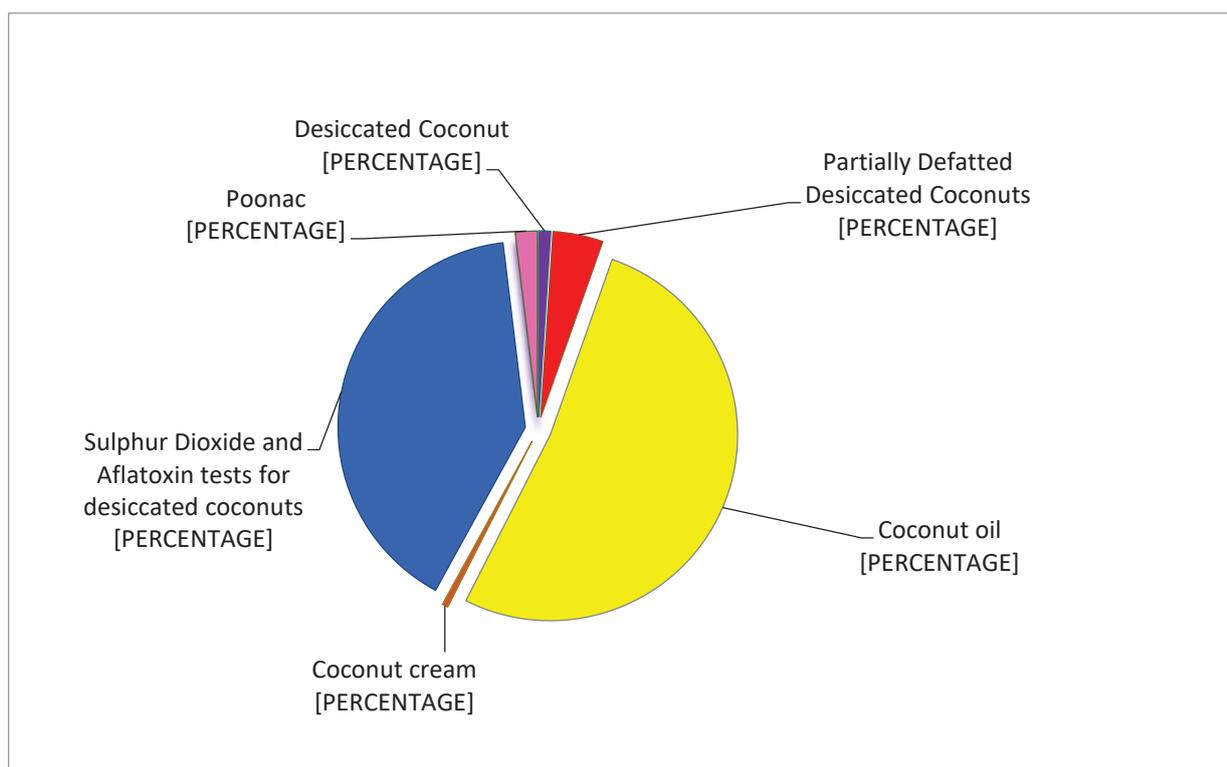


Table 22 - Conducting of testing services for coconut based products.

Year	Desiccated coconut samples	Poonac (Samples)	Coconut oil (Samples)	Copra (Samples)	Partially defatted Desiccated coconut (samples)	Coconut spread (Samples)	Creamed coconut / cream (Samples)	Powdered coconut milk (Samples)	Coconut milk	Non-coconut (Samples)	Sulphur dioxide and aflatoxin tests for desiccated coconuts	Row coconut flaks	King coconut water	Coconut Water	Fresh Coconut	Imported Coconut Kernel	Coconut shell charcoal
2014	122	5	161	4	81	--	11	--	--	05	710	-	-	-	-	-	-
2015	35	10	158	3	105	01	11	01	--	01	214	-	-	-	-	-	-
2016	58	2	191	1	112	--	4	--	--	--	374	-	-	-	-	-	-
2017	42	-	332	-	121	-	07	-	--	-	366	-	-	-	-	-	-
2018	13	-	344	-	141	-	01	--	--	07	417	02	-	-	-	-	-
2019	18	1	213	1	66	--	5	--	2	15	667	--	-	-	-	-	-
2020	08	3	335	--	51	--	03	02	03	04	453	--	05	-	-	-	-
2021	11	14	411	--	22	--	03	--	--	01	300	--	06	04	01	03	02
2022	06	11	301	01	25		03		03	01	232		01	01			02

Q3.A) Tasks for obtaining ISO/IEC 17025:2017 accreditation.

The Quality Control and Quality Assurance Division of the Coconut Development Authority has ensured international recognition for its issued tests by maintaining compliance with ISO/IEC 17025:2017 standards. This involves regular, accurate and formal test conduction.

International and local proficiency tests, as well as inter-laboratory and intra-laboratory professional skill assessments. The outcomes of these efforts consistently demonstrate satisfactory levels of performance.

Initiated in 2012, the endeavor to achieve ISO/IEC 17025:2017 accreditation has under gone progressive expansion. By 2022, focused endeavors were channeled into securing accreditation status for the following tests.

For Microbial Testing of Coconut Oil

1. Mold and mildew
2. Total number of colonies

For chemical testing of coconut oil

1. Saponification value
2. Iodine value
3. Amount of free fatty acids

For microbial testing of desiccated coconut, defatted desiccant, coconut milk, powdered coconut milk, coconut milk-based products and coconut cream and coconut spread, coconut water, coir pith substrates, copra and fresh coconuts

1. Salmonella
2. Coliform count
3. E-coli count
4. Mold and mildew
5. Total number of settlements

For microbial testing of drinking water

1. Coliform count
2. E-coli count

For chemical testing of drinking water and water used for production

1. Chloride
2. Total hardness of water
3. Calcium
4. Magnesium

So far, ISO/IEC 17025:2017 accreditation has been obtained for 19 test types of 12 coconut products.

Figure 36-SLAB Certification



Sl No.	Product(s) / Material of test	Specific tests performed	Test method / Standard against which tests are performed	Range of testing / Limits of detection
4.1	Food and Agricultural Products (Aqueous coconut products - Milk Cream & Paste)	Enumeration of Yeast and Moulds	SLS 516 Part 02 section 02:2013 ISO 21527:2008	10 - 10 ⁵
4.2		Detection of <i>Salmonella sp.</i>	SLS 516 Part 05:2013 ISO 6579:2002	Present/Absent
4.3		Detection and enumeration of Coliforms	SLS 516 Part 03 section 01:2013 ISO 4831:2006	MPN 3 - 1100
4.4		Detection and enumeration of <i>Escherichia Coli</i>	SLS 516 Part 12:2013 ISO 7251:2005	MPN 3 - 1100
Chemical Testing				
1.1	Food and Agricultural Products (Vegetable Oil)	Determination of saponification value	SLS 313: Part 2, Section 1: 2014 ISO 3657: 2013	150 – 300
1.2		Determination of Iodine value	SLS 313: Part 2, Section 2: 2014 ISO 3961: 2013	5 - 200
2.1		Determination of Free Fatty Acid (Acidity)	SLS 313: Part 2, Section 1: 2009 ISO 660: 2009	0.1 – 20.0
2.2	Potable Water /Drinking water/ Processing water	Chloride as Cl	APHA 4500 – Cl – B	1 – 400 (mg/L)
2.3		Total hardness as CaCO ₃	APHA 2340 C	>1 mg/L
2.4		Calcium (as Ca)	APHA 3500 Ca. A	0.8-200 mg/L
3.1		Magnesium	APHA 3500 Mg B	0.5-50 mg/L

B) Conducting of Training Programs.

The Quality Control and Quality Assurance Division has ensured that staff members in the laboratory receive necessary training pertaining to ISO accreditation processes and updated testing methodologies aligned with the dynamic needs of coconut-based productions. This training initiative, part of the ongoing efforts in the division, has also extended to personnel from external laboratories. Accordingly, the progress aligns with the annual plan in the following manner.

Table 23 - Conducting of Training Programs.

	Training Program	Institution which conducted the training programme	No. of Members participated
1	Training on Uncertainty in Microbiology	Association of Testing Laboratories (ATL)	02
2	Introduction of Laboratory Quality Management Systems as per ISO/IEC 17025:2017	Sri Lanka Accreditation Board (SLAB)	07
3	General Training on Microbiology functions	Industrial Technology Institute (ITI)	08
4	Total Quality Management Diploma	Sri Lanka Standards Institute (SLSI)	01
5	Application of ISO /IEC 17025 : 2017 Quality Management system in water & waste Water analysis (Chemical)	Industrial Technology Institute (ITI)	02
6	Theory& Practical Training on ISO/IEC 17025:2017 Chemical Scope of CDA	Industrial Technology Institute (ITI)	09

Q4. Securing the quality of the industries manufacturing coconut products for exportation.

Conducting microbiological and Physio-chemical tests for uplifting the processing of manufacturing Desiccated Coconut, inspection of factories and provision of contribution through the consultation are the functions performed under this processing.

408 field tests could be conducted during year 2022. The progress achieved in comparison to the target set for the year 2022 was 100% as the testing activities performed over the requests made by manufactures had been increased.

In order to improve the production quality of desiccated coconut, 214 samples for the year 2021 and 331 samples for the year 2022 were tested. The total number of tests conducted on these 331 samples is 965. In 2022, progress against the target is 95% and the progress against 2021 is 55%.

Similarly, in order to check whether the water used in the production of desiccated coconut is of proper quality, the microorganism and chemical analysis of the water is carried out. 91 samples have been tested for this. The relative progress towards the annual target of 2022 is 91%.

Q5. Analysis of coconut productions relevant to the activities of Processing Development Division.

Samples of virgin coconut oil, coconut oil and coir pith have been collected on the basis of daily testing depending on the requirement of Processing Development Division. Accordingly, 30 samples of virgin coconut have been tested and its progress is 120%. In the meantime, 82 samples of coconut oil have also been tested and the progress is 137%. Consequently, among the 82 coconut oil samples assessed, failures were identified in 2% of samples due to non-compliance with the standard for free fatty acid content, 16% due to non-compliance with the iodine value, and 1% due to non-compliance with the standard aflatoxin content.

136 samples of coir substrate have been tested and the progress of sample testing is 136%. Coir related products have been tested and 35 samples have been tested and 70% progress has been achieved.

105 samples of coconut milk and powdered coconut milk have been tested and the progress is 131%. 14 samples of coconut shell charcoal have been tested and the progress is 140%. 45 partially defatted samples were tested and progress was 90%. For the registration of coconut oil mills, 124 samples have been tested to check whether the amount of aflatoxin in coconut oil is in accordance with the standard and the progress is 113%. 4 samples of copra have been tested and the progress is 40%.

Other external activities.

- 1) Conducting swab tests in factories in case of contamination.

Table 24- Conducting swab tests in factories in case of contamination.

	Task	Testing Progress (Samples)	Deviation from standard %
1	M-102 N. M. K. Coco Land	14	Salmonella - 43%

- 2) Participation in awareness programs and field duties.

Table 25- Participation in Awareness Programs and Field Visits

	Task performed	No. of Programs
1	Technology Transfer Program (Manufacturing of coir twine, coir rope, twisted coir fiber & Geo textile) The Quality Assurance Division has participated as a resource person for the above program conducted by the Industrial Development Board.	01
2	Technology Transfer Program (Regarding the Manufacturing and Quality Assurance of Virgin Coconut Oil) The Quality Assurance	01

	Division has participated as a resource person for the above program conducted by the Industrial Development Board.	
3	Technology Transfer Program (Manufacturing of coir related substrate (grow bags, coir pith briquettes & coconut husk chips)The Quality Assurance Division has participated as a resource person for the above program conducted by the Industrial Development Board.	01
4	Building Technical Capacity of Institutions to implement 2050 Carbon Net Zero – Road Map and Strategic plan for Sri Lanka	01
5	Discussion on export quality certification system for VCO with exporters	01
6	Authentication of coconut based products, progress of research future plans and sterilization of coconut non-food products using radiation	01
7	The Quality Assurance Division has participated as a resource person for the Awareness Program on Coconut Oil Industry.	02

- 3) Participating in monitoring activities of awarding the 5-star logo approved for high quality coconut oil

Table 26- Participating in monitoring activities of awarding the 5-star logo approved for high quality coconut oil

	Task	Number of Industries Supervised
1	Inspection of coconut oil manufacturing establishments	03

- 4) Participation of officials of the Quality Assurance Division in Technical Evaluation Committees

Table 27- Participation of officials of the Quality Assurance Division in Technical Evaluation Committees

	Task	Participated Officer
1	Technical Evaluation Committee for obtaining surgery and hospital fee insurance for the employees of the Authority	Mrs. S.S.Purasinghe
2	Technical Evaluation Committee for Procurement of Microbial Media for the year 2022	Mrs. Thushanthi Hathwella
3	Technical Evaluation Committee for the purchasing of equipment for the year 2022	Mrs. Samadara Dissanayake
4	Technical Evaluation Committee for minor purchases of glassware and accessories for the year 2022	Mrs. Pamita Mandodari
5	Technical Evaluation Committee for the procurement of chemicals for the year 2022	Mrs. Harshani Sandamali
6	Development of Informal Industries in Processing Development Division-Acting as a committee member of the Technical Evaluation Committee to provide equipment sets for the establishment of coconut-related production units	Mr. Ashoka Pushpakumara

7	Technical Evaluation Committee for preparing service contracts for laboratory equipment servicing	Mrs. Samadara Dissanayake
8	Technical Evaluation Committee for Laboratory Minor Purchases and Repair of Laboratory Equipment	Mrs. Samadara Dissanayake
9	Technical Evaluation Committee on sanitary affairs of the Authority	Mrs. Madhuri Wijebandara
10	Personal accident insurance for employees of the Authority	Mrs. Madhuri Wijebandara

- 5) Providing of industrial training opportunities for students in universities to complete their degrees.

Table 28- Providing of industrial training opportunities for students in universities to complete their degrees.

	University	No. of students engaged in training
1	Uva Wellassa University - For chemical analysis	04
2	Uva Wellassa University - one day training course	05
3	University of Kelaniya - For microbiological analyses	02
4	University of Kelaniya - For Chemical Analysis	03
5	University Collage Matara	01
	Total number of cases	15

- 6) Participating in discussions on revision of standards and formulation of new standards

Table 29- Participating in discussions on revision of standards and formulation of new standards

	Task	Progress
1	Revising and drafting the Sri Lanka Standard for Poonac	Standard is being compiled.

Overall progress and revenue generation in Quality Control Division.

Table 30-Overall progress and revenue generation in Quality Control Division

Task	2021	2022
No. of samples tested	19,913	20,447
No. of tests conducted	79,017	84,173
Income generation (Rs.Million)	25.95	23.6

04. Administration Division

Main objective of the Administration Division is to ensure assistance services and facilities to all the divisions of the Authority, perform all the establishments activities for the proper maintenance and progress of the Authority, human resources development, and direct administration and thereby to assist other divisions for performing their role and further to contribute for the development of the whole institute.

4.1 Cadre

The approved cadre of the Coconut Development Authority is 259 and the number of the staff engaged in service during year 2022 is 191. Thirty Four (34) out of the above number belongs to the Management Level. The cadre of the Authority consists of the following service categories.

1. Senior Management Service Category
2. Management Service Category
3. Junior Management Service Category
4. Associated Officer Service Category
5. Management Assistant (Technical) Service Category
6. Management Assistant (Non-Technical) Service Category
7. Primary Skilled Service Category
8. Primary Semi Skilled Service Category
9. Primary Non Skilled Service Category

- ✚ Performance of all functions pertaining to the approved cadre of the institute from the recruitment of employees to the vacant posts up to their retirement.

Particulars of the staff as at 31.12.2022

Table 31- Particulars Of The Staff As At 31.12.2022

Post	Approved cadre	Present cadre	Number of vacancies	New recruitments made during year 2022
Director General	1	1		
Director (Quality Control and Quality Assurance)	1	1		
Director (Admin)	1	-	1	
Director (Finance)	1	1		
Director (Processing Development)	1	1		
Director(Marketing Development and Research)	1	1		
Director Marketing (International)	1		1	
Assistant/ Deputy Director (Processing Development)	4	4		
Internal Auditor 1 1	1	1		
Assistant/ Deputy Director (Finance)	1	1		
Assistant Director (Quality Control and Quality Assurance)	2	2		
Assistant Director (Marketing Research and Development)	2	2		
Assistant Director (Admin)	1	1		
Chemist	1	1		
Engineer (Civil)	1	1		
Legal Officer	1	1		
Finance Officer	1	1		
Research Officer	1	1		
Marketing Officer	1	1		
Senior Inspector	9	8	1	
Administrative Officer	1		1	
Internal Auditor	1	1		
Information Officer	1	1		
Quality Control Officer	1	1		
Processing Development Officer	5	3	2	
Economic Research Officer	1		1	
Secretary of the Chairman	1		1	
Programme Assistant (Market Research)	3	1	2	
Programme Assistant (Quality Control)	7	3	4	
Programme Assistant (Internal Auditing)	2	2		2
Programme Assistant (Information)	1	1		

Post	Approved cadre	Present cadre	Number of vacancies	New recruitments made during year 2022
Programme Assistant (Processing Development)	2		2	
Programme Assistant (Technological Services)	25	11	14	
Programme Assistant (Economic Research)	1	1		
Technical Assistant (Transport)	1	1		
Technical Assistant (Electrical)	1	1		
Book Keeper	2	2		
Inspector	30	23	7	
Laboratory Technician	11	9	2	
Secretary of the Director General	1		1	
Management Assistant	58	42	16	
Laboratory Field Assistant	2	-	2	
Field Assistant	2	-	2	
Driver	20	18	2	
Lab Attendant	13	10	3	
Office Aide	18	17	1	
Field Aide	15	14	1	

4.2 Human Resources Development Programs.

Action has been taken during year 2022 to organize local training and development programs under various fields in order to enhance the efficiency and productivity of the employees of the Authority so as to engage human resources for the achievement of the mission and vision of the Authority in more productive and effective way. For this purpose, priority has been given to the public institutions, which conduct such training and development programs. In 2022, the role of the control department was to ensure the active participation of authority staff in essential training courses that were previously unavailable but now imperative.

Further it is expected to change attitudes of the staff whilst enhancing skills, provide an understanding on the public service to newly recruited employees, enhance team spirit, introduce new trends in the working environment and make the working environment familiar to the staff.

Accordingly, the expenditures allocated to training and development activities are viewed as investments in the future and employees have been appropriately guided towards training programs, ensuring accurate identification of genuine training needs

Local Training and Development Activities

Table 32-Local Training and Development Activities

No.	Course	Conducting Institute	Number of Participants
01	Expenditure & Payment Procedure	PRAG Institute	08
02	Training on Uncertainty in Microbiology	Association of Testing Laboratories (ATL)	02
03	Introduction of Laboratory Quality Management Systems as per ISO/IEC 17025:2017	Sri Lanka Accreditation Board (SLAB)	07
04	General Training on Microbiology functions	Industrial Technology Institute (ITI)	08
05	Total Quality Management Diploma	Sri Lanka Standards Institute (SLSI)	01
06	Application of ISO /IEC17025 : 2017 Quality Management System In Water & Waste Water Analysis (Chemical)	Industrial Technology Institute (ITI)	02
07	Theory& Practical Training on ISO/IEC 17025:2017 Chemical Scope of CDA	Industrial Technology Institute (ITI)	09

Other functions of the Administration Division

- ✚ Maintenance of assets registers for the fixed assets of the institute and performance of all activities pertaining to the board of survey.
- ✚ Purchasing of all capital goods, stationery required by the Authority, and laboratory equipment and chemicals required for the Primary Laboratories such as Microbiology Division, Chemical analysis Division and Sensory Laboratories and Quality Control Units such as Media Preparation Unit, Sensory Equipment Division and Washing Unit which are the affiliated Divisions to the primary laboratories established in the Quality Control and Quality Assurance Division.
- ✚ Execution of all the procedures required for the disciplinary control of the Authority including instances where Employees do not comply with administrative rules and regulations of the institution and conducting legal procedures in Labour Tribunals and in Industrial Courts.
- ✚ All activities related to transportation management.
- ✚ Carrying out all activities related to construction, maintenance and services.
- ✚ Carrying out the procurement and monitoring activities related to the security service, cleaning service, staff, transportation service required by the authority.
- ✚ Conducting activities related to obtaining insurance for the authority's staff and vehicles.

- ✦ Preparation and submission of relevant reports and progress reports when requested by the Ministry of Plantation, Ministry of Coconut, Kitul and Palmyrah Cultivation Promotion and Related Industrial Product Manufacturing and Export Diversification, Department of Management Services etc.
- ✦ Formulation of Annual Action Plan, Procurement Plan based on the data obtained from each Division of the Authority and getting the approval of the Board of Directors and Ministries
- ✦ Compilation of the Annual Report by including the information obtained from each Division and the Auditor General's reports, obtain the relevant approvals and submit it to the Parliament.
- ✦ Carrying out procurement activities for printing tasks related to each Division of the Authority
- ✦ Annual registration of suppliers to supply goods and services to the Authority.
- ✦ Maintaining the Authority's warehouse under proper stock control.

05. Finance Division.

The Finance Division of the Coconut Development Authority is responsible for providing financial facilities to various sectors. Accordingly, the Finance Division is responsible for providing financing for approved programs and projects in accordance with the budget and financial work plans. The Finance Division is also responsible for the maintenance of financial records including preparation of periodical financial reports and progress reports. The Finance Division is also in charge of its funds including investment management. It is the responsibility of the finance department to control and keep records of all assets. Preparation of various financial reports for management needs and preparation of monthly, quarterly, half-yearly and annual reports is done by this division.

5.1 General Operational Activities

- In the year 2022, Rs.142 million has been received as recurring government grants and Rs.220 million have been generated as internal revenue.
- Recurring expenditure on general operating activities is Rs. 313 million and capital expenditure of Rs.50.9 million has been incurred and the amount spent on purchase of fixed assets is Rs.6.196 million.

5.2 Capital Development Program

- Under the Marketing Development and Research Division, Processing Development Division and Quality Control and Quality Assurance Division, expenditure of capital funds is done for the respective projects in accordance with the approved action plan, and separate account books are kept in connection therewith.

The Finance Division has capable to complete the following tasks also in the year 2022.

- Providing financial reports on fund management and development projects.
- Investing moneys of the funds in Treasury bills and in Securities with a proper management and maintenance of the moneys in the Mills Development Fund by properly managing the individual savings accounts opened in favour of names of the each owner of mills in the National Savings Bank.
- Assisting in the execution of “Kapruka Nipayum Diriya Loan Scheme” in association with the People’s Bank and execution of “Kapruka Jaya Isura” in association with Divisional Development Bank for the provision of financial facilities for the entrepreneurs involved in the Coconut Industry using the Coconut Oil Price Stabilizing Fund.

- Proper management of the moneys of the Employees' Provident Fund of the Coconut Development Authority, paying loans to members of the Employees' Provident Fund and releasing of membership fees subject to the limit of 75% as per the request made by the employees, who are over 55 years of age.
- Investing moneys of the funds in Treasury bills and in Securities with a proper management.

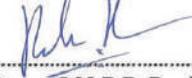
The Finance Division has accomplished its responsibility by the preparation of Annual Estimates, Statements on Annual Final Accounts, monthly financial progress reports and the other statistical information and submission of them to the Board of Directors, Ministry, General Treasury, Department of Auditor General and the other relevant institutions within the prescribed time periods.

COCONUT DEVELOPMENT AUTHORITY
Statement of Consolidated Financial Position as at 31.12.2022

	Note No.	2022.12.31 RS.	2021.12.31 RS.
FIXED ASSETS			
Fixed Assets	1	910,341,039	761,252,912
LESS : Accumulated Depreciation		(202,750,872)	(263,522,807)
		707,590,167	497,730,105
NON CURRENT ASSETS			
Working progress		1,688,826	1,075,200
Boundry Wall & Dranage Line system		690,552.04	1,128,244
Staff Debtors	5	20,604,320	19,765,494
Loans Granted to BCC Lanka Limited	6	58,265,037	58,265,037
Interest Receivable from BCC Lanka Limited		60,174,135	56,162,526
Provision for Doubtful Debtors		(60,174,135)	(56,162,526)
Loan Granted to Kapruka Nipayum Diriya	7	155,781,634	131,116,751
		237,030,370	211,350,727
CURRENT ASSETS			
Inventories / Stocks			
Stocks	2	22,219,934	21,501,463
		22,219,934	21,501,463
Trade & Other Receivables			
Welfare Loan Fund	3	2,007,438	2,007,438
Sundry Debtors	4	88,133,311	23,989,634
Staff Debtors	5	5,816,636	5,654,992
Sundry Advance	8	720,970	483,500
Sundry Deposits	9	1,510,613	1,749,994
Bank Deposits	10	844,677,850	811,811,075
Treasury Bills	10	26,068,430	23,499,031
		968,935,249	869,195,663
Prepayments	11	3,139,392	2,353,643
Cash & Cash Equivalent			
Cash at Bank	12	39,975,089	9,872,293
Petty Cash	12	40,550	29,420
Stamp Franking Machine		4,378	28,617
		40,020,017	9,930,330
Inter Current Account		184,751,887	260,405,261
Total Current Assets		1,219,066,479	1,163,386,360
		2,163,687,016	1,872,467,191
NON CURRENT LIABILITIES			
Provision for Gratuity		(46,071,296)	(44,325,290)
CURRENT LIABILITIES			
Payables			
Sundry Creditors	13	(4,680,595)	(70,527,250)
Refundable Deposits	14	(1,171,870)	(532,625)
Receipts in Advance	15	(10,340,171)	(4,066,605)
Accrued Expenses	16	(16,893,686)	(27,989,350)
Inter Current Account		(184,751,887)	(260,405,261)
Total Current Liabilities		(217,838,209)	(363,521,090)
		1,899,777,510	1,464,620,812
FINANCED BY			
Revaluation Reserve for Land		391,733,330	268,897,540
Revaluation Reserve for Building		169,048,375	129,425,116
Revaluation Reserve for Motor Vehicles		144,184,980	64,975,000
		704,966,685	463,297,656
Grants & Contributions		88,943,221	88,943,221
Grant from Capital Deve. Fund		77,652,767	77,652,767
Accumulated Fund	17	1,028,214,837	834,727,168
		1,899,777,510	1,464,620,812

The accounting policies on page 10-12 and Notes on pages 13-27, are form an integral part of the Financial Statement. The Board of Directors is responsible for the preparation and presentation of the Financial Statements. The Financial Statements were approved by the Board of Directors on 28.02.2023 and signed on behalf of them.


M.P. Sandya Kanthi
Director Finance


Prop. C.M.P.P. Roshan Priyankara Perera
Chairman


S.P. Vithanage
Director General
28/02/2023


Board Director

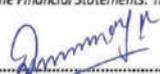
COCONUT DEVELOPMENT AUTHORITY
Statement of Financial Position (Analysed by Funds)

Year	2021				
	GENERAL BOARD OPERATIONS (Recurrent) RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MILL DEV. FUND RS.	TOTAL RS.
FIXED ASSETS					
Fixed Assets	694,231,494	67,021,418	-	-	761,252,912
LESS : Accumulated Depreciation	(261,167,008)	(2,355,799)	-	-	(263,522,807)
	433,064,486	64,665,619	-	-	497,730,105
NON CURRENT ASSETS					
Working Progress	75,600	999,600			1,075,200
Boundary Wall & Drainage Line system	1,128,244	-	-		1,128,244
Staff Debtors	19,765,494	-	-	-	19,765,494
Loans granted to BCC	-	31,550,000	26,715,037	-	58,265,037
Loan Interest Receivable from BCC	-	-	56,162,526	-	56,162,526
Provision for Doubtful Debtors(Loan Interest)	-	-	(56,162,526)	-	(56,162,526)
Loan Granted to Kapruka Nipayum Dirriya/Jaya Isura Loan Fund	-		1,730,000	129,386,751	131,116,751
	20,969,338	32,549,600	28,445,038	129,386,751	211,350,727
CURRENT ASSETS					
Inventories / Stocks					
Stocks	21,501,463	-	-	-	21,501,463
Trade & Other Receivables	-	-	-	-	-
Welfare Loan Fund	2,007,438	-	-	-	2,007,438
Sundry Debtors	11,038,859	7,600,513	2,022,425	3,327,837	23,989,634
Staff Debtors	5,654,992	-	-	-	5,654,992
Sundry Advance	483,500	-	-	-	483,500
Sundry Deposits	1,599,994	150,000	-	-	1,749,994
Treasury Bills	3,022,344	-	20,476,686	-	23,499,031
Bank Deposits	341,658,104	49,853,419	211,804,767	208,494,784	811,811,075
	365,465,232	57,603,932	234,303,878	211,822,621	869,195,663
Prepayments	2,353,643	-	-	-	2,353,643
Cash & Cash Equivalent					
Petty Cash	29,420	-	-	-	29,420
Cash at Bank	8,979,976	892,316	-	-	9,872,293
Stamp Franking Machine	28,617	-	-	-	28,617
	9,038,013	892,316	-	-	9,930,330
Inter Current Account (Capital Dev Fund/GBO)	176,175,376	4,070,000	76,277,972	3,881,914	260,405,261
Total Current Assets	574,533,727	62,566,248	310,581,850	215,704,535	1,163,386,360
	1,028,567,550	159,781,467	339,026,888	345,091,286	1,872,467,191
NON CURRENT LIABILITIES					
Provision for Gratuity Payment	(44,325,290)	-	-	-	(44,325,290)
CURRENT LIABILITIES					
Payables					
Sundry Creditors	(62,335,432)	(8,191,817)	-	-	(70,527,250)
Refundable Deposits	(532,625)	-	-	-	(532,625)
Receipts in Advance	(4,066,605)	-	-	-	(4,066,605)
Accrued Expenses	(11,175,301)	(16,814,049)	-	-	(27,989,350)
Inter Current Account	-	(11,057,289)	(4,070,000)	(245,277,972)	(260,405,261)
Total Current liabilities	(78,109,963)	(36,063,155)	(4,070,000)	(245,277,972)	(363,521,090)
	906,132,298	123,718,312	334,956,888	99,813,314	1,464,620,812
FINANCED BY					
Revaluation Reserve for Land	216,455,830	52,441,710	-	-	268,897,540
Revaluation Reserve for Building	129,425,116	-	-	-	129,425,116
Revaluation Reserve for Motor Vehicles	64,975,000	-	-	-	64,975,000
Grants & Contributions	88,943,221	-	-	-	88,943,221
Grant from Capital Deve. Fund	77,652,767	-	-	-	77,652,767
Accumulated Fund / Surplus	328,680,365	71,276,602	334,956,888	99,813,314	834,727,169
	906,132,298	123,718,312	334,956,888	99,813,314	1,464,620,812

COCONUT DEVELOPMENT AUTHORITY
Statement of Financial Position (Analysed by Funds)

Year	2022					
	Note No.	GENERAL BOARD OPERATIONS (Recurrent) RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MILL DEV. FUND RS.	TOTAL RS.
FIXED ASSETS						
Fixed Assets	1	841,983,831	68,357,208	-	-	910,341,039
LESS : Accumulated Depreciation		(199,845,654)	(2,905,218)	-	-	(202,750,872)
		642,138,177	65,451,990	-	-	707,590,167
NON CURRENT ASSETS						
Working Progress		689,226	999,600			1,688,826
Boundry Wall & Drainage Line system		690,552	-	-		690,552
Staff Debtors	5	20,604,320	-	-	-	20,604,320
Loans granted to BCC	6	-	31,550,000	26,715,037	-	58,265,037
Loan Interest Receivable from BCC		-	-	60,174,135	-	60,174,135
Provision for Doubtful Debtors(Loan Interest)		-	-	(60,174,135)	-	(60,174,135)
Loan granted to Kapruka Nipayum Uthiya Jaya Isura Loan Fund	7	-	-	705,000	155,076,634	155,781,634
		21,984,099	32,549,600	27,420,038	155,076,634	237,030,370
CURRENT ASSETS						
Inventories / Stocks						
Stocks	2	22,219,934	-	-	-	22,219,934
Trade & Other Receivables						
Welfare Loan Fund	3	2,007,438	-	-	-	2,007,438
Sundry Debtors	4	39,787,628	8,031,281	36,180,915	4,133,488	88,133,311
Staff Debtors	5	5,816,636	-	-	-	5,816,636
Sundry Advance	8	720,970	-	-	-	720,970
Sundry Deposits	9	1,150,613	360,000	-	-	1,510,613
Treasury Bills	10	3,472,558	-	22,595,873	-	26,068,430
Bank Deposits	10	395,735,051	55,416,883	273,237,376	120,288,540	844,677,850
		448,690,893	63,808,163	332,014,164	124,422,028	968,935,248
Prepayments	11	3,139,392	-	-	-	3,139,392
Cash & Cash Equivalent						
Petty Cash		40,550	-	-	-	40,550
Cash at Bank	12	23,034,213	1,193,925	15,746,951	-	39,975,089
Stamp Franking Machine		4,378	-	-	-	4,378
		23,079,141	1,193,925	15,746,951	-	40,020,017
Inter Current Account (Capital Dev Fund/GBO)		172,936,681	4,070,000	5,793,795	1,951,411	184,751,887
Total Current Assets		670,066,040	69,072,088	353,554,910	126,373,440	1,219,066,479
		1,334,188,316	167,073,678	380,974,948	281,450,073	2,163,687,016
NON CURRENT LIABILITIES						
Provision for Gratuity Payment		(46,071,296)	-	-	-	(46,071,296)
CURRENT LIABILITIES						
Payables						
Sundry Creditors	13	(4,345,785)	(334,810)	-	-	(4,680,595)
Refundable Deposits	14	(1,171,870)	-	-	-	(1,171,870)
Receipts in Advance	15	(10,340,171)	-	-	-	(10,340,171)
Accrued Expenses	16	(14,113,436)	(2,780,250)	-	-	(16,893,686)
Inter Current Account		(2,792,803)	(6,715,330)	(4,070,000)	(171,173,754)	(184,751,887)
Total Current liabilities		(32,764,065)	(9,830,390)	(4,070,000)	(171,173,754)	(217,838,209)
		1,255,352,954	157,243,288	376,904,948	110,276,319	1,899,777,510
FINANCED BY						
Revaluation Reserve for Land		337,955,830	53,777,500	-	-	391,733,330
Revaluation Reserve for Building		169,048,375	-	-	-	169,048,375
Revaluation Reserve for Motor Vehicles		144,184,980	-	-	-	144,184,980
Grants & Contributions		88,943,221	-	-	-	88,943,221
Grant from Capital Deve. Fund		77,652,767	-	-	-	77,652,767
Accumulated Fund / Surplus	17	437,567,782	103,465,788	376,904,948	110,276,319	1,028,214,838
		1,255,352,954	157,243,288	376,904,948	110,276,319	1,899,777,510

The accounting policies on page 10-12 and Notes on pages 14 to 27, are form an integral part of the Financial Statement. The Board of Directors is responsible for the preparation and presentation of the Financial Statements. The Financial Statements were approved by the Board of Directors on 28.02.2023 and signed on behalf of them.


M.P. Sandya Kanthi
Director Finance


Prop. C.M.P.P. Roshan Priyankara Perera
Chairman


S.P. Vithanage
Director General
28/02/2023


(0)
Board Director

COCONUT DEVELOPMENT AUTHORITY

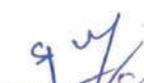
Statement of Consolidated Financial Performance (Summerised)

2021(Actual)		2022 (Budgeted)	2022 (Actual)
RS.			RS.
	INCOME		
134,500,000	Government Grant (Recurrent)	142,000,000	142,000,000
7,000,000	Jeewanopaya Programeme/Capital Grant	17,500,000	17,500,000
64,500,000	Internal Fund Transfer for Capital Development Acivities	71,100,000	59,500,000
206,000,000		230,600,000	219,000,000
	OTHER INCOME		
42,550,594	Interest Income	32,000,000	109,941,287
211,200	Rental Income	232,320	232,320
23,910,612	Registration Fee	23,500,000	28,613,496
1,085,454	Auction Proceeds	1,800,000	1,742,121
25,048,632	Laboratory Income	15,500,000	21,835,668
4,666,946	Miscellaneous Income	3,117,680	6,129,330
43,521,769	Inspection & Processing Charges - Fresh Coconut	100,000,000	42,518,032
60,197,894	Inspection & Processing Charges-King Coconut		68,763,267
-	Charges on Return Export/Teep Charges/Exhibition stall charges	2,000,000	5,114,626
4,011,609	Interest on B.C.C. Loan	4,011,609	4,011,609
97,598	Sale of Scrap items/ Machinery Equipment	-	-
1,874,131	DunkannawaCoconut Estate & Modern Mill	1,000,000	905,455
207,176,439	Total other Income	183,161,609	289,807,211
413,176,439	Total Income	413,761,609	508,807,211
	EXPENDITURE		
(149,163,624)	Personal Emoluments	(184,020,000)	(168,226,219)
(2,744,795)	Travelling Expenses	(6,300,000)	(4,792,783)
(31,914,415)	Supplies & Requisites	(38,400,000)	(33,664,272)
(14,890,050)	Repairs & Maintenance	(14,500,000)	(17,903,134)
(29,232,476)	Contractual Service & Other	(42,836,781)	(27,103,137)
(4,869,920)	Taxes and Other	(3,000,000)	(2,429,978)
(18,000)	Financial charges	(37,219)	(60,488)
-	Sale of Scrap items/ Machinery Equipment	-	(83,685)
-	Jeewanopaya Expenses	(17,500,000)	(17,475,560)
(61,372,453)	Processing Dev. - Capital Development Programme	(30,000,000)	(20,930,621)
(21,041,206)	Marketing Development - Capital Development Programme	(12,000,000)	(10,280,152)
(14,512,391)	Quality Control & Quality Assurance- Capital Dev. Programme	(10,500,000)	(5,585,168)
(64,500,000)	Internal Fund Transfer for Capital Development Acivities	(71,100,000)	(59,500,000)
13,570,398	Transfer to fixed Assets purchased	5,500,000	3,386,056
(380,688,932)		(424,694,000)	(364,649,140)
32,487,507	Operating Profit		144,158,071
(40,511,315)	Depreciation for the yer		(37,879,178)
(437,692)	Write off construction costof boundry wall and renovation cost of dranlage line system		(437,692)
(6,472,629)	Over/Under Provision for Gratuity		(3,177,596)
(4,011,609)	Provision for doubtful Interest on loan granted to B.C.C. Lanka Ltd.		(4,011,609)
(18,945,738)			98,651,996

The accounting policies on page10-12 and Notes on pages 13-27, are form an integral part of the Financial Statement. The Board of Directors is responsible for the preparation and presentation of the Financial Statements. The Financial Statements were approved by the Board of Directors on 28.02.2023 and signed on behalf of them.


M.P. Sandya Kanti
Director Finance


Prop. C.M.P.P. Roshan Priyankara Perera
Chairman


S.P. Vithanage
Director General
28/02/2023


Board Director

COCONUT DEVELOPMENT AUTHORITY
Statement of Financial Performance (Analysed by Funds)

Year	2021				
	GENERAL BOARD OPERATIONS RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MDF FUND RS.	TOTAL RS.
INCOME					
Government Grant (Recurrent)	134,500,000	-	-	-	134,500,000
Jeewanopaya Programme/Capital Grant	7,000,000	-	-	-	7,000,000
Internal Fund Transfer for Capital Development Activities		64,500,000			64,500,000
	141,500,000	64,500,000	-	-	206,000,000
OTHER INCOME					-
Interest Income	18,316,749	2,387,072	10,910,089	10,936,684	42,550,594
Rental Income	211,200	-	-	-	211,200
Registration Fees Marketing Division	14,610,522	-	-	-	14,610,522
Registration Fees Processing Division	9,137,090	-	-	-	9,137,090
Registration Fees Administration Division	163,000	-	-	-	163,000
Auction Proceeds	1,085,454	-	-	-	1,085,454
Laboratory Income	25,048,632	-	-	-	25,048,632
Miscellaneous Income	4,030,976	635,970	-	-	4,666,946
Inspection & Processing Charges - Fresh Coconut	43,521,769	-	-	-	43,521,769
Inspection & Processing Charges-King Coconut	60,197,894	-	-	-	60,197,894
Sale of Scrap Item charges	97,598	-	-	-	97,598
Interest on B.C.C. Loan	-	-	4,011,609	-	4,011,609
Dunkannawa Coconut Estate & Modern Mill	1,874,131	-	-	-	1,874,131
Total other Income	178,295,015	3,023,042	14,921,698	10,936,684	207,176,439
Total Income	319,795,015	67,523,042	14,921,698	10,936,684	413,176,439
EXPENDITURE					
Personal Emoluments	(149,163,624)	-	-	-	(149,163,624)
Travelling Expenses	(2,744,795)	-	-	-	(2,744,795)
Supplies & Requisites	(31,914,415)	-	-	-	(31,914,415)
Repairs & Maintenance	(14,890,050)	-	-	-	(14,890,050)
Contractual Service & Other	(29,232,476)	-	-	-	(29,232,476)
Taxes and Other	(4,869,920)	-	-	-	(4,869,920)
Financial charges	-	(18,000)	-	-	(18,000)
Sale of Scrap items/ Machinery Equipment		-	-	-	-
Jeewanopaya Expenses					-
Processing Dev. - Capital Development Programme	-	(61,372,453)	-	-	(61,372,453)
Marketing Development - Capital Development Programme	-	(21,041,206)	-	-	(21,041,206)
Quality Control & Quality Assurance- Capital Dev. Programme		(14,512,391)			(14,512,391)
Internal Fund Transfer for Capital Development Activities		(64,500,000)			(64,500,000)
Transfer to fixed Assets purchased	-	13,570,398	-	-	13,570,398
	(232,815,281)	(147,873,651)	-	-	(380,688,932)
Operating Profit	86,979,734	(80,350,609)	14,921,698	10,936,684	32,487,507
Depreciation for the year	(39,807,791)	(703,524)	-	-	(40,511,315)
Write off construction cost of boundary wall and renovation cost of drainage line system	(437,692)	-	-	-	(437,692)
Under Provision - Gratuity	(6,472,629)	-	-	-	(6,472,629)
Provision for doubtful Interest on loan granted to B.C.C. Lanka Ltd.	-	-	(4,011,609)	-	(4,011,609)
	40,261,623	(81,054,133)	10,910,089	10,936,684	(18,945,738)

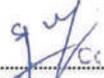
COCONUT DEVELOPMENT AUTHORITY
Statement of Financial Performance (Analysed by Funds)

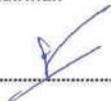
Year	2022					
	Not e	GENERAL BOARD OPERATIONS RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MDF FUND RS.	TOTAL RS.
INCOME						
Government Grant (Recurrent)		142,000,000	-	-	-	142,000,000
Jeewanopaya Programeme/Capital Grant		-	17,500,000	-	-	17,500,000
Internal Fund Transfer for Capital Development Activities			59,500,000			59,500,000
		142,000,000	77,000,000	-	-	219,000,000
OTHER INCOME						
Interest Income	1	44,548,210	6,795,370	41,948,061	16,649,645	109,941,287
Rental Income	2	232,320	-	-	-	232,320
Registration Fees Marketing Division	3	18,570,123	-	-	-	18,570,123
Registration Fees Procising Division		9,866,200				9,866,200
Registration Fees Administration Division		177,173				177,173
Auction Proceeds	4	1,742,121	-	-	-	1,742,121
Laboratory Income	5	21,835,668	-	-	-	21,835,668
Miscellaneous Income	6	5,999,650	129,680	-	-	6,129,330
Inspection & Processing Charges - Fresh Coconut		42,518,032	-	-	-	42,518,032
Inspection & Processing Charges-King Coconut		68,763,267	-	-	-	68,763,267
Sale of Scrap Item charges		5,114,626	-	-	-	5,114,626
Interest on B.C.C. Loan		-	-	4,011,609	-	4,011,609
DunkannawaCoconut Estate & Modern Mill	7	905,455	-	-	-	905,455
Total other Income		220,272,845	6,925,051	45,959,670	16,649,645	289,807,211
Total Income		362,272,845	83,925,051	45,959,670	16,649,645	508,807,211
EXPENDITURE						
Personal Emoluments		(168,226,219)	-	-	-	(168,226,219)
Travelling Expenses		(4,792,783)	-	-	-	(4,792,783)
Supplies & Requisites		(33,664,272)	-	-	-	(33,664,272)
Repairs & Maintenance		(17,903,134)	-	-	-	(17,903,134)
Contractual Service & Other		(27,103,137)	-	-	-	(27,103,137)
Taxes and Other		(2,429,978)	-	-	-	(2,429,978)
Financial charges		(44,798)	(16,500)	-	810	(60,488)
Sale of Scrap items/ Machinery Equipment		(83,685)	-	-	-	(83,685)
Jeewanopaya Expenses			(17,475,560)			(17,475,560)
Processing Dev. - Capital Development Programme	8	-	(20,930,621)	-	-	(20,930,621)
Marketing Development - Capital Development Programme	9	-	(10,280,152)	-	-	(10,280,152)
Quality Control & Quality Assurance- Capital Dev. Programme	10		(5,585,168)			(5,585,168)
Internal Fund Transfer for Capital Development Activities		(59,500,000)				(59,500,000)
Transfer to fixed Assets purchased		-	3,386,056	-	-	3,386,056
		(313,748,004)	(50,901,946)	-	810	(364,649,140)
Operating Profit		48,524,841	33,023,105	45,959,670	16,650,455	144,158,071
Depreciation for the yer		(37,329,759)	(549,419)	-	-	(37,879,178)
Write off construction cost of boundry wall and renovation cost of dranage line system		(437,692)	-	-	-	(437,692)
Under Provision - Gratuity		(3,177,596)	-	-	-	(3,177,596)
Provision for doubtful Interest on loan granted to B.C.C. Lanka Ltd.		-	-	(4,011,609)	-	(4,011,609)
		7,579,794	32,473,686	41,948,061	16,650,455	98,651,996

The accounting policies on page 10-12 and Notes on pages 13-27, are form an integral part of the Financial Statement. The Board of Directors is responsible for the preparation and presentation of the Financial Statements. The Financial Statements were approved by the Board of Directors on 28.02.2023 and signed on behalf of them.


M.P. Sandya Kanthi
Director Finance


Prop. C.M.P.P. Roshan Priyankara Perera
Chairman


S.P. Vithanage
Director General
20/04/2023


Board Director

COCONUT DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2022

	Grant & Contribution	Grant from Capital Dev. Fund	Revaluation Surplus	Accumulated Fund	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01/01/2022	88,943,222	77,652,767	463,297,656	834,727,168	1,464,620,813
Prior year Adjustment	-	-	-	(99,401)	(99,401)
Nursery Project	-	-	-	101,122,525	101,122,525
Millers Development fund movement	-	-	-	-	-
Revaluation	-	-	241,669,030	-	241,669,030
Income & Expenditure	-	-	-	82,001,540	82,001,540
Balance as at 31/12/2022	88,943,222	77,652,767	704,966,685	1,017,751,833	1,889,314,505

ACCOUNTING POLICIES

(1) ACCOUNTING CONVENTION

The Financial Statements prepared on the basis of Historical cost convention, in accordance with Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflationary factors affecting to these Financial Statements.

(2) GENERAL ACCOUNTING POLICIES

- i. The accounts have been prepared in accordance with Sri Lanka Public Sector Accounting Standards.
- ii. The accounting policies and methods of computation are consistent with those followed during the previous financial year, except certain changes which are supported with separate notes. No events happened subsequent to the Balance Sheet date that required to be disclosed

(3) VALUATION OF ASSETS

Property, Plant and Equipment are stated on the Balance Sheet at cost or revalued amount less accumulated depreciation. Depreciation is provided on the straight line method at the following rates per annum.

Building & Structures	2 1/2 %
Vehicles	20 %
Furniture & Equipment	10 %
Book Periodicals	10 %
Computers	20 %
Machinery	20 %
Labotary Equipment	20 %
Cctv	20 %

Full year depreciation is changed in the year of purchase and no depreciation is made in the year of disposal.

Revaluation of Assets Land & Building at Duke Street

Valuation Department has revalued Land & Building and Motor Vehicles as follows.

Date of Revaluation		Type of Assets	Revalued Amount
			RS
2022.01.10		Land- Dunkannawa	57,500,000.00
2022.01.10		Building- Dunkannwa	9,268,700.00
2022.02.14		Land - Duke Street	340,000,000.00
2022.02.14		Building - Duke Street	99,000,000.00
2023.01.03		Building - Narhenpita	108,400,000.00

Motor Cvehicles revalued on 2022/12/05

<u>Vehicle Number</u>	<u>VehicleType</u>	<u>Amount (Rs)</u>	
RS			
1	GB-5117	Toyota Cab	4,100,000.00
2	GB-5118	Toyota Cab	4,100,000.00
3	GB-5119	Toyota Cab	4,100,000.00
4	GB-5121	Toyota Cab	4,100,000.00
5	GB-5123	Toyota Cab	4,100,000.00
6	GB-5124	Toyota Cab	4,100,000.00
7	GB-5126	Toyota Cab	4,100,000.00
8	GB-5136	Toyota Cab	4,100,000.00
9	GB-5138	Toyota Cab	4,100,000.00
10	GB-5167	Toyota Cab	4,100,000.00
11	253-8141	MITSUBISHI Cab	3,200,000.00
12	253-8147	MITSUBISHI Cab	3,200,000.00
13	253-8184	MITSUBISHI Cab	3,200,000.00
14	254-1964	MITSUBISHI Cab	3,200,000.00
15	PB-6733	MITSUBISHI Van	3,200,000.00
16	48-8880	Toyota Lorry	1,800,000.00
17	KI-2376	Toyota Car	5,200,000.00
18	KI-2378	Toyota Car	5,200,000.00
19	PG-9865	MITSUBISHI Cab	7,500,000.00
20	VE-9814	Bajaj M.Bicycle	90,000.00
21	ZA-9321	MITSUBISHI ROSA	5,000,000.00
			81,790,000.00

Construction of Drainage line system, boundry wall and temporary shed for discared item had been cost Rs.4,376,918.49. Cconstruction works expected life time would not be expected to be more than ten years. As per the Board of directors decision 563.13 dated 2018.05.31 ,it should be written off within ten years commencing from 2018.

3.1 INVESTMENTS

All Investments of Capital Development Fund and Price Stabilization Scheme for Coconut Oil Fund are kept in the form of Treasury Bills & Bonds through the Bank of Ceylon, Treasury Division.Fixed Deposits are maintained in Bank of Ceylon, People's Bank and Regional Development Bank as per the decision given by the Board of Directors.

Kapruka Diriya loan scheme has initiated by PSS Oil fund in 2012 and Kapruka Jaya Isura loan scheme has initiated by using MDF Fund (not functioning saving accounts) in 2014.

3.2 DEBTORS

Debtors are stated at the amounts that they have to be realized. Provision has been made for all doubtful debts.

As per the agreement signed between BCC Lanka Ltd and Coconut Dev. Authority , interest receivable for the year on the loan granted to BCC Lanka Ltd ,accounted and made provision for doubtful debtors since it has not been settled for more than 30 years. BCC Lanka Ltd has informed on 29.12.2022 ,they will settle the loan balance as soon as receiving funds from the General Treasury.

3.3 STOCKS

Stocks are valued on first in first out basis (FIFO)

(4) PROVISION FOR RETIREMENT BENEFITS

Provision for Retirement Benifit is calculated in accordance with the provisions in the Public Sector Accounting Standards No.19.

FIXED ASSET AS AT 31.12.2022 - HEAD OFFICE & NARAHENPITA

	COST AS AT 01.01.2022		ADDITION	ADJUSTMENT & DISPOSAL		COST AS AT 31.12.2022		ACCUMULATED DEPRECIATION AS AT 01.01.2022		ADJUSTMENT & DISPOSAL	DEPRECIATION 2022		ACCUMULATED DEPRECIATION AS AT 31.12.2022		W.D.V. AS AT 31.12.2022	
	RS	RS		RS	RS	RS	RS	RS	RS		RS	RS	RS	RS	RS	RS
BUILDING	190,541,540			16,858,460		207,400,000	22,764,799			(22,764,799)		5,185,000	5,185,000		202,215,000	
LAND	218,500,000			121,500,000		340,000,000	-			-		-	-		340,000,000	
LABORATORY EQUIPMENT	141,791,605		3,386,056			145,177,661	116,344,514			-		9,110,109	125,454,623		19,723,038	
FURNITURE & FITTINGS	21,524,588		708,438	16,450	(38,845)	22,210,631	14,455,437			(28,360)		1,543,053	15,970,130		6,240,501	
Computer Accessories	22,919,374		16,500		(695,161)	22,240,713	16,042,062			(562,973)		2,585,982	18,065,071		4,175,642	
MACHINERY EQUIPMENT	18,835,339		2,085,440			20,920,779	15,030,840					2,295,323	17,326,163		3,594,616	
BOOKS	743,014		-		-	743,014	739,882			-		675	740,556		2,457	
MOTER VEHICLES	77,875,000			3,915,000	-	81,790,000	75,294,980			(75,294,980)		16,358,000	16,358,000		65,432,000	
CCTV	1,258,080					1,258,080	251,616					251,616	503,232		754,848	
DUNKANNAWA ESTATE ASSETS	242,953		-		-	242,953	242,879			-		-	242,879		74	
	694,231,494		6,196,434	142,289,910	(734,006)	841,983,831	261,167,008			(98,651,112)		37,329,759	199,845,654		642,138,177	
3015 - Swerline																
3014 - Boundary Wall	2,003,628					2,003,628	875,384					437,692	1,313,076		690,552	
	696,235,121		6,196,434	142,289,910	(734,006)	843,987,459	262,042,392			(98,651,112)		37,767,450	201,158,730		642,828,729	

FIXED ASSETS AS AT 31.12.2022 - DUNKANNAWA

	COST AS AT 01.01.2022		ADDITION	ADJUSTMENT & DISPOSAL		COST AS AT 31.12.2022		ACCUMULATED DEPRECIATION AS AT 01.01.2022		ADJUSTMENT & DISPOSAL	DEPRECIATION 2022		ACCUMULATED DEPRECIATION AS AT 31.12.2022		W.D.V. AS AT 31.12.2022	
	RS	RS		RS	RS	RS	RS	RS	RS		RS	RS	RS	RS	RS	RS
LAND	50,000,000		-	7,500,000		57,500,000	-			-		-	-		57,500,000	
BUILDINGS	15,432,910		-	(6,164,210)		9,268,700	1,720,396			-		231,718	1,952,113		7,316,587	
DRUM PAIR	1,008,348		-			1,008,348	403,339					201,670	605,009		403,339	
DRYING YARD	580,160		-			580,160	232,064					116,032	348,096		232,064	
TOTAL	67,021,418		-	1,335,790	-	68,357,208	2,355,799			-		549,419	2,905,218		65,451,990	

COCONUT DEVELOPMENT AUTHORITY			
NOTES TO THE FINANCIAL POSITION AS AT 31.12.20212			
No.			
2	Stocks		Rs.
	G.B.O.		
	Laboratory requisites	17,459,827	
	Motor Spare parts	51,198	
	Stationery	4,708,908	
	Uniform	-	22,219,934
3	Welfare Loan fund		
	Lady Lochor loan fund converted into " Welfare Loan Fund "		
	w.e.f. from 13.05.2017 with the board approval of .546/F/1		2,007,438
4	Sundry Debtors		
	GBO		Rs.
	Debtors on Service rendered to D.C. Mills	Page-23	5,814,594
	Debtors on Service rendered to Milk products	Page-24	1,180,985
	Debtors on Service rendered to Substrate products	Page-24	211,938
	Debtors for Copra / Fresh Coconut Lot Fees	Page-24	694,512
	VAT Recoverable		2,402,624
	Bank of Ceylon Treasury Division (Interest on Treasury Bills)		75,343
	Bank of Ceylon (Interest on Fixed Deposits)		29,407,632
			39,787,628
	Capital Development Fund		
	Bank of Ceylon Interest Receivable on Fixed Deposits		971,249
	Sri Lanka Rupawahini Corporation		7,060,032
			8,031,281
	P.S.S.Oil Fund		
	Interest Receivable from Fixed Deposits		34,398,543
	Interest Receivable from Treasury Bills		1,782,372
			36,180,915
	Mill Development Fund		
	Unoperating Mill Development saving accouts that have to be transferred to Kapruka Diriya or Kapruka Jaya Isura Loan Scheme.		
			Amount as at
			31-12-2020
	Mill No./Name	A/C No.	
			Rs.
			Rs.
	M-68 - Dimbulwatta Mills	49429	1,627,950
	M-81 - W.W.Fernando & Sons Mills	49385	141,984
	M-128 - Sandalanka CPCS	49428	101,841
	Less:- Shantha Rajapaksa Payment		(543,360)
			1,328,416
	Interest Receivable		2,805,073
			4,133,488
	Mill Development Fund		
	Inter Current Accounts		
	Capital Development Fund (MDF) Receivable		1,262,814
	Capital Development Fund		688,597
			1,951,411

	<u>Rec'ble in year</u> <u>2023</u>	<u>Rec'ble after</u> <u>2022</u>	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
5 Staff Debtors			
Distress Loan	4,122,660	18,424,715	22,547,375
Motor Cycle Loan	1,032,396	2,030,345	3,062,741
Motor Cycle Loan (Special)	231,780	147,260	379,040
Foot Cycle Loan	4,800	2,000	6,800
Festival Advance	87,500	-	87,500
Special Salary Advance(I)	337,500	-	337,500
	5,816,636	20,604,320	26,420,956
6 Loan			Rs.
Capital Development Fund			
B.C.C. Lanka Ltd.			<u>Rs.</u>
A sum of Rs. 25,000,000/= has been approved by the Cess Committee on 07th March 2002 and released on 14th March 2002 as a loan to be repaid as Rs.2 Million per month, with a grace period of 6 months. Only Rs 50,000/= has been repaid at the end of year 2003.			25,000,000
			<u>50,000</u>
			24,950,000
A sum of Rs. 6,600,000/= has been released on the instruction of the Ministry of Plantation Industries on 20th October 2004, based on an agreement.			6,600,000
None of these loans have been settled as yet by the B.C.C. and hence a claim has been made to the PERC through the Ministry of Plantation Industries, requesting them to settle C.D.A. Loans as a first order liability in the event of B.C.C. is being considered for restructuring.			31,550,000
P.S.S. Oil Fund			
Loan granted to B.C.C. Lanka			26,715,037
7 KAPRUKA NIPAUM DIRIYA LOAN SCHEME			
		<u>Rs.</u>	<u>Rs.</u>
Balance as at 2022/01/01		1,730,000	
Loans given during the year		-	
Repayment during the year		<u>1,025,000</u>	
Balance as at 31/12/2022			705,000
JAYAISURA LOAN SCHEME 2022			
		<u>Rs.</u>	<u>Rs.</u>
Balance as at 2022/01/01		129,386,751	
Loans given during the year		65,938,000	
Repayment during the year		<u>40,248,117</u>	
Balance as at 31/12/2022			155,076,634
8 Sundry Advance -GBO		<u>Rs.</u>	<u>Rs.</u>
Sundry Advance -GBO		142,640	
Purchasing Advance -GBO		161,700	
Covid Bill Payment		15,130	
Return Cheque		401,500	
			720,970
9 Sundry Deposits		<u>Rs.</u>	<u>Rs.</u>
Electricity Deposits		1,120,000	
Kammalpattuwa (C.P.C.S.) Ltd.		10,000	
Pushpakumara Edirisinghe		5,899	
Mr. Y.K.C. Jayathilaka		<u>14,714</u>	1,150,613
Sundry Deposits Capital		<u>Rs.</u>	<u>Rs.</u>
Rent Deposits Reginal Office -M.M.A.D.Herath		150,000	
Rent Deposits Reginal Office -Wayamba Pradesiy		<u>210,000</u>	360,000

GBO Inter Current Accounts							
Kapruka Loan Fund						168,133,158	
CESS Inter Current Account						4,803,522	172,936,681
10 Treasury Bills							
G.B.O							
<u>Treasury Bills Cord No</u>	<u>Renewal date</u>	<u>Maturity date</u>	<u>Period</u>	<u>Interst Rate</u>	<u>Value Rs.</u>	<u>Value Rs.</u>	
664	2022.12.02	2023.03.03	3 months	24.60%	3,275,218.17		
108554	2022.10.28	2023.01.27	3 months	24.60%	160,043.31		
108554	2022.10.28	2023.01.27	3 months	24.60%	37,296.27	3,472,558	
Fixed Deposits							
GBO Fixed Deposits				Investment			
<u>F/D Receipt No</u>	<u>Renewal date</u>	<u>Maturity date</u>	<u>Period</u>	<u>Interst Rate</u>	<u>Value Rs.</u>	<u>Value Rs.</u>	
F/D A/C NO 89068776 - BOC	2022.06.07	2023.06.07	1 year	23.60%	50,000,000		
F/D A/C NO 89069009 - BOC	2022.06.07	2023.06.07	1 year	23.60%	100,000,000		
F/D A/C NO 89068748 - BOC	2022.06.07	2023.06.07	1 year	23.60%	50,000,000		
F/D A/C NO 001-60-01-0009127	2022.11.12	2023.11.12	1 year	14.50%	60,790,902		
F/D A/C NO 119-60-01-00012638-9	2022.11.12	2023.06.07	1 year	14.50%	25,000,000		
F/D A/C NO 89068892 - BOC	2022.06.07	2023.03.08	3 months	26.00%	10,969,263		
F/D A/C NO 89068966 - BOC	2022.06.07	2023.03.08	3 months	23.60%	10,969,263		
F/D A/C NO 89068864 - BOC	2022.06.07	2023.03.08	3 months	26.00%	10,969,263		
F/D A/C NO 89068877 - BOC	2022.06.07	2023.03.08	3 months	26.00%	10,969,263		
F/D A/C NO 89704304 - BOC	2022.10.11	2023.04.11	3 months	15.00%	13,313,398		
F/D A/C NO 89704323- BOC	2022.10.11	2023.04.11	3 months	15.00%	52,753,699	395,735,051	
Capital Development Fund Fixed Deposits							
	<u>Renewal date</u>	<u>Maturity date</u>	<u>Period</u>	<u>Interst Rate</u>	<u>Value Rs.</u>	<u>Value Rs.</u>	
			6				
F/D A/C NO 89068824	2022/06/07	2023/06/06	months	26%	33,478,356		
F/D A/C NO 89068929	2022/06/07	2023/03/06	3 months	26%	10,969,263		
F/D A/C NO 89068947	2022/06/07	2023/03/06	3 months	26%	10,969,263		
						55,416,883	
P.S.S. Oil Fund							
Kapruka Loan Fixed Deposit							
<u>F/D Receipt No</u>	<u>Renewal date</u>	<u>Maturity date</u>	<u>Period</u>	<u>Interst Rate</u>	<u>Value Rs.</u>	<u>Value Rs.</u>	
						F/D value as at 2022/12/31	
119-60-01-00012635-2	2022/06/07	2023/06/07	1 year	23.50%	50,000,000		
001-60-01-00014405-7	2022/06/07	2023/06/07	1 year	24%	50,000,000		
001-60-01-00014406-6	2022/06/07	2023/06/07	1 year	24%	50,000,000		
(BOC)89068987	2022/06/07	2023/06/07	1 year	23.60%	50,000,000		
(BOC)89068807	2022/06/07	2023/06/07	1 year	23.60%	50,000,000		
135-0301-000034	2022.12.31	23/01/08	3 months	14%	11,618,688		
135-0301-000035	22/10/09	23/01/08	3 months	14%	11,618,688		
						273,237,376	
Total							

PSS Oil Fund Treasury Bill						
Treasury Bills Cord No	Renewal date	Maturity date	Period	Interst Rate	Value Rs.	Value Rs.
664	2022.09.09	2023.09.08	1 year	22.75%	290,289	
664	2022.05.13	2023.05.13	1 year	19.10%	4,873,388	
664	2022.04.08	2023.04.08	1 year	13.65%	541,812	
664	2022.01.28	2023.01.28	1 year	24.60%	4,115,042	
664	2022.01.28	2023.01.28	1 year	24.60%	724,069	
664	2022.01.07	2023.01.06	1 year	24.60%	1,078,852	
664	2022.01.28	2023.01.27	1 year	24.60%	4,655,838	
664	2022.02.01	2023.01.27	1 year	22.35%	6,316,582	
						22,595,873
MDF Fund						<u>Rs.</u>
Jayaisura Loan Fixed Deposit						
F/D Number	Renewal date	Maturity date	Period	Interst Rate	Value Rs.	Value Rs.
135030100081	2022.07.09	2023.07.09	1 year	16.00%	28,550,937.50	
135030100033	2022.10.09	2023.01.09	3 months	14.00%	11,618,688.09	
(BOC) 85092573	2022.11.09	2023.02.09	3 months	15.00%	3,110,110.71	
(BOC) 89068844	2022.12.08	2023.03.08	3 months	15.00%	19,744,673.84	
						<u>63,024,410</u>
Saving Account Balance as at 31.12.2021						13,034,719
MDF Saving Accounts						44,229,411
						120,288,540
11 Pre Payments						
GB.O.						<u>Rs.</u>
Insurance-Fire						270,594
Insurance-Medical Insurance Policy						2,150,731
Service charges - office equipment						674,067
Other						44,000
						3,139,392
12 Cash at Bank						
GB.O. & PSS OIL Fund						<u>Rs.</u>
Saving Account PSS Oil Fund						15,746,951
Seylan Bank Saving account						25,000
BOC -Nugegoda-A/C No -228042						8,449,802
Peoples' Bank-Narahenpita- A/C No-119100160007416						14,559,411
						23,034,213
						38,781,164
Petty Cash - Narahenpita						25,000
Petty Cash - Dunkannawa						3,050
Petty Cash - Puthlam						7,500
Petty Cash - Kurunegala						5,000
						40,550
Capital Development Fund						<u>Rs.</u>
BOC -Nugegoda-A/C No -228043						1,193,925
						1,193,925

13 Sundry Creditors		<u>Rs.</u>
GB.O.		
GIT Holdings	143,037	
W.T.D De Silva	1,000	
Hemsons International	2,432,266	
Sri Lanka State Tradings	182,663	
JK Trade link	293,422	
Deepani Printers	32,750	
A One Point Solutions	78,900	
Transmed International	16,900	
Analytical Instruments	1,082,273	
Metropolitant Technologies	73,455	
Vextop Holdings	4,740	
Enex Agencies	4,380	
		4,345,785
Capital Development Fund		<u>Rs.</u>
Creditors		
Heyleys Science	214,810.20	
Rotac Instrument	120,000.00	
		334,810
14 Sundry Deposits		<u>Rs.</u>
GB.O.		
Quality Certificates		
Stassen Exports	116,193	
Decico Lanka Pvt Ltd	40,050	156,243
Refundable Bid Bond and Retention		
CW Macky	70,000.00	
Adamjee Lukmanjee Exports	250,000.00	
Scientific Insrtument (Pvt) Ltd	4,000.00	
Micro Tech Biological (Pvt) Ltd	4,000.00	
Meddiag (Pvt) Ltd	4,000.00	
Brother Mep Solution	60,451.87	
Randeniya Oil Mills	80,000.00	
WADRB Kumara	15,500.00	
SJY Construction	161,938.00	
Southern Conctruction	12,175.00	
		662,065
Security Deposits		<u>Rs.</u>
01. Pushpakumara Edirisinghe	5,899	
02. Mr. Y.K.C. Jayathilaka	14,714	20,613
Tender Deposits		<u>Rs.</u>
Qualikem International (Pvt) Ltd.	45,000	
GIT Holdings	143,037	
T.F.P & Engineering	142,613	
E-Wis Perpherals (Pvt) Ltd	2,300	332,949
		1,171,870
15 Receipt In Advance		<u>Rs.</u>
GB.O.		
Registration of Processing development	3,563,875	
Deposits for Testing Charges - Sena Mills	769,688	
Unidentified Deposits	6,006,609	
		10,340,171

16 Accrued Expenses		<u>Rs.</u>
<u>G.B.O.</u>		
E.P.F. Payables		2,081,356
E.T.F. Payables		267,255
Electricity		580,588
Water		102,584
Telecommunications		135,430
Security Services		328,000
Cleaning Services		287,940
Audit Fee		600,000
Fuel and Lubricant		195,600
Overtime		845,499
Repair & Maintenance		534,040
Domestic Travelling		882,846
Dunkannawa Expenses		238,054
Advertisements		2,926
Stamp Duty		1,363,370
parking fee		32,000
Coin Payables		930
Salary		205,196
Transport		219,000
Welfare		116,870
Training expenses		19,000
Other Expenses		42,413
VAT -15%		4,807,106
SOCIAL SECURITY CONTRIBUTION 2.5%		225,434
		14,113,436
<u>Accrued Expenses</u>		
<u>Capital Development Fund</u>		
Undertified Deposits		3,000
Drying yard	p-05	86,086
Electricity/ Bank Loan Interest	p-01	72,165.00
Advertising & Promotion	M-05	211,949.00
Drying Machine	P-03	2,400,000.00
Audit Fee	P-03	7,050.00
		2,780,250
17 Accumulated Income over Expenses		
<u>GBO</u>		<u>Rs.</u>
Balance as at 01-01-2022		328,680,363
Nursery project		101,122,525
Prior year adjustment		185,099
Surplus/Deficit		7,579,794
Balance as at 31-12-2022		437,567,782
<u>Capital Development fund</u>		<u>Rs.</u>
Balance as at 01-01-2022		71,276,602
Surplus/Deficit-2022		32,473,686
Adjustment		(284,500)
Balance as at 31-12-2022		103,465,788
<u>PSS Oil Fund</u>		<u>Rs.</u>
Accumulated Fund at 01-01-2022		334,956,888
Surplus/Deficit 2022		41,948,061
Accumulated Fund at 31-12-2022		376,904,949

<u>MDF</u>	<u>Jaya Isura Fund</u>	<u>Mill</u>	<u>Total</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Savings Account Page -27		45,804,322	
Un operating MDF account		1,871,776	
R'ble from Capital Development Fund		3,193,316	
Jaya insure Loan granted	129,386,751	-	
Saving Account	11,932,544	-	
Fixed Deposits	150,757,917		
P'ble to Pss Oil Fund (Loan)	(76,277,972)	-	
P'ble to GBO Oil Fund (Loan)	(169,000,000)		
Capital Development Fund	688,597	-	
Interest Receivable	1,456,062		
Balance as at 01-01-2021	48,943,900	50,869,414	99,813,314
Savings Account Page -27		44,229,411	
Un operating MDF account		1,328,416	
R'ble from Capital Development Fund		1,262,814	
Jaya insure Loan granted	155,076,633	-	
Saving Account	13,034,719	-	
Fixed Deposits	63,024,410		
P'ble to Pss Oil Fund (Loan)	(3,040,596)	-	
P'ble to GBO Oil Fund (Loan)	(168,133,158)		
Capital Development Fund	688,597	-	
Interest Receivable	2,805,073		
Balance as at 31.12.2021	63,455,678	46,820,641	110,276,319
<u>P.S.S.OIL FUND</u>			
MDF C/Account			3,040,596
<u>Discloses</u>			
<u>Legal Cases</u>			
01. SC/FR 129/2021 -			
<i>This case was instituted by an employee of CDA , name as Palawatta Vithanage Padma Dharshani challenging the interview held on 20th April, 2016 for the vacancy of Economic Research Officer and their decision not to appoint the petitioner to the post of Economic Research Officer. Accordingly, the petitioner asked compensation for the same.</i>			
02. SC/FR 194/2017 -			
<i>This case was instituted by an employee of CDA , name as Preethi Renuka Gunasena asking for an order to suspend the interview decision to appoint Mr K.W.Ranjith for the post of Administration Officer and the petitioner asked costs for the same.</i>			
03. CA (Writ) 254/2021 –			
<i>This case was instituted by petitioners mentioning that the coconut oil imported by 04 private sector dealers are contaminated with Aflatoxin which its level was exceeding the tolerate limits. The samples of such coconut oil had been tested by the laboratory of Coconut Development Authority.</i>			
<u>Other</u>			
<i>Fraudulently misappropriated money by an accountant named Mr.Shantha Rajapaksha ,Rs.2,500,000/= has been repaid in year 2021 and Rs.543,360/= has repaid in 2022. First payment of Rs.2,500,000/= has been invested in Fixed deposit and balance still remain in the BOC current account No.228042 untill get the directives.</i>			

COCONUT DEVELOPMENT AUTHORITY

NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2022

1	Interest Income	<u>Rs.</u>	<u>Rs.</u>
	G.B.O.		
	Interest on Staff Loans	1,200,129	
	Interest on Investment (Treasury Bills)	511,876	
	Interest on Fixed Deposits	42,836,205	44,548,210
	Capital Development Fund	<u>Rs.</u>	<u>Rs.</u>
	Interest on Fixed deposits	6,795,370	
			6,795,370
	P.S.S.Oil Fund	<u>Rs.</u>	<u>Rs.</u>
	Interest on Treasury Bills	3,318,854	
	Interest on Bank loans	23,384	
	Interest on Fixed Deposits	38,146,881	
	Interest on Servings Accounts	458,941	
			41,948,061
	MDF Fund		
	Interest on Fixed Deposits	9,178,999	
	Interest on Bank loan	3,040,596	
	Interest on Servings Accounts	4,430,051	
			16,649,645
			93,291,641
2	Rental Income	<u>Rs.</u>	<u>Rs.</u>
	G.B.O.		
	Isurusala	232,320	232,320.00
			<u>Rs.</u>
3	Registration Fees		<u>Rs.</u>
	G.B.O.	<u>Rs.</u>	<u>Rs.</u>
	Marketing division		
	other		
	Kernal Products	2,570,000	
	Fresh Coconut	7,773,000	
	Non Kernel Product - Raw	1,737,500	
	Non Kernel Product -Value Added	2,870,000	
	Non Kernal Products	507,400	
	Other Coconut Product	15,000	
	Un Processing Nuts	1,062,000	
	Dealer Registrations	53,700	
	Estate Registration	60,400	
	Broker Registration	36,000	
	No objection letters issuing charges	1,047,500	
	Urgent Charges	837,623	
			18,570,123

Processing division		
Desicated Coconut	1,470,000	
Vergin Coconut Oil	1,160,000	
Coconut Oil	443,000	
Paring Coconut Oil	175,000	
Industrial Coconut Oil	9,000	
White Coconut Oil	340,000	
Copra Miller	37,000	
Refined Bleached Deodorized	240,000	
Coconut Milk	457,500	
Coconut Milk Powder	260,000	
Coconut Milk Processor	70,000	
Coconut Vineger	32,500	
Creamed Coconut	262,500	
Cocnut Milk Related Produc	157,500	
Coconut Butter	175,000	
Coconut Spread	87,500	
Coconut Amino	140,000	
Coconut Flour	385,000	
Ccoconut Cream	245,000	
Coconut Suger	140,000	
Coconut Syrup	87,500	
Coconut Smils	17,500	
Frozen Grated Coconut	35,000	
Coconut Treacle	27,000	
DC Repaker	175,000	
Coconut Water	580,000	
Fiber Mills	358,500	
Coir Pith Substrade	1,117,500	
Fiber Bale	190,000	
Cut Fiber	76,000	
Activated Carbon	223,200	
Shell Charcoal	52,500	
Shell Pleces & Powder	37,500	
Shel Charcoal briquettes	27,000	
Ornamental Products	5,500	
Brooms & Ekels	5,000	
Twine Coir Yarn	299,000	
Tawashi Brushes	9,000	
Gio Tettiles	6,000	
Moulded Coir	6,000	
Coir mats & Rugs	6,000	
Coconut Sumbol	10,000	
Mct Coconut Oil	80,000	
Vco Powder	20,000	
Mct oil Powder	20,000	
Coconut Base Alcohol	80,000	
Coconut Water Powder	17,500	
Coconut Husk	11,500	9,866,200
Supply Registration		177,173

4	Auction Proceeds	<u>Rs.</u>	<u>Rs.</u>
	Lot Fees Income -Copra & fresh Coconut		2,010,049
	Less :Hall Charges	(10,000)	
	Action Fee	(147,000)	
	Communication Expenses	(104,328)	
	Other	(6,600)	(267,928)
			1,742,121
5	Laboratory Income	<u>Rs.</u>	<u>Rs.</u>
	DC Sampling & Testing Charges	10,986,888	
	Qty Certificat Isssing Charges	713,500	
	Water sapling Charges	957,807	
	Coir &Fiber Products Testing Charges	4,587,651	
	Coconut Oil Testing Charges	1,659,174	
	Cocont Milk Testinh Charges	906,864	
	Coconut Shel Charcoal Testing Charges.	2,668	
	Poonac Samping Testing Charges	31,809	
	RBD Coconut Oil Testing Charges	514,979	
	White Coconut Oil Sample Testing Charges	39,700	
	Substrate sample Testinh Charges	1,073,491	
	Substrate sample Testinh Charges	156,606	
	Wco Testing Charges	192,110	
	Coconut Milk Powder Testing Charges	12,420	
			21,835,668
6	Miscellaneous Income	<u>Rs.</u>	<u>Rs.</u>
	G.B.O.		
	Tender Deposits	30,000	
	Sale of Bulletins	45,286	
	Sundry Income	277,774	
	Lable Books & Stickers Charges	5,646,590	5,999,650
	Capital Development Fund	<u>Rs.</u>	<u>Rs.</u>
	Other income	69,680	
	Traning Expenses	60,000	129,680
7	Dunkannawa Modern Mill	<u>Rs.</u>	<u>Rs.</u>
	Sale of Coconut , fiber and Plants		4,695,805
	Less :Expenses		
	Salaries & Wages,	2,408,518	
	EPF & ETF	641,322	
	Electricity	260,815	
	Insurance	5,093	
	Telephone charges	7,493	
	other Expenses	192,569	
	Pulking Expenses	274,540	(3,790,350)
			905,455
			<u>Rs.</u>
8	Processing Development Programmes		20,930,621
9	Marketing Development & Research Programmes		10,280,152
10	Quality Control & Quality Assurance		2,199,112
11	Jeewanopaya Development Expenses		17,475,560

SERVICES RENDERED TO D.C. MILLERS AS AT 31-12-2022

MILL NO.	NAME	2019	2020	2021	2022	2022		TOTAL
						DC TESTING	WATER SAMPAL	
M 64	Rathkarawwa DC & Oil Mills, Maspotha				102,681		17,139	119,820
M 67	Marawila CPCS Society, Marawila				23,575			23,575
M 69	Baduwatta DC mills Pvt Ltd				203,769		20,376	224,145
M 71	Madampe Mills (Pvt) Ltd, Thambagalla, Kakkapa St Joseph DC Manufacturers (Pvt) Ltd,	71,846						71,846
M 72	Colombo Road, Watinapaha			17,275	4,420		20,362	42,057
M 75	Siriyangani DC & Fibre Mills, Giriulla Road, Katana				141,130		20,303	161,433
M 76	S.A.silva & sons Lanka (Pvt) Ltd, Loluwagoda Mills, Loluwagoda	16,575			120,516		36,858	173,948
M 77	St Annes Factory, Daluwa, Mampuri				41,033		17,964	58,997
M 79	Renuka Agri Organics (Pvt) Ltd - fatima				108,394		13,842	122,235
M 80	Dunagaha CPCS, Kehelalle Mills ,Badalgama				152,555		16,069	168,623
M 84	Pottewela DC & Oil Mills, Mirigama Road, Banduragoda				32,416			32,416
M 85	Wichy plantation (Pvt) Ltd			18,441	131,800			150,241
M 86	J.P.M. Pinto & Company (Pvt) Ltd, New Road Wennappuwa			26,250	76,619		36,613	139,481
M 87	St. Valentine D.C. Factory				48,623		20,574	69,198
M 88	Sonic Expo (Pvt) Ltd 130/1 ,St.Josephs street, Grandpass, Colombo 14				176,752		21,237	197,989
M 89	Kudawewa Mills, Kudawewa				146,220		-	146,220
M 90	Nadungamuwa Mills, Nadungamuwa				163,497		19,945	183,442
M 91	Sandalanka DC Mills			11,360	233,273		20,534	265,168
M 94	Sirikatha DC Mills, Kochchikade				40,405			40,405
M 95	CBL Cocos Pvt Ltd, Colombo Road, Alawa				53,575		16,309	69,884
M 98	Serandib Super Food (pvt) Ltd			63,370	139,747		15,654	218,771
M 102	N M K Coco Land (Pvt) Ltd				51,878			51,878
M 103	St Theresa DC Mills, Katana				19,155		20,322	39,477
M 105	D.Y.& D.U.Rajapaksa Pvt Ltd , Henegama DC Mills			16,969	32,234		15,475	64,678
M 108	Bathuluoya Mills				13,261		21,690	34,951
M 110	Renuka Agri Organics (Pvt) Ltd - Unagahadeniya				126,797			126,797
M 111	Kudiyiruppu Coconut Producers (Pvt) Ltd				145,417		21,086	166,503
M 113	Balummahara DC Mills, Balummahara, Mudungoda				25,048			25,048
M 114	Nattandiya Mills				20,628			20,628
M 115	Bogamuwa DC Mills, Aluthgama , Bogamuwa, Aluthgama				26,522		15,552	42,074
M 119	Mathamma DC Mills, Minuwangoda				70,097			70,097
M 120	Fatima DC & Oil Mills, Nainamadama				20,628			20,628
M 122	St Josephs DC & Fibre Mills, Katana				131,135		20,308	151,443
M 124	Minuwangoda Mills				1,250			1,250
M 126	Lakshmi DC Mills, Bata Kanda ,Badalgama				137,827		20,513	158,340
M 130	Boyagane DC Mills Pvt Ltd, Boyagane , Kurunegala		12,088		50,097			62,185
M 131	Jayakody Mills (Pvt) Ltd, Nattandiya Rd, Dankotuwa				166,933		20,442	187,375
M 132	Asian Agro Products Pvt Ltd		11,214		258,769		15,835	285,818
M 133	Upali DC Mills, Thalawila, Marawila				5,000		16,267	21,267
M 134	Gunawardena DC Mills, Galawatta, Katana				47,953		15,611	63,564
M 139	Sanhida DC Mills (Pvt) Ltd		25,000		57,464		16,029	98,493
M 144	Swanee DC Mills, Negambo				108,756			108,756
M 145	Dunagaha CPCS, Dunagaha				173,002			173,002
M 148	R.M.P. Coconut Products (Pvt) Ltd.		11,146					11,146
M 149	Maviksel International com(pvt)Ltd			19,621	230,327		23,128	273,075
M 150	NDC exports (Pvt) Ltd.			17,887	156,088		21,084	195,058
M 151	Wayamba D.C. & Oil Mills(pvt)Ltd				112,156		20,855	133,011
M 152	Sanmik food (pvt)Ltd		48,750		86,933		23,741	159,423
M 155	Waguruwela Oil Mills			2,500	1,250			3,750
M 157	Metshu Exports (Pvt) Ltd				27,905			27,905
M 158	Wanasinghe Holdings Pvt Ltd			7,500	72,500		-	80,000
M 159	Adamjee Lukmanjee Export				190,333		15,960	206,293
M 160	Consolidated Business System				56,119		14,666	70,784
		88,421	108,198	201,171	4,764,459		652,343	5,814,594

**Coconut Development Authority
Recurrent Expenditure**

Rs.

2021	2,022	DESCRIPTION	SUB TOTAL	2022
ACTUAL	ESTIMATE			TOTAL
		PERSONAL EMOLUMENTS		Rs.
87,499,393.00	105,000,000.00	Salaries & Wages	92,421,713	
18,282,126.00	19,000,000.00	Cost of Living & Other allowances	18,388,844	
148,496.00	-	Acting allowance	44,656	
18,845,152.00	12,000,000.00	Monthly Allowance	10,768,575	
242,138.00	200,000.00	Holiday Payment	139,320	
15,704,293.00	18,600,000.00	E.P.F.	16,410,904	
3,140,859.00	3,720,000.00	E.T.F.	3,191,225	
1,152,600.00	1,500,000.00	Professional Allowance	1,369,000	
1,545,250.00	4,500,000.00	Fuel & vehicle Allowance	4,413,403	
20,972.00	100,000.00	Language / Interim Allowance	66,780	
2,640,119.00	1,000,000.00	Telephone Allowance	963,292	
9,570,872.00	8,000.00	Overtime	8,601,170	
2,718,840.00	3,000,000.00	Welfare Expenditure	3,773,815	
487,420.00		Training & Seminars	354,163	
5,210,450.00	10,000,000.00	Insurance medical	7,169,600.76	
640,796.00		New Recruitment Expenses	-	
		Membership Subscriptions	149,758.17	168,226,218.55
		TRAVELLING EXPENSES		
2,493,595.00	6,000,000.00	Travelling Expenses (Local)	4,456,783	
251,200.00	300,000.00	Parking Fee	336,000	4,792,783
		SUPPLIES & REQUISITES		
10,689,784.00	9,500,000.00	Stationery & Other Requisites	15,440,528	
5,778,427.00	6,500,000.00	Fuel & Lubricants	7,333,306	
483,999.00	600,000.00	Uniforms	664,654	
14,962,205.00	21,800,000.00	Laboratory Chemicals Other Consumables	9,517,414	
	12,290,500.00	Other requisities	708,370	33,664,272
		REPAIRS & MAINTENANCE		
9,228,406.00	6,500,000.00	Vehicles	8,229,080	
2,505,990.00	3,000,000.00	Machinery Office Equipment & Furniture	2,701,549	
3,155,654.00	5,000,000.00	Structures / Buildings	6,972,505	17,903,134
		TRANSPORTATION , COMMUNICATION , UTILITY & OTHER SERVICES		
3,968,790.00	4,000,000.00	Transport	4,056,362	
206,439.00	500,000.00	Postal Charges & Stamp Fee	479,900	
1,727,777.00	2,250,000.00	Communication	2,193,291	
4,865,435.00	9,000,000.00	Electricity	6,121,401	
787,869.00	2,500,000.00	Water	907,563	
7,845,092.00	1,972,000.00	Lease Rental for Vehicles	1,971,621	
837,737.00	2,500,000.00	Insurance	776,172	
3,881,250.00	4,000,000.00	Security Services	3,719,305	
3,585,361.00	5,200,000.00	Cleaning Services	4,363,284	
7,500.00	500,000.00	Legal Fees	149,520	
985,872.00	600,000.00	Audit Fees	545,400	
1,119,149.00	1,000,000.00	Advertisement	1,315,273	
	2,000,000.00	Board meeting/AMC meeting and othe Expnses	504,046	27,103,137
		Taxes and other Levies		
7,125.00	3,500.00	Stamp Duty	3,508	
590,027.00	-	Taxes	-	
1,338,872.00	2,000,000.00	Rates & Taxes	1,372,777	1,376,285
		Other Expenses		
102,143.00	300,000.00	Chairman's Entertainment	127,200	
1,110,779.00	500,000.00	Board members Allowance	476,000	
	150,000.00	Audit & Mgt meeting members Allowance	150,000	
		Translation Fee	212,825	
904,554.00		Other Expenses	30,750	
		Regional Office Expenses	28,678	
198,406.00		Hambanthota Project Piliminary Expenses	28,240	1,053,693
251,469,213.00	289,094,000.00	TOTAL EXPENDITURE		254,119,521

06. Internal Audit Division.

The Internal Audit Plan relevant to the year 2022 was prepared and implemented to cover the Action Plan of the Processing Development Division, Marketing Development and Economic Research Division and quality Controlling and Quality Assurance Division and in addition to that, the Audit Report was also prepared to cover the activities of the Administrative Division and the Finance Division following the instructions issued by the Auditor General's Department and the Treasury Representative.

Accordingly, 17 reports were submitted by conducting audit investigations as per the approved Audit Plan. In addition to the above, special audit investigations assigned by the Management of the Authority were conducted and relevant reports have been submitted to the Management.

6.1 Report of the Audit and Management Committee

6.1.1 Composition and the Quorum

The Audit and Management Committees of the Coconut Development Authority were established as per the Operational Manual for State-Owned Enterprises dated 16.11.2021 issued by the Department of Public Enterprises, and the functions of the Committee are carried out according to the Provisions of that Circular. The Audit and Management Committee consists of three non-executive grade Directors. The following Directors functioned as the members of the Committee during the year under review.

Audit and Management Committee Meeting 2022/01 held on 28.03.2022

1. Mrs. A.P.L.D.D.N. Fernando - Treasury Representative
(Chairman of Committee)
2. Mrs. R.P. Kasturi Arachchi - State Ministry Representative
3. Mr. Priyalath Kimbiahettige - Member
4. Mr. Upali Dhammika De Silva - Member (Participated via online technology)

Audit and Management Committee Meeting 2022/02 held on 25.04.2022

1. Mrs. A.P.L.D.D.N. Fernando - Treasury Representative
(Chairman of Committee)
2. Mrs. R.P. Kasturi Arachchi - State Ministry Representative
3. Mr. Priyalath Kimbiahettige - Member
4. Mr. Upali Dhammika De Silva - Member (Participated via online technology)

Audit and Management Committee Meeting 2022/02 held on 26.09.2022

1. Mrs. A.P.L.D.D.N. Fernando - Treasury Representative
(Chairman of Committee)
2. Mr. Priyalath Kimbiahettige - Member
3. Mr. Upali Dhammika De Silva - Member (Participated via online technology)

A representative of the Auditor General and the Chief Internal Auditor participated in the meetings. There are no members in the Committee representing the Management of the Authority. Director General participates in the meetings whenever he is invited to do so. When the participation of the other members of the Management is required by the Committee, they are invited to participate in the Committee meetings. The quorum of the committee is a simple majority of the members.

6.2 Role of the Committee

- Inquiring in to the proper execution of the instructions and the recommendations of the Committee by reviewing the Report of the final and the prior Audit and Management Committee Meeting.
- Reviewing the formats and the contents and monitoring the reliability of the financial reporting system of the Coconut Development Authority.
- Regulation and reviewing the methodologies adopted in the certification of the objectivity and the productivity of the external and internal audit task.
- Reviewing the appropriateness and the successfulness of the internal controls and submission of recommendations in that respect.
- Reviewing the internal Audit reports, external audit reports and the steps taken in that regard.
- To be in compliance with the regulatory and financial reporting requirements and reviewing and making recommendations on the ethical standards and procedures, which are required for guaranteeing the relationships with the relevant regulatory Authorities.

6.3 Meetings and Activities

The Committee met for three times (03) during the year under review. The attendance of the members of the Committee for the committee meetings are mentioned below.

Table 33- Progress Review Meetings

Name of the Director	Name of the Director Number of meeting participated
Mrs. A.P.L.D.N. Fernando	03
Mrs. R.P. Kasturi Arachchi	02
Mr.Priyalath Kimbiahettige	03
Mr.Upali Dhammika De Silva	03

The Committee implemented following activities for the year under review.

6.3.1 Internal Audit

- The Internal Audit Program and Audit Plan were prepared by taking in to consideration the recommendations of the Auditor General's Department for the year 2022 pertaining to the functions of the Internal Audit Division and they were discussed and instructions were issued on the fields that were to be further audited and recommendations were made pertaining to the Audit Program and the audit plan in order to get the approval of the Board.
- The effectiveness in the implementation of the Internal Audit Plan for the year 2022 was monitored.
- The progress in making answers to internal audit queries was evaluated.
- Specific Internal Audit revelations and the responses for them by the Management were reviewed with the objective of adopting accurate and timely measures for avoiding the repetition of such incidents in the future.

6.3.2 External Audit

- The answers provided by the Management in relation to the Audit queries submitted by the Auditor General's Department pertaining to the Coconut Development Board for the year ended 31.12.2021 were reviewed and the procedures that were adopted by the Management for the avoidance of the reoccurrence of the issues that had been specifically pointed out were followed up. The committee paid attention to the matters pointed out by the Report under Section 12 of the Audit Act No. 19 of 2018 on Financial Statements for the year ended 31.12.2021, and Detailed Auditor General's Report submitted to the Chairman in terms of Section 13(7)(A) of the Finance Act No. 38 of 1971 regarding its activities with financial statements for the year ending 31.12.2021, and follow-up has been done on the actions taken in relation to those matters.
- The committee paid attention to the recommendations given in the meeting of the Committee on Public Enterprises held on 21.01.2021 and the progress of their implementation, and followed up on them.

6.3.3 Financial Reporting

- Assisted the Board in guaranteeing that the annual audited Financial Statements have been prepared in compliance with the requirements specified by the Monitoring and Regulating Authority and in compliance with the applicable Accounting Standards.

6.3.4 Minutes of the Meetings/Reporting to the Board

- The appropriate minutes of meetings on conducting the committee are being maintained at the secretariat of the board. All the minutes of the meetings were tabled and the approval of the board of directors would be obtained for the execution of the recommendations made by the committee subsequent to they were passed at the meetings of the board of directors. Following up activities are adopted for the significant matters in a systematic basis. Following up activities have been carried out on rectifying and preventive measures taken in accordance with conformed frame work of the authority and in appropriate occasions.

NATIONAL AUDIT OFFICE

My No. PAL/F/CDA/01/2022/07

Date- August 22, 2023

Chairman
Coconut Development Authority

Report of the Auditor General on the Financial Statements of the Coconut Development Authority for the year ended 31 December 2022 and other legal and regulatory requirements as per Section 12 of National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Coconut Development Authority 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 Coconut Development Act No.46 of 1971, 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 Authority 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

1.2.1 Non-compliance to the Sri Lanka Public Sector Accounting Standards.

- a) The lands, buildings, machinery and equipment, motor vehicles and other equipment with a carrying value amounting to Rs. 707,590,167, which are to be presented as “Property, Plant and Equipment” in the Statement of Financial Position in terms of the Paragraph 88 of the Sri Lanka Public Sector Standard 01, had been erroneously named as “fixed assets.”
- b) Although making new investments and financing of investments have to be separately presented in the investment activities in the cash flow, making fixed deposits amounting to Rs.645,618,450 and financing of fixed deposits amounting to Rs.633,429,118 had not been disclosed so, and the net value of Rs. 12,189,332 of those two balances had been cited under the investment activities.
- c) Instead of mentioning an amount totaling to Rs. 246,881,564 including 13 fixed deposits amounting to Rs. 186,144,876 that are matured in three months or in a period less than that, 03 treasury bills with a value of Rs. 3,472,558, two savings deposits amounting to Rs. 57,264,130 as money and money equivalent in the Statement of Financial Position in terms of the Paragraph 9 of the Sri Lanka Public Sector Accounting Standard 2, it was stated as current assets.
- d) In terms of the Paragraph 6.5 of the Sri Lanka Public Sector Accounting Standard 7, due to the non-reviewing of the remaining value and the effective lifespan of a non-current asset, even though non-current assets totaling to Rs. 23,585,143 as furniture and fittings of Rs. 6,750,343, computer accessories of Rs. 9,091,286 and machinery and equipment amounting to Rs.7,743,514, which were totally depreciated by the end of the year under review, were being further used, the estimated error arisen accordingly, had not been adjusted and recorded in accounts in terms of the Sri Lanka Public Sector Standard 3.
- e) In terms of the Paragraph 86 of the Sri Lanka Public Accounting Standard 7, even though the useful lifespan or the used depreciation rate have to be disclosed in the financial statements, the depreciation rates of the laboratory equipment and security camera equipment have not been disclosed in financial statements.

- f) Not in conformity with the Paragraphs 39 and 40 of the Sri Lanka Public Sector Accounting Standard 12, the office land at Duke Street with a revaluated value of Rs. 340,000,000/- which had been given to the Authority on 99-year lease basis, was recorded in accounts of the Statement on Financial Position as the “Land” instead of leased assets. Also, it had not been disclosed any required revelations regarding the leased assets in accounts.
- g) The Authority had not recorded in accounts the Rathnapura land that had been obtained since the year 1987 on 99-year lease basis and Narahenpita Head Office land with an assessment value of Rs.121,544,000.
- h) In terms of the Paragraph 13 of the Sri Lanka Public Sector Accounting Standard 18, when it can be expected that economic benefits will flow into the entity in relation to the assets, it should be identified as a biological asset. However, although it had been identified one Jack and Kumbuk tree and 46 Teak trees with a timber value at Dunkannawa Estate owned by the Authority through the physical survey, the value of those trees had not been valued and recorded in accounts.

1.2.2 Accounting Lapses

- a) Due to the revaluation of the lease land located at Duke Street, Fort considering as a land belonging to the Authority, the land that had to be with a value of Rs. 36,050,400 as at December 31,2022 had been overstated by an amount of Rs.355,682,930 and recorded as Rs. 391,733,330.
- b) Even though the revaluated value of the buildings as at December 31,2022 was Rs.220,464,200, since it had been mistakenly cited as Rs. 216,668,700, it had been understated the value of the buildings by Rs.3,795,500 and building depreciation value by Rs.94,888.
- c) Since the amount of Rs.5,128,893, which was approved by the Board of Directors in the year 2022 to credit to the Desiccated Coconut Mill Development Fund from the fund maintained by the Coconut Development Authority for the development activities of the desiccated coconut factories Having charged from exporters at the rate of 20 cents for every 01 kg of desiccated coconut exported and by depositing those in the savings bank accounts opened for mill owners, had not been credited to that fund, the value of the fund was understated by that amount. Similarly, savings accounts had not been opened for three mill owners.

- d) As per the Board of Directors decision No. 609/PD/02 and dated December 27, 2022, although the approval of the Board of Directors had been received to grant an amount of Rs. 618,132 to a mill owner to install a metal detector machine, the said amount had not been granted in the year 2022, and also had not been recorded in accounts as a payable expenditure in the Financial Statements.
- e) Even though a balance of Rs. 6,006,609 had been denoted as “Advances received earlier” under current liabilities of the Statement of Financial Position as at December 31, 2022, action had not been taken to identify that income and accurately record in accounts.
- f) Although the fixed deposit value of the Account Nos 89704304 and 89704323 that mature in 03 months at BOC under fixed deposits as at December 31, 2022 were Rs. 12,618,450 and 50,000,000, due to the recording of the value at maturity as at January 11, 2023 amounting to Rs.13,313,398 and Rs.52,753,699 in the financial statements, it has been overstated the fixed deposit value by Rs.3,448,647, interest income by 1,382,008 and receivable deposit interest income by Rs.2,066,639.

1.2.3 Receivable and Payable Accounts

- a) A loan totaling to Rs. 58,265,037 has been outstanding over a period of 37 years by the end of year under review as the loan amounting to Rs.26, 715,037 granted in the year 1985 and the loan amounting to Rs.31, 550,000 that had been given in 2002 and 2004 from the Coconut Oil Price Stabilization Fund and the Capital Development Fund to the B.C.C Lanka Company together with the relevant interest amounting to Rs.60, 174,135.
- b) It had been paid an amount of Rs. 9,344,832 to the Rupavahini Corporation for the programs for promoting coconut milk, coconut flour, and coconut cream products among the customers, which was commenced by the Authority in the year 2014, yet telecasts had been done only for an amount of Rs. 2,284,800. However, action had not been taken to recover the amount of Rs. 7,060,032 or to telecast promotional activities for that amount, and had been stated in financial statements as miscellaneous debtors for over a period of 8 years.
- c) Action had not been taken to charge the total amount of Rs. 7,207,517 including Rs.5,814,594 as the desiccated coconut testing fee and water sample testing fee

NATIONAL AUDIT OFFICE

My No. PAL/F/CDA/01/2022/07

Date- August 22, 2023

Chairman
Coconut Development Authority

Report of the Auditor General on the Financial Statements of the Coconut Development Authority for the year ended 31 December 2022 and other legal and regulatory requirements as per Section 12 of National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Coconut Development Authority 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 Coconut Development Act No.46 of 1971, 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 Authority 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

1.4. Responsibility of Management and Controlling Parties for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial Statements that are free from material misstatements whether due to fraud or error.

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

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

It is essential to maintain books and reports on income, expenditure, assets and liabilities in proper manner enabling to prepare annual and timely financial statements of the Authority as per sub section 16 (1) of National Audit Act No. 19 of 2018.

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 skepticism 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 organization'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 Authority'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 Authority 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 communicated 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 includes specific provisions for following requirements.

2.1.1 Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, 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 Authority as per the requirement of the section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented by the Authority are 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 include all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018 excluding the 1.2.1 (d), 1.2.2 (e), 1.2.3 (a), (b), (c).

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 Authority has any direct or indirect interest in any contract entered into by the Authority which is 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 Authority has not complied with any applicable written law, general and special directions issued by the governing body of the Authority as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 To state that the Authority 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 Other than the following observations, to state that the resources of the Authority 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.

- a) A contract amounting to Rs. 4,998,000 had been granted to a private firm on 06th October 2021 without an agreement for building a digital outdoor advertisement board in front of the Head Office, Narahenpita, and provided an advance of Rs.999,600. Since the relevant task had not been completed as per specifications, this advertisement board is not operative, and the term of the performance bond amounting to Rs.249,900 obtained from the supplier also had been expired on January 08,2022.
- b) Even by the year 2022, stickers 3,251,722, *i.e.* 50% had been remained out of 6,588,831 stickers with a value of Rs.11, 639,811 printed from the year 2016 to 2018 with the objective of regularization of supervisory and regulatory tasks assigned to the Coconut Development Authority with regard to the coconut related products. It was observed at the audit that the funds of the Authority had been unproductively retained by printing a huge number of stickers at a single time without doing a proper evaluation on the requirement, and by storing those for years.

2.3 Other Matters

- a) Having charged Rs. 5 from one exported king coconut as per the Board of Directors Decision No. 559/ Marketing /05 dated February 12,2018, and Rs.10 from one exported king coconut as per the Board of Directors Decision No. 595/ Marketing /01

dated August 20, 2021 from the year 2019 to 2022, Rs.127,578,524 had been credited to a nursery project fund for promoting king coconut. Apart from the provision of 25 million rupees to the Coconut Cultivation Board in 2020 for the promotion of king coconut and the purchase of 20,000 seed coconuts by paying 1,456,000 rupees in 2022, no work has been done to fulfill the expected objectives of the fund; therefore, there was a balance of Rs. 101,122,525 of that fund as at December 31, 2022. Similarly, the amount of Rs.25 million provided to the Coconut Cultivation Board had also been invested in a fixed deposit by the end of year under review without allocating in the relevant task.

- o) It was observed that the Atomic Absorption Spectrophotometer, which identifies heavy metals of Zinc, Copper, Lead found in coconut water and waste water discharged from coconut manufacturing factories has been inoperative since 15th July 2022 due an error of nebulize device included in that equipment.
- o) The 04 storied office building consists with 17,866 square feet located at Duke Street Fort, which is belonging to the Authority had been valued at an amount of Rs. 340 million in the year 2022 by the Department of Valuation. The first floor with an extent 5,154 sq.ft has been underutilized since the year 2018, and the third floor consisting of 2600 sq.ft has been underutilized since the year 2020. In the remaining two floors of this premise, three divisions had been continued with 49 officials. The Head Office of the Authority is continuing in a building with an extent of 27,531 sq.ft located in Narahenpita. It is observed that measures have not been taken to utilize the excess space of this premise, which is with a commercial value of nearly Rs.340 million, for a useful purpose.
- i) According to the Handbook for Coconut Cultivation of the Coconut Cultivation Board, even though fertilizer has to be applied once in every six months after planning coconut seedlings, the last application of chemical fertilizers was done on October 13, 2020 for the 25-acre Dunkannawa coconut plantation. Accordingly, harvest of the 1,147 trees in 08 terms in the year 2021 of the Dunkannawa Estate was 72,460 nuts, and it was 65,365 in the year under review, and it was observed that was a 10% decline compared to the year 2021.
- o) Even though the vehicle bearing No. WP KI -2376 of the Authority had been released with a permanent driver for the use of State Minister for the Promotion of Coconut, Kithul, and Palmyra Cultivation and Related Industrial Goods Production and Export Diversification upon the request made by his Private Secretary from the Chairman through the letter No. MPI/AF/DH/BEW/2022/01/34 and dated January 18, 2022, the said vehicle had not been vested to the ministry in writing. It was observed at the audit that the relevant vehicle had been used for a conflict at the Ragama Medical Faculty, and at that moment, the vehicle had been operated by a driver of the Authority recruited on a temporary basis. Also, it was further observed that the

Coordinating Secretary of the Minister and ministry officials had used this vehicle for a distance of 719 Km within the period from December 04, 2021 to January 19, 2022.

- f) The High Performance Liquid Chromo to graph (HPLC), which was purchased from the year 2017 to December 31,2022 incurring a price of Rs.15,574,140 with the objective of examine sugar level, vitamin level, waste level (PAH) and to examine Alpha toxin level as per SLS 98:2013 in the exported desiccated coconut and coconut oil, was in an inactive status due to error reporting since the date of purchase, and purchasing of the equipment without completing the renovations of the laboratory and due to the vacancies in the post of analyst, and the warranty period of the equipment had also expired in the year 2018. Only 83 tests were done as at December 31, 2022.

- g) The approved cadre of the Authority as at December 31, 2022 was 259, and the actual cadre was 187. There were 72 staff vacancies, and although the posts of Director (Administration), Director (Processing Development), Director (Marketing International) and Internal Auditor were included within that, the Authority had not taken measures to fill those vacancies.

Sgd. by

W.G.C.Wickramarathna

Auditor General