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தெங்கு அபிவிருத்தி அதிகாரசபை
Coconut Development Authority

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வருடாந்த அறிக்கை
ANNUAL REPORT
2023

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விவசாய மற்றும் பெருந்தோட்ட கைத்தொழில் அமைச்சு
Ministry of Agriculture and Plantation Industries

Coconut Development Authority

Annual Report
2023

Ministry of Agriculture and Plantation Industries

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

Before the establishment of the Coconut Development Authority, it was initially set up as the Coconut Board. Later, it was decentralized into the Coconut Processing Board, the Coir Board, and the Coconut Marketing Board. Subsequently, all these entities were unified under the Coconut Development Authority, the principal statutory institution established under Section 24 of Chapter III of the Coconut Development Act No. 46 of 1971, which states that "an authority referred to as the Coconut Development Authority shall be established for the overall development of the coconut industry.

Subsequently, in 1980, the present institution known as the Coconut Development Authority was established as the principal organization related to the coconut and coconut products industry.

Furthermore, under the powers vested in the Coconut Development Authority, it functions as the principal organization associated with the coconut industry in areas such as processing, quality control and assurance, domestic and international marketing development, research, and assisting the Minister in formulating policies related to the industry. It also engages in regulatory functions, supervision, control, guidance, provision of technology, granting necessary approvals and funding for projects, and other related subsidiary tasks.

In addition, the Coconut Development Authority is entrusted with powers to oversee direct operational responsibilities such as development and facilitation of small, medium, and large-scale entrepreneurs engaged in the industry concerning processing, quality control, quality assurance, and marketing sectors. It also carries out supervisory and regulatory activities and assumes responsibility for the overall advancement of the industry.

In addition to supporting the Ministry in identifying and formulating key policies for the development of the coconut industry, the Coconut Development Authority plays an operational role in supervising and executing tasks related to the development of processing and marketing sectors within the coconut industry. To achieve these objectives, the Authority comprises five functional divisions: the Processing Development Division, the Quality Control and Quality Assurance Division, the Marketing Development and Research Division, the Finance Division, and the Administration Division. Each division is headed by a Director. Furthermore, the Engineering Division and the Internal Audit Division provide assistance to these functional divisions in carrying out their respective duties.

The Chairman functions as the head of the Authority, overseeing its operations and implementing the policies and programs formulated by the Board of Directors. These tasks are executed through the Director General, who coordinates with the heads of all divisions. The approved cadre of the Authority is 259 employees. In 2023, the actual workforce comprised 188 employees, of whom 31 were in managerial positions.

Chairman's Review

The Coconut Development Authority holds the primary responsibility of increasing the coconut industry's contribution to Sri Lanka's Gross Domestic Product, functioning as the main regulatory body for the coconut industry. This involves overseeing production processes from small - and medium - scale to large - scale enterprises, introducing advanced technological methodologies, providing laboratory services, and expanding domestic and international market opportunities.

A significant achievement this year was the establishment of an agreement between Sri Lanka and the Kingdom of Saudi Arabia regarding quarantine protocols for the exportation of coconut husk substrates. This agreement has enabled broader market access for these products. Concurrently, relationships were strengthened with the Hainan Province of China, allowing the acquisition of necessary technical knowledge to enhance the production volume of value - added coconut - based products.

Domestically, efforts included the establishment of a new coconut triangle in the Northern Province, the initiation of a mother palm cultivation program for king coconuts, and the development of a laboratory for tissue culture to produce high-quality seedlings. Financial assistance was extended to partner institutions for these initiatives.

Through these endeavors, the coconut-based product exports for 2023 brought in over USD 700 million in revenue. This strong foundation sets the stage for further revenue growth in the coming years. Moving forward, the Authority plans to leverage biotechnology, modern production techniques, and artificial intelligence to guide Sri Lanka's coconut industry onto a new trajectory. I firmly believe the work accomplished this year will contribute significantly to achieving this vision.

Professor Roshan Perera
Chairman

Director General's Review

The Coconut Development Authority is the primary statutory institution established to develop Sri Lanka's entire coconut industry. Its core responsibilities include overseeing, regulating, and ensuring quality control within the coconut-based product manufacturing industry, facilitating all services related to exports, and promoting coconut-based products both locally and internationally. As the regulatory body for the coconut industry, the Authority plays a pivotal role in supporting coconut - based industries by conducting training programs, identifying entrepreneurs, and facilitating market connections, especially for individuals in rural areas engaged in or interested in the coconut industry.

Approximately 60% of Sri Lanka's total coconut production is consumed domestically, while the remainder is utilized in export-oriented industries. These industries produce products such as coconut milk, desiccated coconut, powdered coconut milk, coconut oil, and coconut cream. The coconut industry also produces a wide range of diversified value - added products to meet the demand for high - quality goods in international markets, thereby expanding market access globally.

Sri Lanka annually exports approximately 14,127,000 whole coconuts and 12,909,100 king coconuts, demonstrating positive growth compared to previous years. Beyond traditional coconut products, items such as coconut shell charcoal and activated carbon have gained prominence in export markets. Although a decline in export revenue was noted in comparison to the previous year, coconut shell - related products have made a significant contribution to export earnings. Despite the adverse impact of global economic challenges on Sri Lanka's export sector, the coconut industry achieved an export revenue of approximately LKR 228,720 million (USD 700 million) in 2023.

The traditional *"Coconut Triangle,"* comprising Kurunegala, Puttalam, and Gampaha, remains the region with the highest density of coconut cultivation and coconut - based industries. Additionally, in celebration of International Coconut Day this year, the Authority successfully established a new coconut triangle in the Northern Province, encompassing Jaffna, Mannar, and Mullaitivu districts, with financial assistance provided by the Authority.

To revitalize Sri Lanka's coconut industry, the Authority envisions utilizing modern technology, prioritizing high - demand products for foreign markets, and increasing its contribution to the country's Gross Domestic Product through enhanced agricultural practices. The Coconut Development Authority strives to be the leading institution driving these advancements and ensuring sustainable growth in the industry.

Janaka Premarathne
Director General

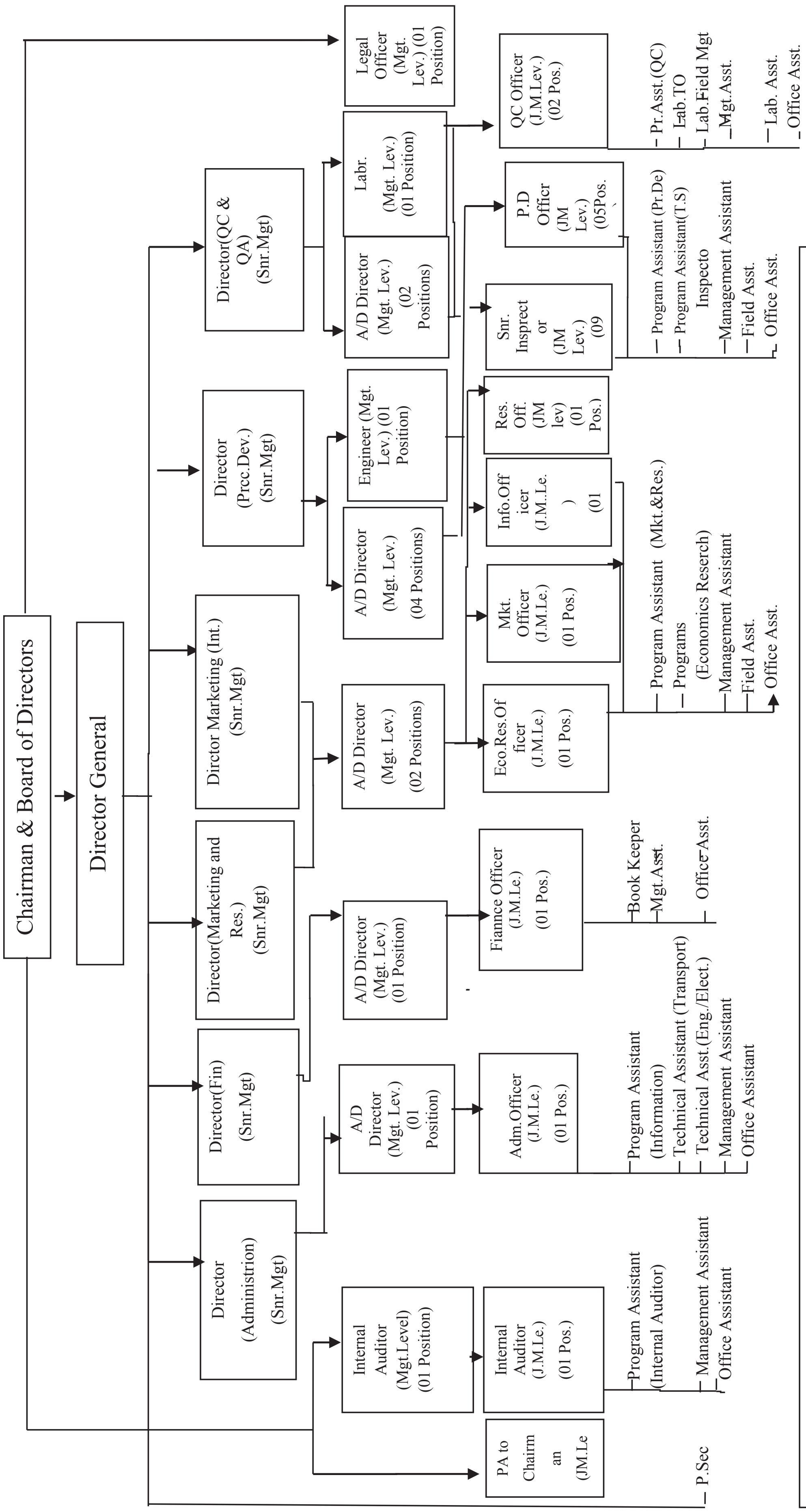
Members of the Board of Directors from January – December 2023

• Professor Mr.Roshan Perera	-	Chairman
• Mrs. M.C.N.Balasooriya	-	Representative of the Ministry of Finance
• Mr.N.S.Wanasinghe (From 23.05.2023) • Mrs. K.M.B.T.Karunasena (From 22.05.2023)	}	Representative of the Ministry
• Mr. Samarasena Kalahewatta (From 07.09.2023)	-	Member
• Mr. Priyalath Kimbiyahettige	-	Member
• Mr. Upali Dammika De Silva	-	Member
• Mr. A.S.B.Nagahapitiya	-	Member
• Mr. T.M.Jude Anton Pieris	-	Member

Heads of Divisions including the Chairman

Professor Mr. Roshan Perera	-	Chairman
1. Mr. Janaka Premarathne	-	Director General
2. Mrs. S.S.Purasinghe	-	Director (Quality Control & Quality Assurance)
3. Mrs. M.P.Sandhaya Kanthi	-	Director (Finance)
4. Mr. P.A.K.S. Samarawickrama	-	Director (Marketing Development and Research) (Upto 03.09.2023)
Mrs. H.M.D. Wasula Herath	-	Director (Marketing Development and Research) (From 07.09.2023)
5. Mr. A.R. Kulathunga	-	Director (Administration) (From 08.05.2023)
Mrs. S.W.Rasika	-	Director (Administration) (Upto 07.05.2023)
6. Mr. E.W.D.V.U.Ramyadasa	-	Director ((Processing Development) (From 01.01.2023)
7. Mr. W.M.T.S.Weersuriya	-	Internal Auditor (Upto 01.03.2023)
Miss. T. I. Buddhika Ananda	-	Internal Auditor (From 16.03.2023)

Organization Chart as at 2023.12.31



Abbreviations :

1. Snr. Mgt.. – enior 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.Offi- Economic Reserch Officer
7. Pro.Dev.Off. – Proccessing Development Officer
8. QC Officer – Quility Control Officer
9. JM Le. – Junior Management Level
10. Mkt.Dev.&Res. – Marketing Development & Research
11. QC & AC Quality Control and Quality Assurance Division

Contents

01. Processing Development Division

According to Section 20 of the Coconut Development Act No. 46 of 1971, the objectives of the Coconut Development Authority, as assigned to the authority through an order published in the Gazette, include overseeing the production processes, industrial activities, and the export and domestic marketing of coconuts and coconut-based products. These tasks, along with the development of the industry, are carried out by the Planning and Development Division.

Under this framework, as in the previous year, the Planning and Development Division prepared plans in 2023 primarily to achieve the following objectives:

1. Supporting the export of coconut-based products by assisting in production, regulating processes, and ensuring that the products meet domestic and international standard specifications.
2. Contributing to the development of the traditional coconut industry, including the use of modern technology and developing infrastructure through the Coconut Development Fund.
3. Establishing and maintaining quality standards for coconut-based products manufactured in and exported from Sri Lanka.
4. Providing technical and financial support for the production of value-added coconut products.
5. Enhancing productivity and efficiency, improving output, and minimizing unit costs by providing operational and capital facilities for coconut-based products.
6. Motivating producers towards new trends, technology, and research, and directing industry stakeholders towards local and international technologies through training programs and staff development initiatives.
7. Supporting the establishment of formal processes in unregulated coconut-based industries.

   Through these plans, based on the mission and vision of the Coconut Development Authority, the focus was on sustainable development, improving product quality, and increasing targeted export revenue.

Accordingly, the Planning and Development Division implemented the following programs in 2023 to execute the above-mentioned plans.

1. Registration as a Coconut - Based Industry Manufacturer

The primary objective of this initiative is to guide industry stakeholders to operate their businesses in compliance with the country's existing laws and regulations. In 2023, as in the previous year, coconut-based manufacturers and processors were granted a one-year period from the date of registration. To facilitate the registration process, an online system was introduced, enabling manufacturers to submit their applications conveniently.

For all coconut kernel-based products (excluding traditional coconut oil, copra, coconut treacle, and coconut sugar), obtaining the ISO 22000:2018 Food Safety Management System certification was made mandatory. Similarly, all desiccated coconut by-product producers were required to obtain Good Manufacturing Practices (GMP) certification. The manufacturers who fulfilled these requirements registered with the Authority as outlined below.

Table 1: Registration of Industrialists 2023

	Product Category	2021	2022	2023
1	Desiccated Coconut	44	49	53
2	Creamed Coconut	18	16	15
3	Coconut Cream	13	16	20
4	Copra Oil	133	110	146
5	Virgin Coconut Oil	49	47	48
6	White Coconut Oil	60	81	83
7	MCT Oil	02	03	03
8	MCT Powder	02	01	02
9	Industrial Coconut Oil	05	06	05
10	Coconut Water	24	25	20
11	Coconut Vinegar	01	01	01
12	Paring Coconut Oil	47	34	29
13	Coconut Milk	26	28	28
14	Powdered Coconut Milk	06	06	07
15	Coconut Milk Related Products	06	07	08
16	Coconut Butter	08	09	09
17	Coconut Sugar	08	07	09
18	RBD Coconut Oil	10	10	07
19	Coconut Toddy	01	01	01
20	Emollient gel	01	01	01
21	Copra	27	27	19
22	Coconut Spread	05	05	04
23	Desiccant Coconut Repack	08	08	14
24	Coconut Syrup	03	03	02
25	Scraped Coconut	01	01	03

26	Coconut Treacle	11	09	09
27	Coconut Milk Processor	02	03	03
28	Coconut Amino	06	08	06
29	Coconut Jam	01	01	01
30	Desiccated coconut (Flakes)	01	01	01
31	Coconut Water Powder	02	02	02
32	Virgin Coconut Oil Powder	01	01	01
33	Virgin Coconut Oil (With Brown Testa)	02	01	00
34	Desiccated coconut (Flakes –With Brown Testa)	02	03	06
35	Coconut Flour	16	13	17
36	Coconut related Alcohol	03	04	04
38	Coconut Sambal	01	01	01
38	Activated Carbon	09	09	09
39	Value added Active Carbon	01	01	00
40	Fibre/ Fibremills	226	217	148
41	Coconut Shell Charcoal Chips	06	09	07
42	Hub Operator	01	01	01
43	Coconut Shell Charcoal	30	32	32
44	Coconut Shell Pieces/ Powder	06	05	07
45	Ornamental Products based on Coconut Shells	11	07	07
46	Finished Goods	125	111	108
47	Coir substrate	139	139	168
48	Fibre intermediate products	47	53	50
49	Other	09	09	35
	Total	**1166**	**1143**	**1160**

Compared to the previous year, a slight increase in product registrations is observed. Similar to previous years, it has been mandated that products intended for export must be purchased from manufacturers registered with the Authority. As a result, over 75% of the registrations were completed during the first quarter of the year.

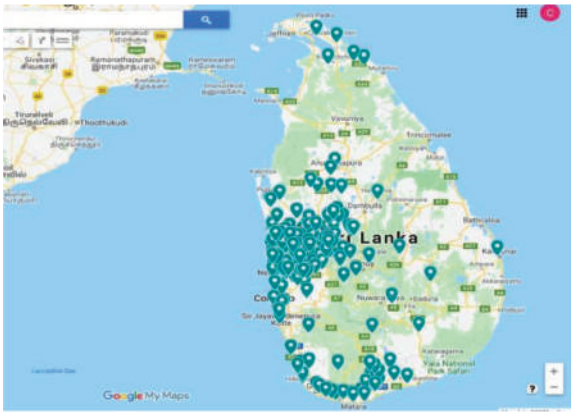


Figure 1: Expansion of coconut kernel related industries

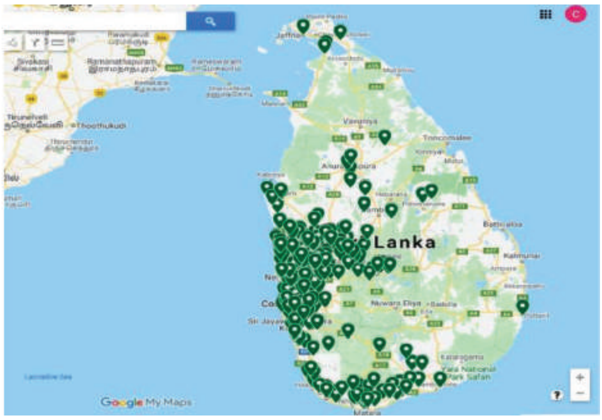


Figure 2: Expansion of coconut husk related products

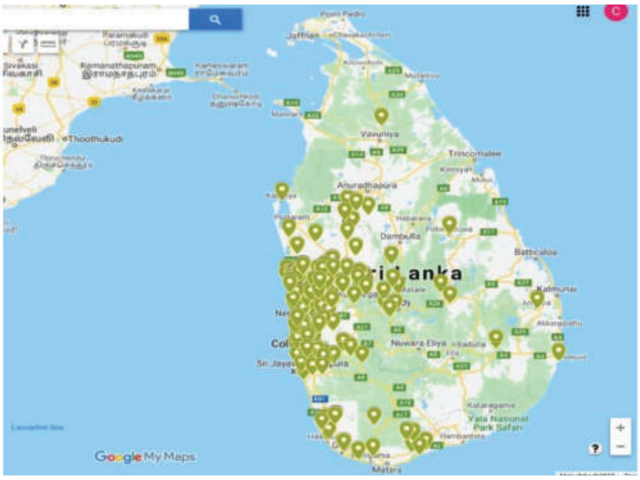


Figure 3: Expansion of coconut shell related products

2. Facilitating the Expansion of Industries in Proportion to the Growth of Coconut Cultivation When Establishing New Coconut-Based Industries.

With the objective of expanding industries in proportion to coconut cultivation, the Authority supported granting approval for starting new businesses only after assessing the potential for establishing such industries in the relevant area. Based on this request, in 2023, the Coconut Development Authority issued letters of no objection to 214 entrepreneurs who applied for registration certificates from Divisional Secretariats to establish coconut-based industries.

Accordingly, the distribution of coconut-based entrepreneurs who received recommendations for business registration in 2023, categorized by district and the type of coconut-based industry applied for, is as follows.

Table 2: Permission granted for registration of business names in the year 2023

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	District/ Product
Kurunegala	1	9	8	19	32	1	1	2			6	15	22			8	1	125
Colombo				2										1				3
Gampaha			2	11	2					1		6				2		24
Galle			1	17	1				1		1			1		3		25
Kandy																1		1
Puttalam			2	3	4							1						10
Polonnaruwa			1															1
Badulla																		0
Matara	2		2	6	1						1	2			1			15
Hambantota			1	6	1	1		1										10
Total	**3**	**9**	**17**	**64**	**41**	**2**	**1**	**3**	**1**	**1**	**8**	**24**	**22**	**2**	**1**	**14**	**1**	**214**

When establishing new coconut-based industries outside the Coconut Triangle, the Coconut Development Authority aims to encourage entrepreneurs to utilize coconuts produced in these areas for industrial purposes. To achieve this, field officers are expected to provide guidance and technical knowledge, and the new industries are to be registered with the Coconut Development Authority.

3. Inspection of coconut-based industries for regulatory purposes involves obtaining samples from production/export batches, directing them for analysis, and providing necessary guidance based on the findings.

This task can be identified as one of the primary responsibilities entrusted to the authority. Accordingly, the Planning Division of the Coconut Development Authority, as in previous years and in 2023, carried out the inspection of coconut-related industries, sample collection, directing them for analysis, and providing technical guidance to industrialists as necessary. Registered production establishments of the authority are inspected at the time of registration, and depending on the type of production, these industries are inspected daily, monthly, and quarterly. In this process, random inspections are conducted by the Planning and Development Division, which collects samples and directs them to the authority's laboratory for analysis. Based on the results of these analytical reports, technical guidance is provided to industrialists through field officers.

This year, a total of 8,380 samples of various products were collected and directed for analytical procedures. Based on these analyses, actions were taken to improve the quality of the respective products. Through this process, the authority's primary expectation is to introduce competitive products to the global market.

In addition to primary inspections, the Planning and Development Division contributed to audit processes for obtaining international quality certifications such as the ISO:22000 Food Safety Management System for coconut water-related industries and the Good Manufacturing Practices (GMP) certification systems for non-coconut water industries. These efforts aimed to enhance the quality of production processes and final products, thereby contributing to gaining international recognition for these products. When audits are conducted by certification bodies accredited by SLAB (Sri Lanka Accreditation Board) and IFA (International Accreditation Forum), the authority designates a trained field officer to represent it in the audit process. Based on the observation reports prepared by these officers, necessary actions are directed to address weaknesses identified in the respective establishments. By the end of 2023, audits were conducted for 38 industries seeking ISO 22000:2018 certification and for 64 industries aiming for GMP certification.

The inspection of imported and exported coconut oil under the TIEP mechanism was also carried out through the Planning and Development Division. In this process, samples from 251 consignments were directed for laboratory analysis. By the end of 2023, approximately 15,000 inspections had been conducted by field officers of the Planning and Development Division.

4. Guiding industrialists to maintain the standards and specifications of coconut-related products through the issuance of microbiological and physical condition certificates.

Through the services provided by the Service Integration Unit of the Planning and Development Division, exporters are facilitated to carry out export procedures more efficiently by obtaining these certificates during the export of their products. Since the issuance of these quality certificates is directly linked to the analytical specifications of the products, it consistently motivates them to produce high-quality products.

In 2023, a total of 31,927 metric tons of desiccated coconut was produced, with 7,507 daily samples of desiccated coconut received by the Planning and Development Division for microbiological and physical parameter analysis. Based on these analyses, 3,516 export certificates were issued.

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

Certificate Type	No. of Issued Certificates	
	2022	2023
Free from Salmonella	456	1639
physical condition analysis	456	1639
free from Aflatoxins	113	101
free from Sulfur Dioxide	119	137
Total Count	**1,144**	**3,516**

In addition, based on the results of the analysis of coconut-related product samples submitted by exporters and manufacturers as required, and directed to the laboratory, the following analysis reports and certificates have been issued according to the records.

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

Type of Product	No. of Reports Issued		
	2021	2022	2023
Fibre/ Coir Dust	437	337	347
Coconut Oil	411	294	269
Desiccated Coconut	11	06	-
Defatted Desiccated Coconut	14	25	61
Coconut Milk	-	03	26
Poonac	14	09	-
Coconut Cream	03	03	02
King Coconut	06	01	-
Coconut Water	04	04	-
Coconut Husk Charcoal	02	02	07
Coconut	01	-	-
Other	-	-	**10**

5. Skill development for the efficient and productive employment of officers in the planning and development sector and technical service officers engaged in industries.

In the year 2023, seven training courses were conducted for officers in the planning and development sector, and four training courses were conducted for industrialists engaged in coconut-based production. These were facilitated by institutions such as the Sri Lanka Standards Institute (SLSI), Sri Lanka Accreditation Board (SLAB), United Nations Industrial Development Organization (UNIDO), SGS Institute, and the National Institute of Plantation Management (NIPM). Among these training programs, the courses provided by UNIDO and SGS were offered free of charge, while the authority incurred expenses only for the other courses.

These training programs included technical training courses, export-related training courses, and office operations training courses, with detailed information provided below.

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

Training Program	Conducted Institute
ISO 17025:2017	United Nations Industrial Development Organization (UNIDO)
Certificate in Quality Management	Sri Lanka Standards Institute (SLSI)
Workshop In File Management	National Institute of Plantation Management (NIPM)
Coconut Cultivation & Management	Coconut Cultivation Board (CCB)
ISO 171020:2017 Internal Audit	Sri Lanka Accreditation Board (SLAB)
ISO 17020:2012	United Nations Industrial Development Organization (UNIDO)
ISO 50001- Energy Management System Introduction.	SGS Institute

In addition to the program aimed at enhancing the technical knowledge of officers in the Processing Development Division, the following programs were conducted to improve the knowledge of industrialists based on the Coconut Triangle.

Table 6: Awareness Provided to Industrialists

Awareness Program	Area
Awareness program for industrialists on the rules, regulations, and guidelines issued by the Authority.	Gampaha
The program to raise awareness among industrialists about the laws, regulations, and guidelines issued by the authority.	Kurunegala
The awareness program for industrialists on the rules, regulations, and guidelines issued by the authority.	Puttlam
Progress of coconut exporters and plans for the upcoming year.	Puttlam

6. 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.

The international standard certification system, ISO 17020:2012, serves as the quality assurance framework for obtaining sampling and conducting inspections for refined coconut production. This standard outlines the necessary requirements to support the systematic operation of inspection bodies. It is designed to ensure that the inspection processes carried out by these organizations are conducted impartially and consistently. By adhering to this standard, inspection bodies can maintain compliance in their activities, thereby promoting reliability and building trust in their operational practices.

Accordingly, the Standards Development Division initiated activities to obtain the compliance certification for sampling and inspections of refined coconut. As a result, the compliance certification (ISO 17020:2012) was obtained by the Standards Development Division on March 1, 2020. This certification plays a crucial role in preventing deviations and problematic conditions in the final product. Since three years had passed since obtaining the certification, a renewal audit was conducted on December 21 and 22, 2022, to update the certification, ensuring its continued validity for future operations.

In addition, during the year 2023, activities were undertaken to obtain compliance certification not only for refined coconut products but also for fresh coconut oil, coconut water, coconut milk, and coconut-based substrates such as coir pith. This represents a scope expansion of the compliance certification program. Relevant manuals, documents, and records are being prepared for these products with the participation of officials who attended the aforementioned training programs.

For the certification-related activities of the Standards Development Division, officers from the Inspection Unit, senior inspectors, and inspectors were involved in training programs conducted by the Sri Lanka Accreditation Board (SLAB), the Sri Lanka Standards Institute (SLSI), and UNIDO. Additional relevant training programs are planned for the future to further enhance their competencies.

7. Implementing programs to guide and support industrialists in producing standardized coconut oil, along with initiatives to raise consumer awareness about the consumption of high-quality coconut oil.

The widely used method for rural coconut oil production is the oil extraction method using copra. However, the use of poor quality, mold-infested copra that is not up to standard results in the production of coconut oil that is also substandard and unsuitable for consumption. Furthermore, the production of coconut oil without using proper technical methods leads to a significant loss of coconuts that could be used in other industries.

It has also been confirmed that the coconut oil sold in the market for consumer use contains aflatoxin, a toxic chemical. The consumption of such contaminated and substandard food products has been proven to cause an increase in various non-communicable diseases, leading to greater public concern regarding the quality of coconut oil.

As a result, the identification of high-quality coconut oil in the market and encouraging coconut oil producers to manufacture products of superior quality became a target. In 2019, efforts were made to introduce a 5-star certification for coconut oil. Accordingly, as of now, 17 coconut oil industries have received the star certification, but it is not enough to meet the market demand. A key issue identified is that only a limited number of facilities are eligible to obtain the star certification, and most industries fall short of the required standards. This highlighted the importance of raising awareness among manufacturers about producing standardized coconut oil.

In 2023, training programs on producing high-quality coconut oil were organized at the district level to encourage rural coconut oil producers to improve their production and adopt advanced technological methods. These programs were held in eight districts: Kurunegala, Kandy, Matale, Anuradhapura, Polonnaruwa, Matara, Ratnapura, and Kegalle. Seven workshops were conducted, and 451 producers participated.

The focus of the program was on identifying weaknesses in rural coconut oil production and improving them using new technological methods, promoting the use of environmentally friendly energy, and encouraging the public to show interest in clean, standardized coconut oil packaged according to the expected food safety regulations.

In addition to raising awareness, data collection for future follow-up actions was also expected, along with encouraging manufacturers to register with the Coconut Development Authority. Through this, a nationwide database of coconut oil industries is expected to be established, and a structured system will be developed to obtain accurate production data.

Figures 4, 5: Participation of coconut oil manufacturers in the training programs.

Coconut Oil Standard Specification

(i) The standard analysis procedure for coconut oil manufacturing establishments registered with the Coconut Development Authority.

As part of the coconut oil manufacturing registration program implemented by the Standards Development Division, in 2023, a total of 153 establishments registered with the Authority were utilized to assess the quality of coconut oil produced, in accordance with Sri Lanka Standards Institute's SLS 32:2017. The analysis focused on testing aflatoxin levels in the coconut oil.

Based on the findings from the analysis of the samples from these establishments, corrective measures were recommended to address any deviations from the Sri Lankan standards. The relevant manufacturers were directed to take corrective actions. Moving forward, further activities under this program will be carried out in 2024, based on the detailed analysis and findings.

(ii) Inspection of coconut oil sold in the market.

To assess the quality of coconut oil sold for consumption in the market, 101 samples of coconut oil were tested across districts in Sri Lanka during the year 2023.

Accordingly, based on the inspection reports of the randomly collected samples of coconut oil sold in the market in 2023, the status is as follows:

Table 7: Summary of Coconut Oil Analysis Data

Number of samples tested	101	-
Number of samples conforming to standards	62	61%
Number of samples not conforming to standards	39	39%
Number of samples exceeding the permissible range of aflatoxin levels	25	25%
Total number of samples containing aflatoxins	62	61%
Number of samples without aflatoxins	39	39%
Number of samples adulterated with other substances	20	20%

According to the above sample inspection results, it is observed that 25% of the coconut oil sold in the market contains aflatoxins exceeding the permissible standard limits, while 61% contains aflatoxins to some degree. Notably, coconut oil sold in rural areas contains a higher concentration of aflatoxins compared to urban areas. Based on this analytical data and the expected outcomes of the program planned for implementation in 2024, the authority aims to formulate and implement policy decisions regarding coconut oil production accordingly.

(iii) Star Labeling for Coconut Oil: Model Analysis

In 2019, a five-star labeling system was introduced for coconut oil, aimed at identifying high-quality coconut oil available in the market and encouraging manufacturing facilities to produce superior-quality products.

Figure 6: Label Awarded for Standardized Coconut Oil

In addition to the parameters of the samples tested, the production process is also inspected, and the five-star label is awarded based on the following criteria:

1. The coconut oil is free from rancidity.
2. It is not adulterated with other types of oils.
3. It does not contain harmful levels of aflatoxins.
4. No chemical substances are used in the production process.
5. The manufacturing facility and production process comply with the rules and regulations of the Coconut Development Authority (e.g., the use of drying machines for proper drying of copra is essential).

Based on these criteria, suitable manufacturing facilities are identified. As of now, 17 establishments have been awarded the star label certification. The coconut oil produced and packaged by these certified establishments is allowed to carry the star label on its packaging.

Accordingly, a project aimed at directing manufacturers towards the production of standard-compliant palm oil and thereby promoting the palm oil industry, while focusing on the final consumer, was continuously implemented in 2023. This project involved the issuance of a 5-star certification logo for palm oils released into the market, taking into account the production process and overall standards.
In 2023, 18 entities were examined for the star rating. Additionally, 4 organizations completed and submitted applications for the star rating. By the end of 2023, one of these organizations met the necessary qualifications to obtain the star rating.

8. Preparation of Product Specification for export products without HS Code.

During the export of palm-related products that do not have HS codes, the export is carried out using alternative HS codes. This makes it impossible to calculate export quantities, income from production, and total export income from palm-related products for the government. Additionally, there is a risk of revenue loss for the government, and approval from the Palm Development Authority is required for every palm-related export through the ASYCUDA system. In the case of exporting products without fixed HS codes, it is also not possible to obtain approval from the Palm Development Authority. Based on these factors, the Palm Development Authority has prepared the necessary documentation to assign HS codes for the following products.

1. Low Fat DC
2. Coconut Sugar
3. Medium Chain Triglyceride coconut oil/ powder
4. Creamed Coconut (defined as Coconut paste in SLS Standard)
5. Coconut syrup
6. Coconut Water (Value added)
7. Grated coconut
8. Coconut Smiles

In this context, the preparation of basic product specifications was carried out by a committee consisting of the Palm Development Authority, the Sri Lanka Standards Institute, the Industrial Technology Institute, the Palm Research Institute, and industry representatives.

Based on these products and export requirements, basic documents for 12 products have been prepared to date.

9. The implementation of subsidized loan schemes in collaboration with the People's Bank and the Regional Development Bank aims to promote industry development by offering lower interest loans and providing interest benefits.

In partnership with the People's Bank, the "Kapruk Nipayum Diriya" loan scheme was established under a memorandum of understanding signed on 16th May 2012, and in collaboration with the Regional Development Bank, the "Kapruk Jaya Isura" loan scheme was established under a similar memorandum signed on 25th February 2015. These schemes were introduced to attract small and medium-scale industrialists and develop the palm-related industry by providing low-interest subsidized loans.

Under the "Kapruka Nipayum Diriya" loan scheme of the People's Bank, the loan amount is arranged for the industrialist to repay in 60 installments under commercial interest rates. After the industrialist repays each installment and confirms the proper execution of the task, the Palm Development Authority reimburses the interest at 6% per annum to the industrialist through the bank by the end of the year. Similarly, under the "Kapruka Jaya Isura" loan scheme of the Regional Development Bank, the loan amount is provided directly to the industrialist at an annual interest rate of 6%. Both of these loan schemes are considered post-financing schemes.

The interest amount repaid to the People's Bank under the "Kapruka Nipayum Diriya" scheme is a current expense for the Palm Development Authority. However, under the "Kapruka Jaya Isura" scheme of the Regional Development Bank, the industrialists pay the interest directly to the bank at 6%, and this interest is not a current expense for the authority. Instead, the authority reimburses 3% of the interest rate (half of the 6% paid by the industrialists) to the bank.

Additionally, under the memorandum of understanding signed between the Palm Development Authority and the Regional Development Bank on 4th June 2020, efforts have been made to increase the loan amount from Rs. 20 million to Rs. 35 million. Industrialists who had previously received loans up to Rs. 20 million were provided with additional funds up to Rs. 35 million during the year 2020. Currently, the "Kapruka Nipayum Diriya" loan scheme is no longer operational with the People's Bank, and only interest repayments are being made by industrialists who had received loans.

The details of the industrialists who received loans under these two loan schemes are as follows.

Table 8: Total Progress of Loan Scheme

Year	People's Bank		Regional Development Bank		Total	
	Quantity	Loan Amount (Rs. Million)	Quantity	Loan Amount (Rs. Million)	Quantity	Loan Amount (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
2023	00	00	67	65.15	67	65.15
Total	**179**	**114.58**	**262**	**312.64**	**441**	**427.22**

Table 9: According to the industry

Type	Kernel based industries		Type	Non-kernel based industries	
Coconut oil	39	58.2	Fibre	23	34.32
			Charcoal	05	7.4
Total	**02**	**58.2**	**Total**	**28**	**41.72**

Table 10: Payment of interest concessions relevant to the years 2022 and 2023

Year	Reccomendation of Bank						Reccomendation of Authority			
	The number of interest rebates		Loan Amount (Rs. Million)		The interest subsidy (Rs. Million)		The number of interest rebates paid		The amount of interest rebates paid (Rs. Million)	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
1st Quarter	16	13	14.14	12.21	0.134	0.077	07	06	0.081	0.041
2nd Quarter	13	12	12.15	11.21	0.134	0.089	08	08	0.092	0.069
3rd Quarter	14	10	17.05	10.36	0.122	0.046	10	04	0.114	0.025
4th Quarter	15	-	13.71	-	0.107	-	10	-	0.085	-
Total	**58**	**35**	**57.05**	**33.78**	**0.497**	**0.212**	**35**	**18**	**0.372**	**0.135**

Table 11: Summary of the payments made to the People's Bank as concessions in year 2022 and 2023

Year	2022	2023
Interest recommended by the Bank	0.497	0.212
Payment by the Authority	0.372	0.135
Payments made on the recommendation of the Bank as a percentage	74.84%	63.67%

Table 12: Details of the repayment of the 'Kapruka Nipayum Diriya' Loan Scheme of the People's Bank

Year	The beneficiaries of the loan		Cash settlement		Outstanding loan amount Rs. million	
	No. of Applicants	Loan Amount Rs. Million	No. of Applicants	Loan Amount Rs. Million	No. of Applicants	Loan Amount Rs. Million
2012	17	11.99	16	9.99	01	2.00
2013	67	47.35	67	47.35	-	-
2014	40	19.67	38	18.74	02	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	1.00
2018	08	7.66	-	-	08	7.66
2019	07	5.05	-	-	07	5.05
2020	01	1.00	-	-	01	1.00
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
Total	179	117.26	139	84.52	40	32.74

Table 13: Progress of "Kapruka Jaya Isura" Loan Scheme - 2023

Number of applications received by the Authority on 31.12.2023	67
Number of loan applications granted in 2023	35
The amount of the debt involved	65,158,000.00

Workshops were held regarding two credit proposal schemes and the services provided to the industrial sector by the authority, focusing on how industries could enter the sector by starting coconut and coconut shell businesses at a household level.

Additionally, discussions were held regarding the progress of the credit proposal schemes and the challenges that arise when implementing them in relation to banks. Progress review meetings were conducted at the district level to assess the advancements made by entrepreneurs through these credit proposal schemes.

Furthermore, as the registration with the authority is a basic requirement for the implementation of these credit proposal schemes, there has been an increase in the number of new registrants who seek loans. This means that, through the implementation of credit proposal schemes as well as other assistance proposals, entrepreneurs are also being directed toward registering with the authority, which has become somewhat indirect.

This year, one of the sectors that sought credit funds the most was the coconut oil industry. During this period, the purchase of new machinery and the establishment of new coconut oil businesses took place. Upon reviewing the reports of field officers, it was evident that this industry has made significant progress and is focusing on higher-end production. Moreover, there has also been increased interest in obtaining bank loans for the coconut industry this year.

10. Training programs, technical exchange programs, provision of equipment, connecting with product buyers, and post-processing activities have been implemented to introduce higher-value products for informal industries.

Coconut-related products are produced both formally and informally, with approximately 10% of the export income generated from informal production.

Informal coconut and coconut-related industries lead to the production of lower-quality products and result in wastage of raw materials. To minimize this situation and enhance the rural economy, programs were conducted in various areas to start coconut-related production. This includes the production of coir products, mats, and ropes, as well as the production of coconut charcoal, all at a household level. In rural areas, individuals with lower incomes who expressed interest in coconut-related production were selected, provided with technical knowledge about these products, and organized into groups, connecting them with buyers to carry out these projects.

In line with the concept of a new coconut triangle for the Northern Province, the authority's goal is to initiate and expand industries relative to coconut cultivation. The spread of coconut cultivation, coconut harvests, and industrial growth in the Northern Province can be illustrated as follows

Table 14: The expansion of industry in the Northern Province compared to the cultivation of coconuts.

District		Population households	Coconut Plantation Acres	The coconut harvested nuts. Million. (2021)	The size of the registered industries in the CDA
01	Jaffna	184,416	16279	32.51	02
02	Kilinochchi	118,906	4,318	38.44	07
03	Vavuniya	171,511	9,319	9.92	02
04	Mulathivu	91,947	10,819	24.92	01
05	Mannar	99,051	7,027	7.88	0

Accordingly, a project was initiated in collaboration with Hekab Private Company and the Vishvamadu Civil Defense Force (Kilinochchi) to produce charcoal from coconut shells through an environmentally friendly coconut shell incinerator, utilizing the coconut shells currently going to waste in the area. This aims to direct the existing coconut shells in the region towards industrial use and to uplift the economic status of the local population through the sale of coconut shells.

Figure 7, 8 : Built-in eco-friendly combustion stove

Furthermore, technical exchange programs were conducted focusing on the Northern Province. Through these initiatives, handloom production was started using the coir fibers available in the region, along with adding value to these fibers to manufacture decorative carpets.

Figure 9, 10 : Training program in the production of decorative rugs

Furthermore, a program was launched focusing on the Northern Province with the aim of reintroducing bread-fruit as a substitute for imported jackfruit among the people. Accordingly, technical exchange programs were also conducted to support this initiative.

Figure 11, 12: Finger broom manufacturing training program

In the Uva Province, focusing on the Monaragala District, a project was initiated for the production of traditional brooms. For this purpose, 10 broom-twisting equipment sets were provided. A total of 452 beneficiaries benefited from this comprehensive program.

02. Quality Control and Assurance Division

The Quality Control and Assurance Division undertakes several critical responsibilities to ensure the quality and safety of coconut-based export products. These include laboratory testing to certify the quality of export batches, conducting laboratory analyses to meet various client requirements, and maintaining tasks aligned with ISO:17025 accreditation standards to provide internationally recognized laboratory testing services. Additional activities include engaging laboratory staff in subject-specific training programs, operating a mobile laboratory service on a monthly schedule to inspect production processes at coconut production facilities, conducting sample tests, providing guidance on meeting standards, and performing swab tests to identify specialized areas as per industry needs. The division also carries out laboratory testing for samples collected under the Coconut Processing Factory Regulation activities conducted by the Development and Regulation Unit.

All samples tested at the Quality Control Division are forwarded by the Development and Regulation Unit or sourced from the mobile laboratory. After completing analyses, all test reports are sent back to the Development and Regulation Unit, which subsequently distributes them to relevant parties. Based on the findings of regulatory samples, the Development and Regulation Unit is informed of identified standard deficiencies, and corrective measures and guidance are provided to stakeholders to ensure smooth and standardized production processes in the coconut industry.

The Quality Control and Assurance Division also participates in awareness initiatives, workshops, and exhibitions to highlight the importance of coconut-related products. It conducts factory inspections as required to assess export batches, collaborates with the Sri Lanka Standards Institution (SLSI) to update existing standards and develop standards for coconut-related products that currently lack them, and organizes training programs for laboratory personnel in the coconut-based product industry. Additionally, the division provides internship opportunities for university students, conducts technical evaluation committee assessments, offers 60–90 day testing services for samples upon request, and supports study programs on demand while actively participating in standards preparation tasks.

In 2023, the division achieved significant progress by addressing gaps in production standards, conducting educational and regulatory programs, and ensuring compliance with updated national standards. These efforts contributed to improving the overall quality of coconut-based products while supporting the coconut industry's growth and sustainability.

Q1: Ensuring the Quality of Coconut Products for Export and Domestic Consumption

All desiccated coconut processing factories in the country are registered with the Coconut Development Authority. Samples collected from the daily production of these factories are provided to the Quality Control Division, where they undergo salmonella testing and eight physical tests in the laboratory. These test reports are mandatory for customs clearance during the export of desiccated coconut, and therefore, priority is given to the daily testing of desiccated coconut samples.

In addition, non-exported desiccated coconut products, which remain in the country for over 60 or 90 days, were also subjected to testing under this category in 2023. A total of 2,241 sub-samples from six such samples underwent 17,928 tests, and the results were documented.

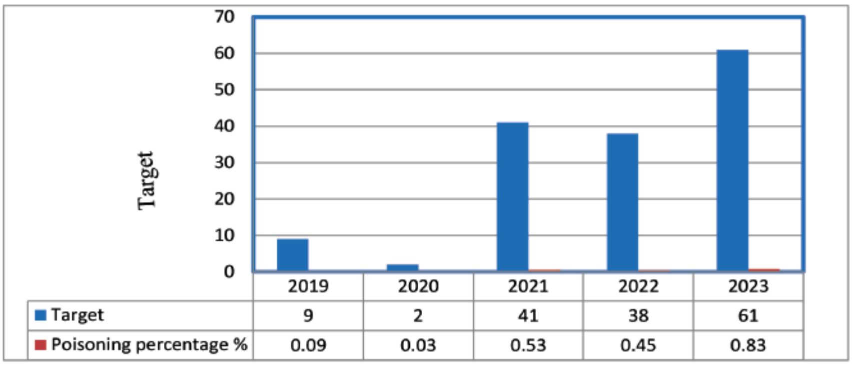
*Among products selected for pre-export microbiological analys*is, coconut milk powder-related products were given the highest priority due to their significant export demand.

A: Pre - Export Microbiological Analysis and Certification of Desiccated Coconut Products

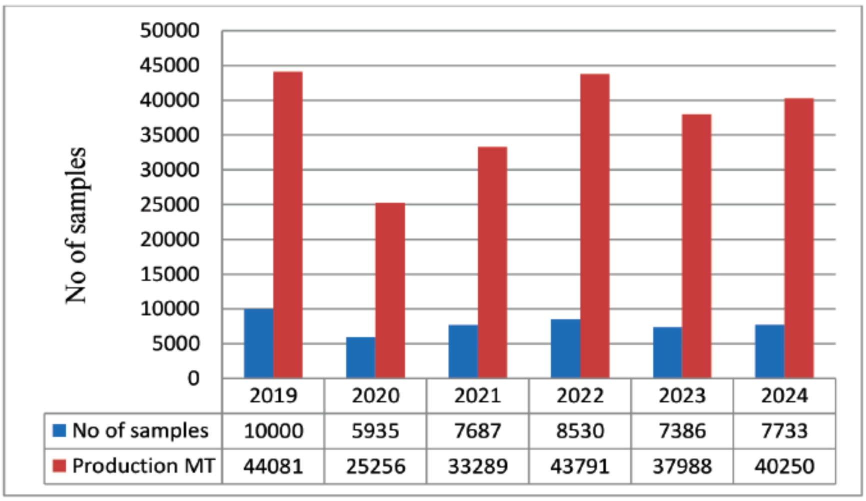
Table 15: Pre-Export Microbiological Analysis of Desiccated Coconut Products

Year	Target (Sample)	Progress (Sample)	Progress of Sample Testing as a Percentage	Percentage of Salmonella Contamination
2022	7500	8530	114%	0.45(sample 38)
2023	5000	7386	148%	0.83(sample 61)

Graph 01: Desiccated Production and Sample Collection



Graph 02: Salmonella Contamination in Daily Desiccated Coconut Sample

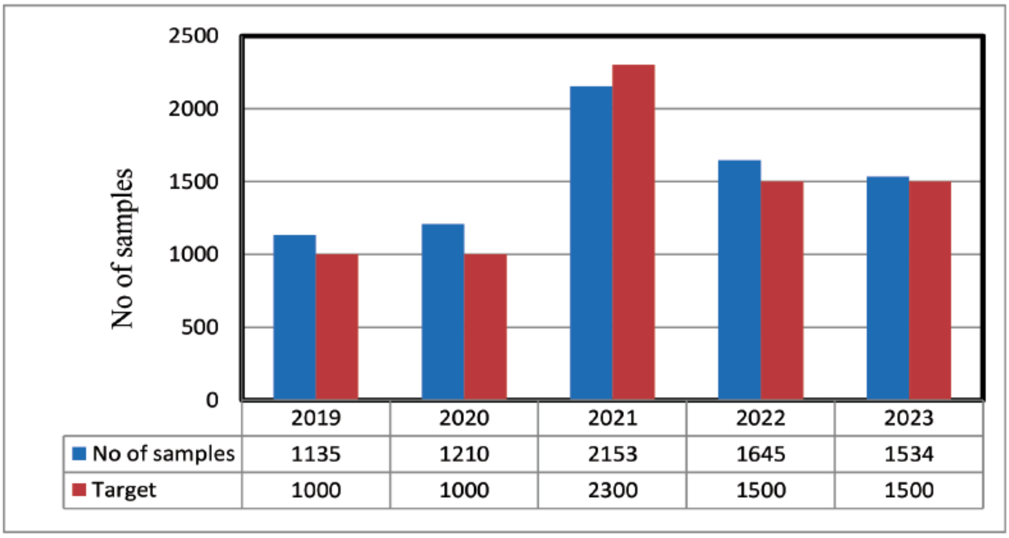


Coir-Based Products

Table 16: Coir-Based Products

Year	Target (Sample)	Progress (Sample)	Progress (Sample)	Progress of Sample Testing as a Percentage	Percentage of Contamination	
					Salmonella	E-coli
2022	1500	1645	1989	110%	7.34 (Sample 24)	-
2023	1500	1546	1957	103%	1.29 (Sample 04)	0.13 (Sample 02)

Graph 03: Microbial Testing of Coir-Based Products



B. Pre-Export Physical and Chemical Testing and Certification of Desiccated Coconut Products

Tests Conducted on Desiccated Coconut Include Physical and Sensory Analysis of Color, Grading, Moisture Content, Taste, Aroma, Impurities, Granularity, and Oil Release

Graph 04: Physical and Chemical Testing of Daily Desiccated Coconut Products

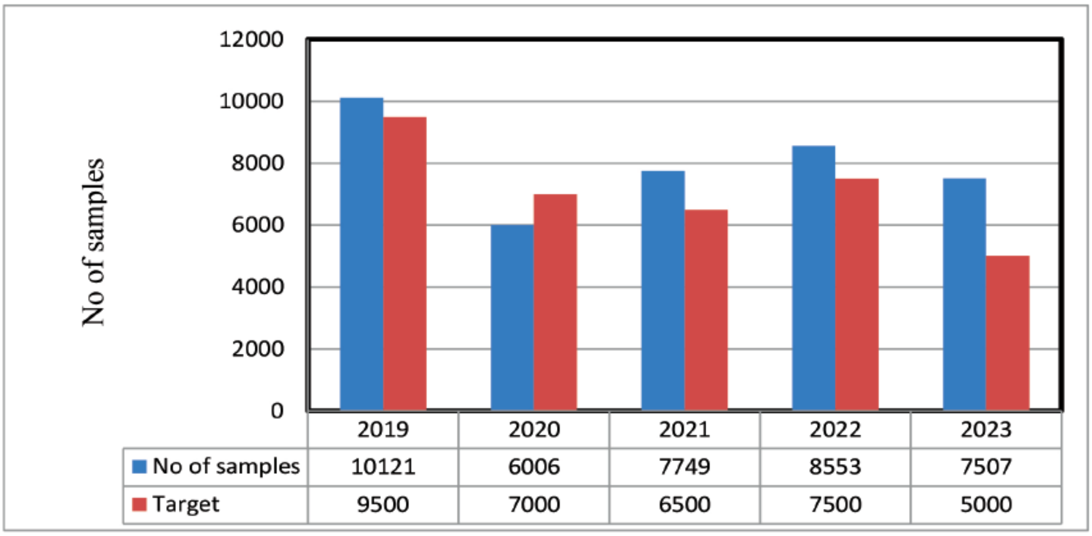


Table 17: Conducting Pre-Export Physical and Chemical Testing of Desiccated Coconut Products

Year	Target (Sample)	Progress (Sample)	Testing Quantity	Progress of Sample Testing as a Percentage	Reporting of Quality Defects
2022	7500	8533	68424	114%	5.3 (Sample 457)
2023	5000	7507	60056	150%	6.15 (Sample 462)

Presentation of Quality Defects Based on Parameters

Table 18: Reporting of Quality Defects Categorized by Parameters

Parameters	Desagreed Samples	
	Quantity	**%**
Colour	76	16
Oil Release	04	01
Burnt Particles	51	11
Moisture Content	19	04
External Impurities	09	02
Granularity	108	23
Grading	307	66
Smell and Aroma	52	11

(Some Samples Have Deviated from the Standards in Certain Parameters)

Q2. Maintaining Testing Services for Coconut-Based Products

Applicants requiring laboratory testing services submit samples to the authority through the Sample Handling and Development Division. Based on the required parameters, microbiological, chemical, physical, and sensory tests are conducted under this service.

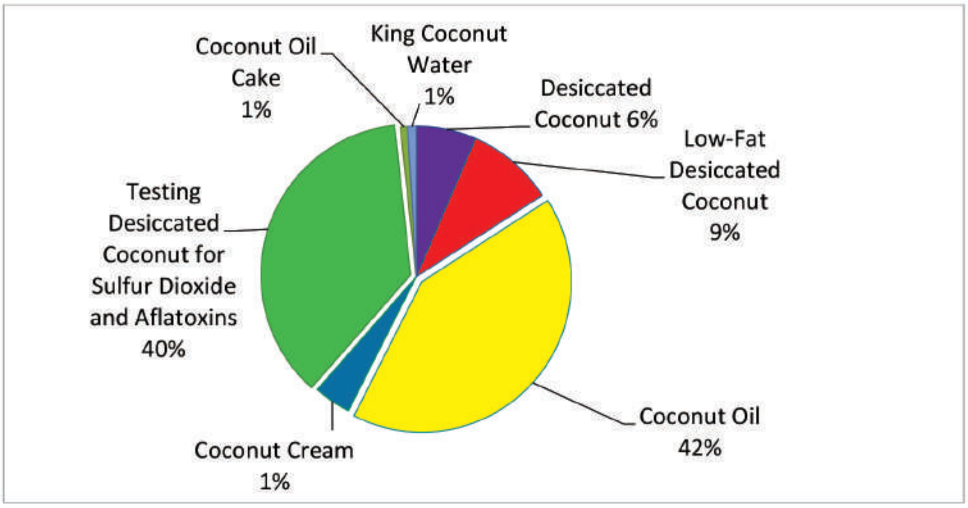
Additionally, samples are tested upon request for export-rejected coconut products returned to Sri Lanka from foreign countries, as well as for complaints regarding domestic and international coconut products. Testing services for coconut-related products are offered to any category, including coconut product manufacturers, consumers, small, medium, and large-scale business communities, and exporters.

Table 19: Testing of Coconut-Based Products

Year	Target (Sample)	Progress (Sample)	Testing Quantity	Progress of Sample Testing as a Percentage
2022	600	587	1185	98%
2023	700	1094	1917	156%

All Types of Samples Tested Under This Category Are Listed Below

Graph 05: Ensuring the Continuity of Testing Services for Coconut-Based Products



Detailed Explanation of Testing Services for Coconut-Based Products by Sample Type

Table 20: Coconut-based product testing service, sample-based description

Product Type (Sample Quantity)	2019	2020	2021	2022	2023
Desiccated coconut	18	08	11	06	42
Punnakku	01	03	14	11	05
Coconut oil	213	335	411	301	269
Coconut copra	01	-	-	01	01
Semi-defatted defatted coconut	66	51	22	25	61
Coconut cream/cream	05	03	3	3	02
Grated coconut	-	02	-	-	02
Coconut milk	02	03	-	03	26
Non-coconut samples	15	04	01	01	-
Aflatoxin and	667	453	300	232	238
Sulfur dioxide in defatted coconut samples	-	05	06	01	06
King Coconut water	-	-	04	01	-
Coconut water	-	-	01	-	-

Nut coconut	-	-	03	-	-
Imported coconut kernel	-	-	02	02	07
Coconut shell charcoal	-	-	-	-	06
Coconut sugar	-	-	-	-	02
Vinegar	-	-	-	-	135
Daily defatted coconut - Sulfur dioxide testing	-	-	-	-	249
Product samples intended for re-export - (TIEP) -Coconut oil	-	-	-	-	02
Redirected shipments - Coconut oil	-	-	-	-	37
Redirected shipments - Coconut milk	-	-	-	-	01
Redirected shipments - Powdered coconut milk	-	-	-	-	02
Redirected ship-to-ship shipments - Coconut cream	-	-	-	-	01
Redirected shipments - Coir rice	**988**	**867**	**778**	**587**	**1094**
Total number of samples tested	**1666**	**1521**	**1571**	**1185**	**1917**

Q3. A) Tasks Related to ISO/IEC 17025:2017 Accreditation

The tasks related to ISO/IEC 17025:2017 accreditation are carried out within the Quality Control and Quality Assurance Division of the Coconut Development Authority to ensure that the tests conducted are internationally recognized and performed accurately, systematically, and methodically.

Accordingly, the division conducts activities such as annual equipment calibration, annual equipment servicing, participation in international and domestic proficiency testing programs and skill evaluation tests (e.g., inter-laboratory and intra-laboratory proficiency tests), conducting internal audits, and participation in evaluations conducted by the Sri Lanka Accreditation Board (SLAB) to maintain accreditation standards. Based on the assessment of the laboratory's operational performance concerning accreditation standards, the accreditation status for the laboratories has been granted until June 2026.

The ISO/IEC 17025:2017 accreditation program, initiated in 2012, has been gradually expanded. By 2023, accreditation has been obtained for the tests listed below.

Currently, ISO/IEC 17025:2017 accreditation has been secured for 12 types of tests across 13 coconut-based products.

Table 21: Types of tests that have achieved accredited status for coconut-based products

	Product	Types of tests that have achieved accreditation status
1	Coconut oil	Fungi and mold, total colony count, saponification value, iodine value, free fatty acid content
2	Defatted coconut	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
3	Defatted coconut	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
4	Coconut milk	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
5	Defatted coconut milk	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
6	Coconut milk-based products	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
7	Coconut water	Salmonella, coliform count, E-coli count, fungi and mold, total colony count Count
8	Coir Rice Substrate	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
9	Copra	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
10	Nut Coconut	Salmonella, coliform count, E-coli count, fungi and mold, total colony count
11	Drinking Water	Coliform count, E-coli count, chloride, total water hardness, calcium, magnesium
12	Coconut Paste	Salmonella, coliform count, E-coli count, fungi and mold
13	Coconut Cream	Salmonella, coliform count, E-coli count, fungi and mold

Figure 13 : ISO/IEC 17025:2017 Accreditation status

SLAB

Certificate of Accreditation

Sri Lanka Accreditation Board for Conformity Assessment
hereby declares that

Chemical and Microbiology Laboratories
Quality Control and Quality Assurance Division
Coconut Development Authority

having being found to comply with the accreditation criteria for testing laboratories as described in ISO / IEC 17025: 2017, has been accredited as a Testing Laboratory under the field of

Chemical and Biological Testing

and has been assigned the accreditation number

TL 30-01

This certificate is issued on 30 June 2023 and is valid until

29 June 2026

The accreditation was granted for the first time to Chemical Laboratory on 12 June 2012 and to Microbiology Laboratory on 28 October 2015

The scope and conditions of accreditation are specified in the Schedule of Accreditation bearing the accreditation number appearing in this certificate.

Director/CEO
Sri Lanka Accreditation Board for Conformity Assessment
Colombo, Sri Lanka

B) Conducting training programs

The laboratory staff has been provided with the necessary training for the ISO/IEC accreditation work initiated in the Quality Control Division and for the timely revised coconut product testing methods. The following progress has been made according to the annual plan.

Table 22: Training programs conducted

	Training Program	Training conducted by	No. of members participating
1	Workshop on laboratory safety,	Industrial Technology Institute (ITI) GLP and fire safety awareness and training	05
2	Training on General awareness and unlocking the standard requirements of ISO/IEC 17025:2017	UNIDO – (Free of Charge)	13
3	Training on ISO/IEC 17025:2017 Manual Writing	UNIDO (Free of Charge)	04
4	Training on Determination of SO2 in DC (AOAC 990.28)	Industrial Technology Institute (ITI)	04
5	Training on Coconut water testing , Sugar Classical Method & HPLC Method	Industrial Technology Institute (ITI)	05
6	Training on Statistical Analysis on chemical laboratory	Sri Lanka Association of testing laboratory	01
7	Training on Quality Assurance as per ISO/IEC 17025:2017 Chemical & Microbiology	UNIDO (Free of Charge)	10
8	Training programme on BRC/GS Global Food standards	UNIDO (Free of Charge)	01

Q4: Quality assurance in coconut production industries for export.

To determine the standard of the coconut production process, a monthly planned program is carried out using a mobile laboratory to collect samples, inspect factories and provide consultancy to maintain standards. Samples are collected from the coconut production carried out at the same time on a monthly basis. The water used for washing coconut is tested according to a plan covering a coconut production plant once every 6 months.

Table 23: Ensuring Quality and Safety in Coconut-Based Product Industries for Export

	2022				2023			
	Target (Sample)	**Progress (Sample)**	**Testing Quantity**	**Progress of Sample Testing as a Percentage**	**Target (Sample)**	**Progress (Sample)**	**Testing Quantity**	**Progress of Sample Testing as a Percentage**
1.) Testing of Desiccated Samples	350	331 (95%)	965	87%	250	326 (130%)	1189	85%

Deviation from Standards % by Parameters (Some sample parameters have failed to meet the standards.)

Parameters	**2022**	**2023**
Presence of E. coli	15%	25%
Exceeding coliform standards	15%	19%
Total colony count exceeding standards	87%	83%
Sulfur dioxide exceeding standards	-	0.3%

	2022				2023			
2) Testing of water used for washing coconuts.	100	91	1051	40%	100	93	930	41%

Deviation from the standard (%) based on parameters (some sample parameters have failed).

Parameter	**2022**	**2023**
Microbiological Tests		
Presence of Salmonella	Not deviated	3%
Presence of E. coli	10%	11%
Exceeding the standard for total coliform count	Not deviated	Not deviated
Chemical Tests		
Exceeding the standard for color	Not deviated	Not deviated
Exceeding the standard for free chlorine residue	Not deviated	Not deviated
Exceeding the standard for chloride	3%	3%
Exceeding the standard for total hardness	5%	3%
Non-compliance with pH standards	27%	22%
Exceeding the standard for total phosphate	4%	13%
Exceeding the standard for total iron	Not deviated	Not deviated
Exceeding the standard for lead	Not deviated	
Exceeding the standard for copper	Not deviated	
Exceeding the standard for color	Not deviated	

No. of Field visits

Target	**Progress**	**Target**	**Progress**
400	408	400	493

Conducting Swab Testing in Factories in the Event of Contamination

	Task	**Testing Progress (Samples)**	**Deviation from Standards (%)**
1	M - 162 Ceylon Coco Greens	14	The existence of salmonella - 29 %

Q5. Analysis of Coconut Products Related to Regulatory Functions of the Processing Development Division

Under the activities of regulating coconut product manufacturing industries, the Processing Development Division collects samples from coconut production units for laboratory analysis. These samples are tested, and reports are issued. During this process, products deviating from standards are identified, and inspectors inform the respective manufacturers. They, in turn, guide the industries to rectify shortcomings and ensure the production of high-quality coconut products. This sample analysis aims to support the production of improved and standardized products.

Table 24: Analysis of Coconut Products Related to Regulatory Activities of the Sample Handling and Development Division

	Product	2022 Target (Sample)	2022 Progress (Sample)	2022 Testing Quantity	2022 Progress of Sample Testing as a Percentage	2023 Target (Sample)	2023 Progress (Sample)	2023 Testing Quantity	2023 Progress of Sample Testing as a Percentage
1.	i. Samples Collected from Coconut Oil Production Facilities	60	82 (137%)	246	18%	200	19 (60%)	57	26%

Deviation from Standards

Parameter	2022	2023
Exceeding the Iodine Value Standard	16%	26%
Exceeding the Free Fatty Acid Standard	2%	-
Exceeding the Aflatoxin Standard	1%	-

	Product	2022	2023 Target (Sample)	2023 Progress (Sample)	2023 Testing Quantity	2023 Progress of Sample Testing as a Percentage
	ii. Market Coconut	Samples not received	-	101	303	39%

Deviation from the Standard

Parameter	2023
Fatty Acid Composition	20%
Exceeding the Aflatoxin Standard	25%
Exceeding the pH standards	-

	Product	2022 Target (Sample)	2022 Progress (Sample)	2022 Testing Quantity	2022 Progress of Sample Testing as a Percentage	2023 Target (Sample)	2023 Progress (Sample)	2023 Testing Quantity	2023 Progress of Sample Testing as a Percentage
2	Fresh Coconut Oil	25	30 (120%)	150	100%	50	74 (148%)	370	74%

Deviation from Standards

Parameter	2022	2023
Exceeding the Iodine Value Standard	7%	9%
Exceeding the Moisture Standard	20%	22%
Exceeding the Dirt and Pus Standard	100%	59%
Based on the Free Fatty Acid Content	10%	3%

	Product	2022 Target (Sample)	2022 Progress (Sample)	2022 Testing Quantity	2022 Progress of Sample Testing as a Percentage	2023 Target (Sample)	2023 Progress (Sample)	2023 Testing Quantity	2023 Progress of Sample Testing as a Percentage
3	Coir-Based Products	100	136 (136%)	816	83%	120	59 (49%)	354	75%

Deviation from Standards

Parameter	2022	2023
Presence of E. coli	5%	3%
Presence of Salmonella	6%	5%
Exceeding pH standards	7%	22%
Exceeding conductivity standards	37%	17%
Exceeding foreign matter standards	65%	59%

4	coconut coir	50	35 (70%)	70	20%	100	1 (1%)	-	-

Deviation from Standards

Parameter	2022	2023
Exceeding the moisture standard	20%	It has not deviated.
Presence of impurities exceeding the standard	14%	

	Production	2022				2023			
		Target (Sample)	**Progress (Sample)**	**Testing Quantity**	**Progress of Sample Testing as a Percentage**	**Target (Sample)**	**Progress (Sample)**	**Testing Quantity**	**Progress of Sample Testing as a Percentage**
5	Coconut Milk	80	80 (131%)	240	44%	80	74 (125%)	222	14%

Deviation from Standards

Parameter	2022	2023
Exceeding the pH standard	15%	11%
Oil content exceeding the standard	5%	3%

Powdered coconut milk	-	25	100	40%	-	26	104	54%

Deviation from Standards

Parameter	2022	2023
Exceeding pH standard	16%	15%
Oil content not meeting standard	36%	54%

6	Coconut Shell Charcoal	10	14 (140%)	42	79%	20	1 (5%)	3	100%

Deviation from Standards

Parameter	**2022**	**2023**
Moisture exceeds standard	43%	It has not deviated.
Ash content exceeds standard	7%	It has not deviated.
Presence of impurities exceeds standard	50%	100%

	Production	**2022**				**2023**			
		Target (Sample)	**Progress (Sample)**	**Testing Quantity**	**Progress of Sample Testing as a Percentage**	**Target (Sample)**	**Progress (Sample)**	**Testing Quantity**	**Progress of Sample Testing as a Percentage**
7	Low-fat desiccated coconut	50	45 (90%)	225	73%	120	97 (81%)	485	81%

Deviation from Standards

Parameter	**2022**	**2023**
Exceeding the moisture standard	36%	9%
Non-compliance with the oil content standard	7%	20%
Exceeding the total plate count standard	67%	79%

8	Coconut Oil (Aflatoxin Testing at Registration)	110	124 (113%)	124	4%	120	153 (128%)	153	7%

Deviation from Standards

Parameter	**2022**	**2023**
Exceeding the aflatoxin standard	4%	7%

9	Copra	10	4 (40%)	12	75%	

	Deviation from Standards					Samples not received

Parameter	2022
Exceeding the free fatty acid (FFA) standard	25%
Exceeding the yeast and mold standard	75%

10	Coconut residue		2	4	100%	Samples not received
	Deviation from Standards					

Parameter	2022
Exceeding the free fatty acid (FFA) standard	50%
Exceeding the oil content standard	50%

Other Activities

1) Participation in awareness programs

Table 25: Awareness programs attended

	Task performed	No. of Programs
1	Technology Transfer Program (Manufacturing of coir related substrate (Grow bags, Coir Pith briquettes & Coconut husk chips) - Conducted by the Industrial Development Board	01
2	Technology Transfer Program (Desiccated Coconut & Coconut Flour) - Conducted by the Industrial Development Board	01
3	Technology Transfer Program (Coconut shell charcoal) - Conducted by the Industrial Development Board	01
4	Technology Transfer Program (Virgin Coconut Oil Manufacturing) - Conducted by the Industrial Development Board	01
5	A service called One Stop Shop – Industry Clinic: Gampaha District for the development of industries in Gampaha District - Conducted by the Industrial Development Board	01
6	Awareness Program on Coconut Oil Industry - Conducted by the Coconut Development Authority (Anuradhapura, Kandy, Udawalawe, Matale, Matara, Polonnaruwa)	06

2) Participation in workshops

Table 26: Participation in workshops

	Workshop
1	Sri Lanka Innovators' Forum: Paper on Agriculture Workshop organized by Gamini Kore Foundation
2	SAARC Foods Annual Symposium – Gallface Hotel Workshop
3	Manusavi Diriya Foreign Ministry Programme Workshop held in Galle
4	Workshop held for members of Chinese Delegation from UHAN University
5	Workshop held for members of Saudi Arabian Delegation from Agriculture Ministry Saudi Arabia
6	BESPA Food Programme Workshop organized by UNIDO
7	BESPA Food Technical Advisory Group Meeting Workshop organized by UNIDO

3) Contributing to the exhibition

The following exhibitions have been participated in to raise awareness about the contribution of the Quality Control Division to the coconut production sector.

Table 27: Contributed Exhibitions

1.	Industrial Exhibition organized by the Industrial Development Board from 22nd to 25th June 2023 at BMICH
2.	PROFOOD PROPACK Exhibition held at BMICH from 04th to 06th August 2023
3.	International Coconut Day Exhibition organized by the Coconut Development Authority, Coconut Cultivation Board and Coconut Research Institute on 02/09/2023 at Palei, Jaffna
4.	Exhibition held at Pugoda Siyane National School from 14th to 15th September 2023
5.	Exhibition held at Ratnapura Aloysius College for the 125th Anniversary from 19th to 21st September 2023
6.	Exhibition held at Ja-Ela Mahapola Education and Trade Exhibition from 13th to 17th December 2023
7.	Exhibition held in Galle District from 28th to 30th December 2023 National Industrial and Trade Exhibition held

Figure 14 : Particpated Exhibition

4) **Factory inspections for pre-export batch testing**

	Task	Progress of Testing (Sample)
1	Collection of coconut milk samples from Renuka Agri Food PLC on 2023/06/07 and 2023/08/02 and testing of those samples.	06
2	Collection of coconut milk samples from CBL Global Food Limited on 2023/07/14 and testing of those samples.	03

5) **Participation in discussions on standard revisions and development of new standards, as well as activities related to the formulation of HS Codes.**

Table 29: Participation in discussions on standard revisions and development of new standards, as well as in activities related to HS Code formulation.

	Task	Progress
1	Revision of Sri Lanka Standard and preparation of drafts for Coir Fibre Pith Substrate.	The standard is being developed.
2	Revision of Sri Lanka Standard and preparation of drafts for Coconut Oil Cakes & Meals.	The standard is being developed.
3	Development of Sri Lanka Standard for Low Fat Desiccated Coconut & Partially Defatted Coconut.	The draft standard has been submitted for public comments.
4	Participation as a resource contributor in HS Code formulation activities by the Packaging Development Division.	Programs: 07

6) **Conducting training programs for staff of external laboratories by the Quality Control and Quality Assurance Division**

1.	Providing laboratory training for 05 newly recruited inspectors.
2.	Conducting awareness on sulfur dioxide testing for the processing facility of S.A. Silva & Sons Pvt. Ltd., Loluwagoda Mills, Loluwagoda.

7) **Conducting educational programs.**

1.	Organizing a study field visit and conducting an awareness program on laboratory operations by the Quality Control and Quality Assurance Division for 13 students and 3 advisors from the Department of Zoology and Environmental Science, Faculty of Science, University of Colombo.

8) **Providing industrial training opportunities required for the completion of degrees for university students.**

Table 30: Providing industrial training opportunities required for the completion of degrees for university students.

	University	No.of Students Participate
1	Uva Wellassa University - For Microbiological Analysis	01
2	University of Kelaniya - For Microbiological / Chemical Analysis	04
3	University of Colombo - For Chemical Analysis	02
4	South Eastern University, Oluvil - For Microbiological / Chemical Analysis	04
5	Eastern University, Chenkalady - For Chemical Analysis	03
6	Collage of Chemical Science – (IChem)	02
7	University of Vocational Technology – Rathmalana	02
	Total Number of Opportunities	**18**

9) **Participation of Quality Control Division Officials in Technical Evaluation Committees**

Table 31: Participation of Quality Control Division Officers in Technical Evaluation Committees

	Activity	Participated Officer
1	Technical Evaluation Committee for obtaining insurance coverage for surgeries and hospital expenses for the authority's employees.	Mrs.S.S.Purasinghe
2	Technical Evaluation Committee for purchasing microbiological media for the year 2023.	Mrs. Madhuri Wijebandara
3	Technical Evaluation Committee for purchasing equipment for the year 2023.	Mrs.Samadara Dissanayake
4	Technical Evaluation Committee for minor purchases of glassware and accessories for the year 2023.	Mr.Ashoka Pushpakumara
5	Technical Evaluation Committee for purchasing chemicals for the year 2023.	Mr.Ashoka Pushpakumara
6	Technical Evaluation Committee for providing equipment sets for the informal industrial development of the Packaging Development Division - Establishment of coconut-based production units.	Mr.Ashoka Pushpakumara
7	Technical Evaluation Committee for drafting service agreements for the servicing of laboratory equipment.	Mrs.Samadara Dissanayake
8	Technical Evaluation Committee for minor laboratory purchases and repairs of laboratory equipment.	Mrs.Samadara Dissanayake Mrs. Madhuri Wijebandara
9	Technical Evaluation Committee for the authority's sanitation activities.	Mrs. Madhuri Wijebandara
10	Individual accident insurance coverage for the authority's employees.	Mrs. Madhuri Wijebandara

11	Technical Evaluation Committee for obtaining security services for the authority.	Mrs. Madhuri Wijebandara
12	Committee for the welfare loan scheme of the authority.	Mrs. Madhuri Wijebandara
13	Technical Evaluation Committee for insuring the authority's vehicles for the year 2023-2024.	Mrs. Madhuri Wijebandara
14	Technical Evaluation Committee for obtaining the authority's worker compensation insurance policy.	Mrs. Madhuri Wijebandara
15	Technical Evaluation Committee for obtaining the authority's fire insurance policy.	Mrs. Madhuri Wijebandara
16	Technical Evaluation Committee for obtaining insurance coverage for cashiers and transit money for the authority.	Mrs. Madhuri Wijebandara

10.) Examining the quality of matured products aged 60-90 days from the date of production.

Table 32 : Inspection of the Quality of Desiccated Coconut Products

Type	% of deviation from standard considering all parameters together	Deviation according to parameters.	
		On fungus and mold	On Colour
Fine Models – 08	25%	12.5%	12.5%
Medium Models - 04	100%	25%	100%
Special Cuts Models - 08	62.5%	25%	50%

Overall Progress and Revenue Generation of the Quality Control Division

Table 33 : Overall Progress and Revenue of the Quality Control Division

Activity	2022	2023
Number of Samples Tested	20,447	18,684
Number of Inspections Conducted	84,173	76,665
Revenue Generated (Rs. Million)	23.6	54.7

03. Marketing Development and Research Division

As one of the main operational divisions of the Coconut Development Authority, the Marketing Development and Research Division undertook the following activities in 2023:

- Among the key responsibilities of the division, generating higher export revenue for Sri Lanka from coconut-related products was prioritized. Exporters/producers were informed about international marketing promotion programs, engaged in these programs, and provided support to participate.
- Awareness programs were conducted to enhance the knowledge of manufacturers and exporters involved in the coconut production and export sector.
- Necessary permits were issued for the export of coconuts and king coconuts that meet international market standards. Temporary export permits were issued to aspiring export-oriented entrepreneurs seeking to enter the sector.
- High-quality promotional publications required for international marketing promotion programs were prepared.
- Coordination with Sri Lanka Customs ensured all coconut and coconut-related product exports were approved via an online system and monitored.
- Domestic and international trade disputes were resolved, and settlements facilitated.
- Daily updates on prices of coconuts and coconut-related products were provided to print media.
- Reports on coconut-related product exports/imports, auction prices, and global market prices were issued.
- Coconut auctions were conducted continuously.
- Local trade exhibitions and promotional programs were attended to promote coconut-based products in the domestic market. Public and school students were educated on the benefits of using these products for health.
- Promotional leaflets required for local marketing programs were prepared in Sinhala and Tamil languages.
- Participated in trade agreement discussions with the Ministry of Agriculture and Plantation Industries, Department of Commerce, Ministry of Foreign Affairs, and other state institutions to provide information on coconut-related exports and the benefits of these agreements.
- A business service division was established to assist stakeholders in the coconut sector in carrying out their activities efficiently with the Coconut Development Authority.
- Foreign trade inquiries were provided to coconut-related product exporters.
- Advertisements in print media, radio messages, and programs on electronic media were carried out to raise awareness of coconut milk and coconut milk powder as substitutes for fresh coconuts and to minimize wastage of coconut shells and husks.

- Information on global demand for coconut-based products, contributions of the Coconut Development Authority to the sector's growth, and current updates related to the industry were consistently shared on social media.
- Identification of domestic and international coconut-related product applications, analysis of major export destinations, and per-unit pricing in respective countries were carried out.
- Exporters, traders, coconut plantations, and intermediaries were registered, and necessary advisory services were provided.

As a result of these programs, export revenue from coconut-related products in 2023 amounted to Rs. 229 billion (approximately USD 700 million). The Marketing Development and Research Division effectively and efficiently carried out its responsibilities throughout the year.

Activities Carried Out Under the Operational Plan of the Marketing Development and Research Division in 2023

1.1 Participation in International Trade Promotion Programs

One of the primary strategies employed to promote coconut-based products internationally is engaging with export/production entities to participate in large-scale international trade exhibitions organized in foreign countries, where a significant number of international buyers are expected to attend. The Coconut Development Authority has consistently facilitated this process each year.

By participating in these international trade promotion programs, the following benefits were achieved:

- Securing a higher volume of foreign orders.
- Identifying new buyers.
- Gaining insight into competitive products in the market.
- Understanding emerging trends and requirements for coconut-related products in the global market.
- Staying informed about updated product standards and packaging trends.
- Ensuring the protection and expansion of existing markets.

Through this initiative, Sri Lanka's access to foreign markets is broadened, contributing to increased export revenue from the coconut industry year after year, ultimately strengthening the national economy.

Additionally, the Coconut Development Authority worked closely with embassies, consulates, and chambers of commerce in those countries to identify new buyers for Sri Lankan coconut products.

Although sponsorship for export organizations to participate in international trade promotion programs was anticipated for 2023, the prevailing economic crisis hindered the provision of such sponsorship. However, export and production entities were informed about these trade promotion programs and provided with the necessary support to participate independently.

Figure 15,16 : China International Import Expo Exhibition

The 6th China International Import Expo (CIIE) held in Shanghai, China, was organized on behalf of Sri Lanka by the Export Development Board (EDB) in collaboration with the Sri Lankan Embassy in China. The Coconut Development Authority also participated in this significant event. During the exhibition, efforts were made to promote coconut-based products among Chinese nationals and other importers attending the event. Trade inquiries received during the expo were forwarded to relevant Sri Lankan export organizations, and follow-ups on these inquiries are currently underway.

Additionally, in relation to the Saudi Green Initiative, three representatives from the Saudi Arabian government visited Sri Lanka to explore the potential for sourcing coir from the country. Arrangements were made for them to visit local coir production facilities to evaluate production capabilities and quality. It is anticipated that export orders for these products will be received by Sri Lankan exporters in the near future.

Figure 17: The Visit of Representatives from the Saudi Arabian Government.

A delegation from China conducted a survey on Sri Lanka's coconut-based industries and has policy-wise agreed to provide the necessary technical knowledge for the identified areas. This knowledge is expected to be utilized in the future to further advance the coconut-based product industry.

Figure 18: The visit of the delegation from Fiji.

A delegation from Fiji, a country belonging to the international coconut community, visited Sri Lanka to gain awareness about coconut-based products. The necessary support and facilities were provided for this purpose.

1.2 Organizing Local Sales Promotion Activities

In the year 2023, the Sales Development and Research Division participated in nine (09) local trade exhibitions with the aim of introducing the public and school students to the use of environmentally friendly coconut and coconut-based products.

Table 34: Local Trade Fairs

Name of Exhibition	Place	Organization
International Trade Exhibition – Jaffna	Muttuweli Grounds	Sri Lanka Exhibition and Convention Services (Pvt) Ltd and Jaffna District Chamber of Commerce and Industry
National Industry and Plantation Industry Exhibition – 2023	Sirimavo Bandaranaike Memorial Exhibition Center	Industrial Development Board
ProFood, ProPack, and Agbiz Exhibition	Sirimavo Bandaranaike Memorial Exhibition Center	Sri Lanka Food Processors Association and Sri Lanka Exhibition and Convention Services
Exhibition Held in Line with International Coconut Day	Jaffna Palaly	Coconut Development Authority / Coconut Cultivation Board
Science Exhibition	Dompe Siyane National School	Dompe Siyane National School
St. Aloysius College 125th Anniversary Exhibition – Ratnapura	St. Aloysius College – Ratnapura Galle Town Hall	St. Aloysius College - Ratnapura
Ruhunu Rasasaraniya	Ja-Ela Urban Council Grounds Galle Samanala Grounds	Southern Provincial Ministry of Agriculture, Irrigation, Farmer Development, Water Supply & Drainage, Food Supply & Distribution, Trade & Cooperative Development

Mahapola Exhibition	Galle Town Hall	Ministry of Trade, Commerce, and Food Security
National Industry and Plantation Industry Exhibition – 2023	Ja-Ela Urban Council Grounds Galle Samanala Grounds	Industrial Development Board

Figure 19,20,21 : Conducted local trade fairs



1.2.1 Efforts were made to minimize wastage of coconuts at the household level and provide a greater supply of coconuts to production facilities. Public awareness campaigns using newspaper advertisements, articles, radio, and television were conducted to promote the use of coconut milk products instead of raw coconuts, explain the benefits of collecting coconut husks and shells, highlight the importance of coconut-based products, emphasize quality assurance for high-demand products, and demonstrate how foreign exchange can be earned through coconut products.

1.2.2 To reduce waste in raw coconut usage, awareness was raised among the public about the use of coconut milk, coconut milk powder, and coconut cream. The Coconut Development Authority participated in domestic exhibitions, conducting highly valuable programs with practical demonstrations. These initiatives received an overwhelmingly positive response from the public.

1.2.3 To support exporters and producers of coconut water-based products, discussions were held on introducing high-quality branded products to the global market and addressing issues related to the export of king coconuts. Efforts were also made to ensure that no contaminants were introduced in the production and export of coir-based products.

1.2.4 Social media platforms were utilized in 2023 to educate various stakeholders engaged in coconut-related industries and individuals intending to join the sector. Information was shared about the economic importance of the coconut industry to Sri Lanka, the value of coconut-based products, the measures taken by the Coconut Development Authority to uplift the industry, and financial assistance or loan schemes available for production facilities to improve operations.

1.2.5 The International Coconut Day celebration for 2023 was held in grand style in Jaffna, in collaboration with the Coconut Cultivation Board. Concurrently, an exhibition was organized to raise awareness among the people of Jaffna about coconut-based products with high international demand. Additionally, a series of articles on the progress and future vision of the coconut industry was published through print and social media platforms to educate the public.

Figure 22 : A series of articles published on social media

1.3 Communication of Information on Coconut and Coconut-based Products, Trade, and Exports

Accurate information gathering and analysis serve as a decisive factor for stakeholders in the coconut industry to make informed business decisions. In 2023, the Marketing Development and Research Division fulfilled a key role in providing information services through the following measures:

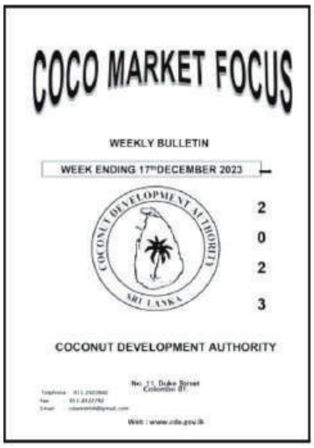
- Gathering and disseminating data on the production of coconut and coconut-based products, as well as domestic and international export and import statistics.
- Systematically collecting and sharing data related to farm gate prices.
- Collecting and analyzing data on household coconut and coconut oil consumption.
- Introducing new marketing methods to support increased export revenue.
- Systematically collecting, recording, and promoting information on current and anticipated coconut and coconut-based products.

The following institutions provided invaluable support in gathering this information:

- Sri Lanka Customs
- Central Bank of Sri Lanka
- Department of Census and Statistics
- Department of Meteorology and other government and semi-government institutions

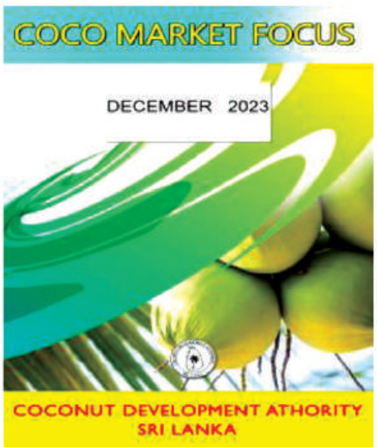
- Furthermore, the Marketing Development and Research Division successfully continued its role in 2023 by consistently providing the Sri Lankan coconut industry with specialized information obtained from international organizations such as the International Coconut Community and foreign publications, including Cocommunity, Oil World, UCAP, and the Indian Coconut Journal.
- The daily prices of coconuts and coconut-based products were also published in both English and Sinhala print media throughout 2023.
- Forty-eight (48) issues of the weekly report "Coco Market Focus," which includes prices of fresh coconuts, farm-gate prices, wholesale prices for domestic coconut-based products, and international market prices, were published in 2023 by the Marketing Development and Research Division.

Figure 23: CocoMarket Focus Weekly Magazine



- Twelve (12) issues of the monthly magazine "Coco Market Focus," containing export volumes, prices, and destination countries of Sri Lankan coconut-based products, as well as import volumes and prices of edible oils and coconut oil, were compiled and published in 2023 by the Marketing Development and Research Division. These publications were tailored to meet the needs of stakeholders in the coconut industry.

Figure 24 : Coco Market Focus" Monthly Magazine



- The "Sri Lanka Coconut Statistics" publication, which is annually compiled and released by the Marketing Development and Research Division, was also prepared and presented in 2023. This publication includes data spanning five (05) years, covering export volumes and prices of all coconut-based products exported from Sri Lanka, production volumes, quantities and prices of imported coconut oil and other edible oils to Sri Lanka, as well as international coconut yields, production, and export information. This report proved to be highly beneficial for stakeholders in the coconut industry and the export sector in making informed business decisions.

Figure 25 : Sri Lanka Coconut Statistics Monthly Magazine

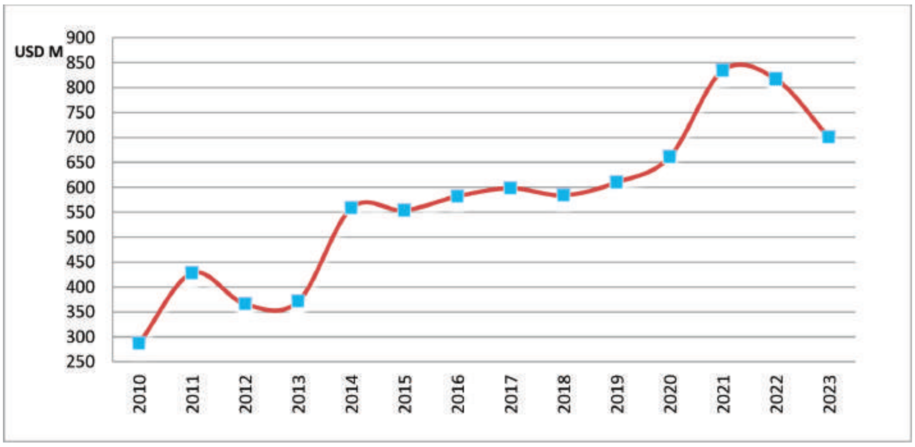
1.4 Export Revenue of the Coconut Industry

The export revenue of coconuts and coconut-based products over the past 14 years (2010–2023) is as follows:

Table 34: Local Trade Fairs

Year	Value	
	(Rs..Million)	(USD 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	262,93	816.99
2023	228,720	700.47

Graph 06: Coconut-Related Product Export Revenue – 2023



In 2023, Sri Lanka generated export revenue of USD 700 million from coconut-based products, which is a 14% decline compared to 2022. The reduction in coconut production in 2023 resulted in a decreased supply to export-oriented processing sectors, negatively impacting the revenue generated from export-focused coconut products.

The export revenue from coconut milk-based products in 2023 was USD 365.90 million, while the revenue from raw coconut exports was USD 17.05 million. These figures represent decreases of 10% and 32%, respectively, compared to 2022.

Exporting coconut husk-based products generated USD 129.13 million in revenue, reflecting a 21% decline from the previous year. Revenue from exports of value-added coir products amounted to USD 183.38 million, a 15% drop compared to 2022.

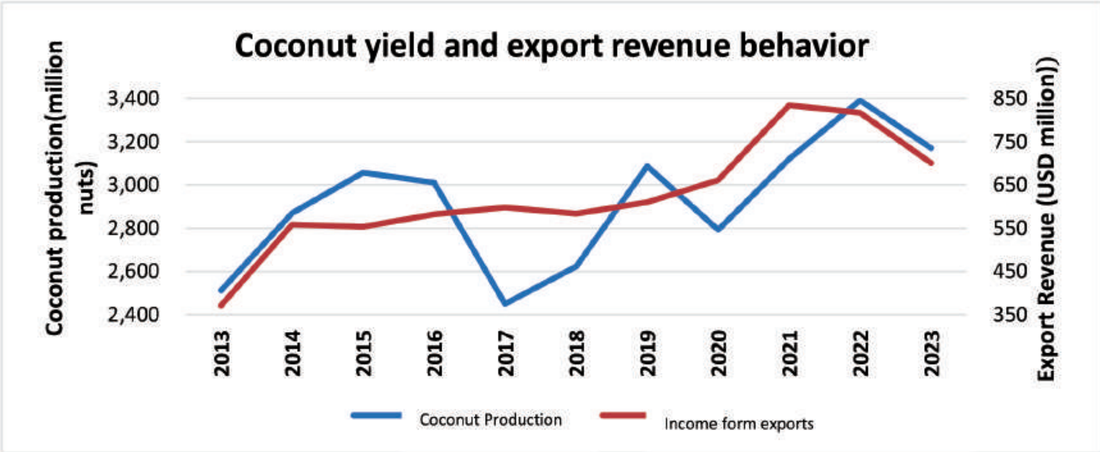
The overall decline in coconut production in 2023, along with reduced supply to export-oriented sectors, had a direct impact on export revenue. Furthermore, from January to December 2023, the depreciation of the Sri Lankan Rupee (from LKR 370 to LKR 328 against the USD), rising production costs, and diminished price competitiveness in the international market caused some export orders to be canceled. These challenges, combined with reduced demand for Sri Lankan products globally, contributed significantly to the drop in export revenue.

When considering production costs, Sri Lanka's coconut prices remained higher compared to other competing countries. Additionally, the increased costs of transportation, electricity, energy, and packaging materials negatively affected the export sector's profitability.

External factors also played a role in the drop in export revenue. Economic slowdowns in key export markets following post-COVID-19 recovery phases led to a reduction in the usual export orders. However, despite the overall decline in export revenue, some products, such as king coconut, coconut water, coconut flour, coconut amino, and coconut shell-based items, showed growth in export revenue.

King coconut, in particular, displayed notable growth in export revenue, increasing by 56% compared to 2022. This is due to the unique nature of king coconut as a Sri Lankan product and the limited availability of substitutes in foreign markets. The steady demand for king coconut, along with promotional and regulatory programs initiated by the Coconut Development Authority in collaboration with exporters, contributed significantly to this growth.

Graph 07: Coconut yield and export revenue behavior



Looking ahead, Sri Lanka aims to increase export revenue from coconut and coconut-based industries to USD 2 billion by 2030.

Achieving this target will require increased domestic coconut production, minimizing wastage at the household level, and diverting more coconuts toward coconut-based industries. Additionally, directing larger quantities of coconuts toward producing high-demand value-added products, such as coconut milk, milk-based products, coconut water, and coconut water-derived products, could significantly enhance export revenue.

The global trend toward environmentally friendly agricultural products presents an opportunity for growth in exports of coconut husk chips, coir segments, coir fibers, and associated planting materials used in horticulture. By channeling more coconuts into such products, Sri Lanka can tap into the growing global demand and increase export revenue.

Moreover, by allocating a greater volume of coconut shells to produce activated carbon—a high-demand product in international markets-the export revenue from coconut shell-based products can be further enhanced.

1.5 Value Addition, Market Promotion, and Market Access Enhancement

1.5.1 Due to an increase in orders, significant growth was observed in the export of coconut kernel-based products such as coconut oil, king coconuts, coconut water, coconut cream, coconut flour, coconut butter, and coconut sugar in 2023 compared to 2022.

1.5.2 In 2023, the Coconut Development Authority's website (www.cda.gov.lk) continued to facilitate efficient data exchange in a more organized manner.

1.5.3 Promotional activities were carried out via social media in 2023 to raise public awareness of value-added coconut kernel-based products and environmentally friendly coconut-based products. These efforts aimed to encourage greater use of coconut-based products among the public, ultimately increasing exports of these products.

1.6 Registration of All Stakeholders in the Marketing of Coconut and Coconut-Based Products

Compared to 2022, the registration of coconut-based export enterprises decreased by 8% in 2023. This decline was primarily attributed to a reduction in coconut yield and a rise in production costs, which led to a drop in export orders. Consequently, fewer exporters registered during 2023.

Additionally, due to the lower coconut yield, the supply of coconuts to the Coconut Auction decreased by 32% in 2023 compared to 2022. This decline also resulted in a reduction in the number of registered participants for the auction during 2023.

Table 36: Registration Activities - 2021/2022/2023

Registering	2021	2022	2023
Exporters	704	868	801
Brockers	17	23	17
Traders	31	69	67
Coconut Estates	99	135	123

1.7 Conduct of coconut auctions

1.7.1 Colombo Coconut Auction

The Coconut Auction, which was initiated in 1994, continued to be held in 2023. A total of 50 auctions were conducted during the year, ensuring a fair trading platform that benefitted both coconut growers and buyers alike.

Year	No. of Nuts		Regualr Price Rs.(For 1000 Nuts)
	Submitted Quantity	Sold Quantity	
2021	34,784,736	23,530,226	56,512.88
2022	58,305,234	39,164,730	60,137.20
2023	39,459,341	29,539,384	70,890.79

1.7.2 Trade Dispute-Related Activities

In 2023, the Marketing Development and Research Division continued to play a vital role in resolving trade disputes arising during the export of coconut and coconut-based products. Additionally, the division actively mediated trade disputes between sellers and buyers during the operation of the Coconut Auction, ensuring amicable resolutions.

Coconut Product Exports - 2022/2023
Comparative Statistics

Table 38: Export of Coconut Products

Product Tupe	Quantity (M.Ton)			Value (USD Million)		
	2022	2023	% Varience	2022	2023	% Varience
1. Coconut Kernal based products						
1) Coconut oil	4,712	5,518	17	12.24	11.83	-3
2) Virgin coconut oil	14,965	14,728	-2	62.86	55.06	-12
3) Desiccated coconut	43,791	37,988	-13	96.11	73.69	-23
4) Copra	2,080	979	-53	2.67	1.26	-53
5) Whole coconuts (nuts '000)	13,376	14,127	6	6.38	6.62	4
6) King coconuts (nuts)	10,872,878	12,909,100	19	6.51	10.19	56
7) Residue	30,886	25,647	-17	13.61	8.28	-39
8) Oil Cake	174	177	2	0.10	0.10	-2
9) Coconut Cream	17,137	20,673	21	36.66	36.09	-2
10) Coconut milk	52,765	58,013	10	92.31	86.97	-6
11) Coconut milk powder	8,621	8,407	-2	42.09	40.36	-4
12) Defatted coconut	5,324	2,366	-56	6.12	2.43	-60
13) Coconut water	26,484	29,220	10	23.61	25.41	8
14) Coconut arrack (liters)	28,870	34,723	20	0.22	0.19	-11
15) Vinegar (liters)	17,525	43,403	148	0.07	0.14	118
16) Fatty acid	198	253	28	0.22	0.18	-16
17) Coconut butter	143	182	27	0.49	0.61	25
18) Coconut flour	3,055	3,594	18	3.00	3.10	3
19) Coconut sugar / treacle / syrup	78	118	51	0.25	0.34	36
20) Coconut amino	609	622	2	2.75	3.05	11
Subtotal - Coconut kernel-based products	**11,143,671**	**13,209,838**	**236**	**408.27**	**365.90**	**-10**
2. Coir Products						
21) Mattress fiber	73,342	68,888	-6	17.39	11.43	-34
22) Bristle fiber	2,108	1,853	-12	2.55	2.05	-20
23) Twisted fiber	13,769	13,315	-3	5.18	3.57	-31
Subtotal – Coir products	**89,219**	**84,057**	**-5.8**	**25.12**	**17.05**	**-32**
3. Coconut shell - based products						
24) Coconut shell charcoal	14,110	9,975	-29	7.54	5.01	-34
25) Coconut shell pieces and powder	241	285	18	0.14	0.15	6

26) Activated carbon	54,830	51,540	-6	154.84	123.97	-20
Subtotal - Coconut husk-based products	**69,181**	**61,800**	**-11**	**162.52**	**129.13**	**-21**
4. Finished products manufactured (Coir fiber-based)						
27) Coir yarn	975	801	-18	0.74	0.53	-29
28) Coir rope	9,080	6,678	-26	11.43	7.81	-32
29) Twisted brushes (Quantity '000)	22,382	20,918	-7	4.12	3.88	-6
30) Coir and brushes (Quantity '000) (excluding twisted brushes)	13,165	12,452	-5	9.60	8.83	-8
31) Rubberized coir pads and mattresses (Quantity)	1,007,247	661,575	-34	0.81	0.64	-21
32) Coir mats and matting (Square meters)	381,771	268,665	-30	1.55	1.09	-29
33) Coir carpets (Square meters)	1,778	5,450	207	0.01	0.02	220
34) Coir pith	34,923	23,915	-32	8.57	5.99	-30
35) Coconut shell pieces	2,316	3,352	45	0.94	1.16	23
36) Husk chips	3,746	4,197	12	4.41	4.49	2
37) Coir products used for horticulture	292,364	303,022	4	173.41	148.94	-14
Subtotal - Products made from coir-based materials	**1,769,747**	**1,311,025**	**116**	**215.59**	**183.38**	**-15**
5. Other Products						
38) Coconut Sticks	16,170	14,113	-13	5.33	4.96	-7
39) Coconut timber	32	9	-73	0.16	0.06	-61
Subtotal - Other manufactured products	**16,202**	**14,122**	**-13**	**5.49**	**5.02**	**-9**
Total export revenue				**817**	**700.48**	**-14**

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 staff strength of this authority is 259. In the year 2023, the number of employees in service was 188, of whom 31 were at the managerial level. The composition of employees was categorized under the following service groups:

1. Senior Managment 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 Technical Service Category
8. Primary Semi-Technical Service Category
9. Primary Non-Technical Service Category

The Administrative Division is responsible for all activities related to staff management for this authority, including recruitment for existing vacancies in the approved cadre and overseeing staff administration from recruitment to retirement.

Table 39: Particulars of the staff as at 31.12.2023

	Designation	Approved cadre	Present cadre	Number of vacancies	Number of Vacancies
Senior Management Services Category					
1	Director General	HM 2-1	01	01	-
2	Director (Administration)	HM 1-1	01	-	01
3	Director (Finance)	HM 1-1	01	01	-
4	Director (Planning and Development)	HM 1-1	01	-	01
5	Director (Quality Control and Quality Assurance)	HM 1-1	01	01	-
6	Director (Sales Development and Research)	HM 1-1	01	-	01
7	Director - Marketing (International)	HM 1-1	01	-	01
Manament Services Catogory					
8	Assistant/Deputy Director (Administration)	MM 1-1	01	01	-
9	Assistant/Deputy Director (Finance)	MM 1-1	01	-	01
10	Assistant/Deputy Director (Processing Development)	MM 1-1	04	04	-
11	Assistant/Deputy Director (Quality Control and Quality Assurance)	MM 1-1	02	02	-
12	Assistant/Deputy Director (Sales Development and Research)	MM 1-1	02	02	-
13	Internal Auditor	MM 1-1	01	-	01
14	Chemist	MM 1-1	01	01	-
15	Engineer (Civil)	MM 1-1	01	01	-
16	Legal Officer	MM 1-1	01	01	-
Junior Management Services Catogory					
17	Administrative Officer/Human Resources Officer	JM1-2	01	-	01
18	Research Officer	JM1-2	01	01	-
19	Sales Officer	JM1-2	01	-	01
20	Information Officer	JM1-2	01	01	-
21	Internal Audit Officer	JM1-2	01	01	-
22	Quality Control Officer	JM1-2	01	01	-
23	Senior Inspector	JM1-2	09	09	-
24	Financial Officer	JM1-2	01	01	-
25	Economic Research Officer	JM1-2	01	-	01
26	Processing Development Officer	JM1-2	05	02	03
27	Secretary to the Chairman	JM1-2	01	-	01
Associate Officer Service Type					
28	Program Assistant (Quality Control)	MA 3	07	02	05
29	Program Assistant (Market Research)	MA 3	03	01	02
30	Program Assistant (Process Development)	MA 3	02	-	02

31	Program Assistant (Economic Research)	MA 3	01	01	-
32	Program Assistant (Information)	MA 3	01	01	-
33	Program Assistant (Internal Audit)	MA 3	02	02	-
34	Program Assistant (Technical Services)	MA 3	25	10	15
Management Assistant (Technical) Service category					
35	Bookkeeper	MA2-2	02	02	-
36	Industrial Assistant (Transportation)	MA2-2	01	-	01
37	Industrial Assistant (Mechanical Electrical)	MA2-2	01	01	-
38	Inspector	MA2-2	30	26	04
39	Laboratory Technician	MA2-2	11	09	02
Management Assistant (Non – Technical) Service category					
40	Management Assistant	MA1-1	58	49	09
41	Secretary of the Director General	MA1-1	01	-	01
42	Field Assistant	MA1-1	02	-	02
43	Laboratory Field Assistants	MA1-1	02	-	02
Primary technical services					
44	Driver	PL-3	20	18	02
Primary semi-skilled service category					
45	Lab Assistant	PL-2	13	09	04
Primary non-technical services					
46	Office Assistant	PL-1	18	13	05
47	Field Assistant	PL-1	15	13	02
	Total		**259**	**188**	**71**

4.2 Human Resources Development Program

In order to effectively and efficiently achieve the mission and objectives of the Human Resources Development Authority, efforts were made to enhance the performance and productivity of the staff. In 2023, local training and development programs were organized across various subjects to improve the effectiveness and efficiency of the Authority's employees. Priority was given to training programs for staff in government institutions, and the organization of these programs was carried out with this focus. A key goal for the management in 2023 was to involve the Authority's staff in essential training programs that had not been delivered in previous years but were deemed critical.

The purpose of the training programs has been to enhance personal attitudes and skills, provide an understanding of public service to new staff, foster a sense of teamwork, introduce innovation in the work environment, and shape the organizational culture.

Accordingly, funds allocated for staff training and development activities have been considered as future investments. Training needs have been identified, and relevant training activities have been directed towards addressing those needs.

Local Training and Development Activities

Table 40 : Local Training Development Activities

No.	Course	Conducting Institute	Number of Participants
01	Procurement Procedure	Prag Service (pvt) ltd	04
02	The Seminar on Procurement Plan	Prag Service (pvt) ltd	01
03	VAT Changes Workshop	Skill Development Institute	02
04	Expenditure & Payment Procedure	Prag Service (pvt) ltd	04
05	Discipline Management	Prag Service (pvt) ltd	01
06	Chartered Qualification in HRM	CIPM	01
07	Chartered Intermediate in HRM	CIPM	02
08	Chartered Taxation	Chartered Institute of Taxation of Sri Lanka	01
09	National Diploma in Plantation Extension Management	NIPM	01
10	Tamil language training program	NIPM	118
11	Training program on file management and positive thinking for new appointees and staff members of the Coconut Development Authority.	Coconut Development Authority with the participation of external resource-contributing lecturers	40

Figures 26, 27, 28, 29: Training programs conducted for newly appointed personnel and the staff of the Authority

Other functions of the Administration Division

- Maintenance of assets registers for the fixed assets of the institute and performance ofall 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 requsted 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 2023, the government received a grant of Rs. 92 million, and Rs. 525.3 million was generated through internal revenue.
- The recurring expenses for general operations amounted to Rs. 298.9 million, while capital expenses amounted to Rs. 34.667 million. Additionally, Rs. 23.64 million was spent on the acquisition of fixed assets (including working progress).

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 2023.

- Financial reporting on fund management and development projects.
- Managing the individual deposit accounts opened under the names of coconut mill owners in the Coconut Development Fund's secure deposit accounts with proper supervision.
- Supporting the implementation of the "Kapruka Jaya Isura" program in collaboration with the Regional Development Bank to provide financial facilities to coconut industry entrepreneurs, using the Palm Oil Price Stabilization Fund.
- Proper management of the employee welfare fund, processing loan payments to members, and releasing 75% of the members' funds for employees over 55 years of age upon request.

- Ensuring proper management of invested funds in treasury bills and fixed deposits in government banks, and depositing surplus funds into savings accounts.

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 31.12.2023

	Note No.	2023.12.31	2022.12.31
NON CURRENT ASSETS		Rs.	Rs.
Property Plant & Equipment	1	571,878,566	910,341,039
LESS : Accumulated Depreciation		(223,562,434)	(202,750,872)
		348,316,132	**707,590,167**
Working progress		6,477,909	1,688,826
Boundry Wall & Dranage Line system		252,860	690,552
Staff Debtors	2	22,726,851	20,604,320
Loans Granted to BCC Lanka Limited		-	58,265,037
Interest Receivable from BCC Lanka Limited		-	60,174,135
Provision for Doubtful Debtors		-	(60,174,135)
Loan Granted to Kapruka Nipayum Diriya	3	213,475,980	155,781,634
		242,933,601	**237,030,370**
CURRENT ASSETS			
Inventories / Stocks			
Stocks	4	25,252,914	22,219,934
		25,252,914	**22,219,934**
Trade & Other Receivables			
Welfare Loan Fund		1,700,000	2,007,438
Sundry Debtors	5	58,304,960	88,133,311
Staff Debtors		6,112,026	5,816,636
Sundry Advance		641,350	720,970
Sundry Deposits	6	1,511,157	1,510,613
Investment Property (Over 3 Months Period)			
Bank Deposits	8	683,859,278	655,084,328
Treasury Bills	7	15,799,451	22,590,872
		767,928,223	**775,864,169**
Prepayments	9	**5,417,315**	**3,139,392**
Cash & Cash Equivalent			
Investment Property (3 Months period)			
Bank Deposits	8	264,276,891	189,593,522
Treasury Bills	7	886,459	3,477,558
Cash at Bank	10	171,659,278	39,975,089
Petty Cash	11	30,000	40,550
Stamp Franking Machine		33,967	4,378
		171,723,244	**40,020,017**
Inter Current Account	12	260,937,529	184,751,887
Total Current Assets		1,496,422,575	1,219,066,479
		2,087,672,308	**2,163,687,016**
NON CURRENT LIABILITIES			
Provision for Gratuity		**(50,957,084)**	(46,071,296)
CURRENT LIABILITIES			
Payables			
Sundry Creditors	13	(13,482,091)	(4,680,595)
Refundable Deposits	14	(1,702,096)	(1,171,870)
Receipts in Advance	15	(10,373,827)	(10,340,171)
Accrued Expenses	16	(18,896,085)	(16,893,686)
Inter Current Account		(260,937,554)	(184,751,887)
Total Current Liabilities		**(305,391,653)**	**(217,838,209)**
		1,731,323,571	**1,899,777,510**
FINANCED BY			
Revaluation Reserve for Land		17,727,100	391,733,330
Revaluation Reserve for Building		210,614,731	169,048,375
Revaluation Reserve for Motor Vehicles		144,184,980	144,184,980
		372,526,811	**704,966,685**
Grants & Contributions		88,943,221	88,943,221
Grant from Capital Deve. Fund		77,652,767	77,652,767
Accumulated Fund	17	1,192,200,771	1,028,214,837
		1,731,323,570	1,899,777,510

The accounting policies on page 10-15 and Notes on pages 16-34, 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 28.02.2024 and signed on behalf of them.

M.P. Sandya Kanthi
Director Finance

M. P. Sandya Kanthi
Director (Finance)
Coconut Development Authority
No. 54 Nawala Road

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

Prof. Roshan Perera
PhD(USA), MSc (Norway), BSc
Chairman
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Janaka Premarathne
Director General
28/02/2024

N.S. Wanasinghe
Board Director

N. S. WANASINGHE
Director Planning
Ministry of Plantation Industries
8th Floor, Sethsiripaya Stage II,
Battaramulla.

COCONUT DEVELOPMENT AUTHORITY

Statement of Financial Position (Analysed by Funds)

Year	2022				
	RECURRENT RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MILL DEV. FUND RS.	TOTAL RS.
NON CURRENT ASSETS					
PROPERTY PLANT & EQUIPMENT	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**
Working Progress	689,226	999,600			1,688,826
Boundry Wall & Drainage Line system	690,552	-	-		690,552
Staff Debtors(Recoverable period over 1 year)	20,604,320	-	-	-	20,604,320
Loans granted to BCC	-	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 Diriya/Jaya Isura Loan Fund	-	-	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	22,219,934	-	-	-	22,219,934
Trade & Other Receivables	-	-	-	-	-
Welfare Loan Fund	2,007,438	-	-	-	2,007,438
Sundry Debtors	39,787,628	8,031,281	36,180,915	**4,133,488**	**88,133,311**
Staff Debtors(Recoverable period less than 1 year)	5,816,636	-	-	-	5,816,636
Sundry Advance	720,970	-	-	-	720,970
Sundry Deposits	1,150,613	360,000	-	-	1,510,613
Investment Property (Over 3 Months Period)					-
Treasury Bills	-	-	22,595,873		22,595,873
Bank Deposits	285,790,902	-	250,000,000	120,288,540	656,079,442
	335,274,186	**8,391,281**	**308,776,788**	**124,422,028**	**776,864,283**
Prepayments	**3,139,392**	**-**	**-**	**-**	**3,139,392**
Cash & Cash Equivalent					-
IInvestment Property (3 Months period)					-
Treasury Bills	3,472,558				3,472,558
Bank Deposits	109,944,149	55,416,883	23,237,376		188,598,408
Stamp Franking Machine	4,378		-	-	4,378
Cash at Bank	23,034,213	1,193,925	15,746,951	-	39,975,089
Petty Cash	40,550	-	-	-	40,550
	136,455,298	**56,610,808**	**38,984,327**	**-**	**232,050,433**
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	(4,345,785)	(334,810)	-	-	(4,680,595)
Refundable Deposits	(1,171,870)		-	-	(1,171,870)
Receipts in Advance	(10,340,171)		-	-	(10,340,171)
Accrued Expenses	(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)**
	1,255,352,955	**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	437,567,782	103,465,788	376,904,947	110,276,319	1,028,214,837
	1,255,352,955	**157,243,288**	**376,904,947**	**110,276,319**	**1,899,777,510**

COCONUT DEVELOPMENT AUTHORITY

4

Statement of Financial Position (Analysed by Funds)

Year		2023				
	Note No.	RECURRENT RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MILL DEV. FUND RS.	TOTAL RS.
NON CURRENT ASSETS						
PROPERTY PLANT & EQUIPMENT	1	499,725,798	72,152,768	-	-	571,878,566
LESS : Accumulated Depreciation		(221,638,414)	(1,924,019)	-	-	(223,562,434)
		278,087,383	**70,228,749**	-	-	**348,316,132**
Working Progress		5,478,309	**999,600**			6,477,909
Boundry Wall & Drainage Line system		252,860	-	-		252,860
Staff Debtors(Recoverable period over 1 year)	2	22,726,851	-	-	-	22,726,851
Loans granted to BCC		-	-	-	-	-
Loan Interest Receivable from BCC		-	-	-	-	-
Provision for Doubtful Debtors(Loan Interest)		-	-	-	-	-
Loan Granted to Kapruka Nipayum Diriya/Jaya Isura Loan Fund	3	-	-	110,000	213,365,980	213,475,980
		28,458,021	**999,600**	110,000	**213,365,980**	**242,933,601**
CURRENT ASSETS						
Inventories						
Stocks	4	**25,252,914**		-	-	**25,252,914**
Trade & Other Receivables		-		-	-	-
Welfare Loan Fund		1,700,000		-	-	1,700,000
Sundry Debtors	5	24,129,049	7,404,488	24,779,893	1,991,531	58,304,960
Staff Debtors(Recoverable period less than 1 year)	2	6,112,026	-	-	-	6,112,026
Sundry Advance		641,350	-	-	-	641,350
Sundry Deposits	6	1,151,157	360,000	-	-	1,511,157
Investment Property (Over 3 Months Period)						
Treasury Bills	7	-	-	15,799,451		15,799,451
Bank Deposits	8	344,586,098	-	306,382,500	32,890,680	683,859,278
		378,319,680	**7,764,488**	**346,961,843**	**34,882,211**	**767,928,222**
Prepayments	9	**5,417,315**	-	-	-	**5,417,315**
Cash & Cash Equivalent						-
Ilnvestment Property (3 Months period)						
Treasury Bills	7	-	-	886,459		886,459
Bank Deposits	8	127,391,502	65,864,559		71,020,831	264,276,891
Stamp Franking Machine		33,967	-	-	-	33,967
Cash at Bank	10	148,178,785	505,376	4,500,922	18,474,195	171,659,278
Petty Cash	11	30,000	-	-	-	30,000
		275,634,254	**66,369,934**	**5,387,381**	**89,495,026**	**436,886,595**
Inter Current Account (Capital Dev Fund/GBO)	12	202,139,543	4,070,000	54,014,054	713,932	260,937,529
Total Current Assets		886,763,705	78,204,422	406,363,278	125,091,169	1,496,422,575
		1,193,309,109	**149,432,771**	**406,473,278**	**338,457,150**	**2,087,672,308**
NON CURRENT LIABILITIES						
Provision for Gratuity Payment	Page 29	(50,957,084)	-	-	-	(50,957,084)
CURRENT LIABILITIES						-
Payables						-
Sundry Creditors	13	(11,839,942)	(1,642,149)	-	-	(13,482,091)
SundryDeposits	14	(1,702,096)		-	-	(1,702,096)
Receipts in Advance	15	(10,373,827)		-	-	(10,373,827)
Accrued Expenses	16	(18,077,806)	(818,280)		-	(18,896,085)
Inter Current Account		-	(41,218,313)	(4,070,000)	(215,649,241)	(260,937,554)
Total Current liabilities		**(41,993,670)**	**(43,678,742)**	**(4,070,000)**	**(215,649,241)**	(305,391,653)
		1,100,358,354	**105,754,031**	**402,403,278**	**122,807,908**	**1,731,323,571**
FINANCED BY						
Revaluation Reserve for Land		-	17,727,100	-	-	17,727,100
Revaluation Reserve for Building		169,048,375	41,566,356	-	-	210,614,731
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	620,529,010	46,460,575	402,403,278	122,807,908	1,192,200,772
		1,100,358,354	**105,754,031**	**402,403,278**	**122,807,908**	**1,731,323,571**

The accounting policies on page 10-15 and Notes on pages 16-34, 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 28.02.2024 and signed on behalf of them.

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Director Finance

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Prof. C.M.P.P. Roshan Priyankara Perera
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....
Janaka Premarathne
Director General
28/02/2024

....
N.S. Wanasinghe
Board Director

N. S. WANASINGHE
Director Planning
Ministry of Plantation Industries
8th Floor, Sethsiripaya Stage II,
Battaramulla.

5

COCONUT DEVELOPMENT AUTHORITY

Statement of Consolidated Financial Performance (Summerised)

2022(Actual) RS.		2023(Budgeted)	2023(Actual) RS.
	GRANT		
142,000,000	Government Grant (Recurrent)	159,400,000	92,000,000
17,500,000	Jeewanopaya Programeme/Capital Grant	-	-
59,500,000	Internal Fund Transfer for Capital Development Acivities	-	-
219,000,000		**159,400,000**	**92,000,000**
	REVENUE FROM OPERATING ACTIVITIES		
	Registration Fees- Marketing Division		24,229,452
28,613,496	Registration Fees- Procesing Division	20,000,000	10,945,777
	Registration Fees- Administation Division		464,227
21,835,668	Laboratory Income	17,500,000	57,100,886
42,518,032	Inspection & Processing Charges - Fresh Coconut	125,000,000	139,609,500
68,763,267	Inspection & Processing Charges-King Coconut		128,571,217
5,114,626	Container Inspection Charges		3,486,423
1,742,121	Miscellaneous Income	1,800,000	9,362,627
6,129,330	Auction Proceeds	6,000,000	1,117,741
905,455	Dunkannawa Coconut Estate & Modern Mill		2,558,001
147,008,499		**170,300,000**	**377,445,849**
	REVENUE FROM OTHER ACTIVITIES		
-	Sale of Scrap items/ Machinary Equipment		169,545
109,941,287	Interest Income	40,000,000	147,502,962
4,011,609	Interest on B.C.C. Loan		-
232,320	Rental Income		232,320
114,185,216	**Total other Income**	**40,000,000**	**147,904,827**
508,807,211	**Total Income**	**369,700,000**	**617,350,676**
	EXPENSES		
(254,119,521)	Operating Expenses	(193,635,000)	(298,775,600)
-	WithHolding tax	(7,160,000)	(21,904)
(60,488)	Financial Charges	(53,200,000)	(63,656)
(83,685)	Sale of Scrap items/ Machinary Equipment	(16,900,000)	-
(83,685)		(55,510,000)	-
(227,858)		**(326,405,000)**	**(298,861,160)**
	CAPITAL DEVELOPMENT EXPENSES		
(20,930,621)	Processing & Development Division	(74,600,000)	(9,117,257)
(10,280,152)	Marketing Research & Development Division	(34,000,000)	(20,208,549)
(5,585,168)	Quality Control & Quality Assurance Division	(5,000,000)	(5,341,852)
(36,795,942)		(113,600,000)	(34,667,658)
(17,475,560)	**Jeewanopaya Expenses**	-	-
(271,822,940)		**(440,005,000)**	**(333,528,818)**
144,158,071	Operating Profit		**283,821,858**
(37,879,178)	Depreciation for the yer		(42,067,852)
(437,692)	Write off construction cost of boundry wall ,Renovation cost of dranage		(1,807,269)
(3,177,596)	Under Provision for Gratuity		(10,893,378)
-	Fund Tranfered to the General Treasury		(58,265,037)
98,651,996			**170,788,322**

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Janaka Premarathne
Director General

N. S. WANASINGHE

N.S. Wanasinghe
Board Director

COCONUT DEVELOPMENT AUTHORITY

Statement of Financial Performance (Analysed by Funds)

Year	2022				
	RECURRENT RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MDF FUND RS.	TOTAL RS.
GRANT					
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 Acivities		59,500,000			59,500,000
	142,000,000	**77,000,000**	**-**	**-**	**219,000,000**
REVENUE FROM OPERATING ACTIVITIES					-
Registration Fees- Marketing Division	18,570,123	-	-	-	18,570,123
Registration Fees- Procesing Division	9,866,200				9,866,200
Registration Fees- Administation Division	177,173				177,173
Laboratory Income	21,835,668	-	-	-	21,835,668
Inspection & Processing Charges - Fresh Coconut	42,518,032	-	-	-	42,518,032
Inspection & Processing Charges-King Coconut	68,763,267	-	-	-	68,763,267
Container Inspection Charges	5,114,626	-	-	-	5,114,626
Miscellaneous Income	5,999,650	129,680	-	-	6,129,330
Auction Proceeds	1,742,121	-	-	-	1,742,121
Dunkannawa Coconut Estate & Modern Mill	905,455	-	-	-	905,455
	175,492,315	**129,680**	**-**	**-**	**175,621,995**
REVENUE FROM OTHER ACTIVITIES					
Sale of Scrap Item	-				-
Interest Income	44,548,210	6,795,370	41,948,061	16,649,645	109,941,287
Rental Income	232,320	-	-	-	232,320
	44,780,530	**6,795,370**	**41,948,061**	**16,649,645**	**110,173,607**
Total Revenue	**362,272,845**	**83,925,051**	**45,959,670**	**16,649,645**	**508,807,211**
EXPENSES					
Operating Expenses	**(254,119,521)**	**-**	**-**	**-**	**(254,119,521)**
WithHolding tax	-	-	-	-	-
Financial charges	(44,798)	(16,500)	-	(810)	(60,488)
Sale of Scrap items/ Machinary Equipment	(83,685)	-	-	-	(83,685)
Transfers	(59,500,000)	3,386,056			(83,685)
	(59,628,483)	**3,369,556**	**-**	**(810)**	**(227,858)**
DIVISIONALCAPITAL DEVELOPMENT EXPENSES					
Processing & Development Division	-	(20,930,621)	-	-	(20,930,621)
Marketing Research & Development Division	-	(10,280,152)	-	-	(10,280,152)
Quality Control & Quality Assurance Division		(5,585,168)			(5,585,168)
	-	**(36,795,942)**	**-**	**-**	**(36,795,942)**
Jeewanopaya Expenses		**(17,475,560)**			**(17,475,560)**
	(313,748,004)	**(14,106,004)**	**-**	**(810)**	**(271,822,940)**
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**

7

COCONUT DEVELOPMENT AUTHORITY

Statement of Financial Performance (Analysed by Funds)

Year	Note	2023				
		RECURRENT RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MDF FUND RS.	TOTAL RS.
GRANT						
Government Grant (Recurrent)		92,000,000	-	-	-	92,000,000
						-
		92,000,000	-	-	-	**92,000,000**
REVENUE FROM OPERATING ACTIVITIES						-
Registration Fees- Marketing Division	1	24,229,452	-	-	-	24,229,452
Registration Fees- Procesing Division	2	10,945,777				10,945,777
Registration Fees- Administation Division		464,227				464,227
Laboratory Income	3	57,100,886	-	-	-	57,100,886
Inspection & Processing Charges - Fresh Coconut		139,609,500	-	-	-	139,609,500
Inspection & Processing Charges-King Coconut		128,571,217	-	-	-	128,571,217
Container Inspection Charges		3,486,423				3,486,423
Miscellaneous Income	4	9,362,627	-	-	-	9,362,627
Auction Proceeds	5	1,117,741	-	-	-	1,117,741
Dunkannawa Coconut Estate & Modern Mill	6	2,558,001	-	-	-	2,558,001
		377,445,849	-	-	-	**377,445,849**
REVENUE FROM OTHER ACTIVITIES						
Sale of Scrap Item		169,545				169,545
Interest Income	7	70,120,411	9,820,883	52,220,506	15,341,162	147,502,962
Rental Income		232,320	-	-	-	232,320
Total other Income		**70,522,276**	**9,820,883**	**52,220,506**	**15,341,162**	**147,904,827**
Total Revenue		**539,968,125**	**9,820,883**	**52,220,506**	**15,341,162**	**617,350,676**
EXPENSES						
Operating Expenses	9	(298,775,600)	-	-	-	(298,775,600)
WithHolding tax		-	-	(7,138)	(14,766)	(21,904)
Financial Charges		(38,656)	(25,000)	-	-	(63,656)
Sale of Scrap items/ Machinary Equipment		-	-	-	-	-
						-
		(298,814,256)	**(25,000)**	**(7,138)**	**(14,766)**	**(298,861,160)**
CAPITAL DEVELOPMENT EXPENSES						-
Processing & Development Division		-	(9,117,257)	-	-	(9,117,257)
Marketing Research & Development Division		-	(20,208,549)	-	-	(20,208,549)
Quality Control & Quality Assurance Division			(5,341,852)			(5,341,852)
		-	**(34,667,658)**	-	-	**(34,667,658)**
Jeewanopaya Expenses		-	-	-	-	-
		(298,814,256)	**(34,667,658)**	**(7,138)**	**(14,766)**	**(333,503,818)**
Operating Profit		**241,153,869**	**(24,871,775)**	**52,213,368**	**15,326,396**	**283,821,858**
Depreciation for the yer		(41,423,544)	(644,308)	-	-	(42,067,852)
Write off construction cost of boundry wall ,Renovation cost of dranage line system and temporary constructions		(1,807,269)	-	-	-	(1,807,269)
Under Provision for Gratuity		(10,893,378)	-	-	-	(10,893,378)
Fund Tranfered to the General Treasury		-	(31,550,000)	(26,715,037)	-	(58,265,037)
		187,029,677	**(57,066,083)**	**25,498,331**	**15,326,396**	**170,788,322**

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Board Director

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Director Planning
Ministry of Plantation Industries
8th Floor, Sethsiripaya Stage II,
Battaramulla.

Coconut Development Authority

Consolidated Cash Flow Statement for Year ended 31st December 2023

Year-2022		Year -2023	
RS.		RS.	RS.
98,651,996	Surplus/(Deficit) from Ordinary Activities		170,788,322
	Non - Cash Movements		
37,879,178	Provision for Depreciation	42,067,852	
437,692	Write off Sewerline project cost/Broundry Wall Cost	1,807,269	
(109,941,287)	Interest on Investment	(147,502,962)	
	Fund transferred to the Treasury	58,265,037	
3,177,596	Provision for Gratuity	10,893,378	
(3,177,596)	Gratuity Payment	(6,007,590)	
83,685	Profit on sale of Fixed Assets	(169,545)	(40,646,560)
27,111,265	Operating Profit / Loss before Working Capital Changes		**130,141,761**
	Changes in Working Capital		
(718,470)	Increase in Stocks	(3,032,981)	
	Decrease Welfare Loan Fund	307,438	
62,828,979	Decrease in Sundry Debtors	1,073,519	
(1,000,470)	Increase in Staff Debtors	(2,417,921)	
(237,470)	Decrease in Advances	79,620	
239,381	Increase in Sundry Deposits	(544)	
(785,750)	Increase in Prepayment	(2,277,922)	
(534,795,785)	Increasein Bank Deposits	(28,774,950)	
(22,595,873)	Decrease in Treasury Bills	6,791,421	
(65,846,655)	Increase Sundry Creditors	8,801,496	
639,245	Increase Refundable Deposit	530,226	
6,273,567	Increase Receipts in Advance	33,655	
(11,095,664)	Increase in Accrued Expenses	2,002,399	
(567,094,964)	Net cash flows from operating activities		**(16,884,543)**
	CASH FLOW FROM INVESTING ACTIVITIES		
(613,626)	Increase Working Progress	(6,158,660)	
45,594,376.68	Interest Income from Invetment	176,257,794	
101,122,525.36	Increase Nursery Projects	0.00	
(6,196,434.28)	Purchase of Fixed Assets	(17,487,309)	
58,988.00	Sale of Fixed Assets	284,104	
139,965,830	NET CASH FLOW FROM INVESTING ACTIVITIES		**152,895,928**
	CASH FLOWS FROM FINANCING ACTIVITIES		
(5,979,275.42)	Mill Development Fund	(1,214,656)	
-24664882.67	Loan granted to Loan scheme	(57,694,347)	
(30,644,158.09)	Net Cash Flows from Financing Activities		**(58,909,003)**
(430,662,028)	Net increase/(decrease) in cash and cash equivalents		207,244,144
	OTHER ACTIVITIES		
	Fund transferred to the Treasury	(58,265,037)	
	Recover Loan Granted to BCC Lanka LTD	58,265,037	-
9,930,329.50	Cash and cash equivalents at beginning of period		229,642,450
(420,731,699)	Cash and cash equivalents at end of period		436,886,594
		Cash and cash equivalents as at	
31.12.2022		**01.01.2023**	**31.12.2023**
38,781,164	Cash at Bank	39,975,089	171,659,278
4,378	Stamp Franking Machine	4,378	33,967
40,550	Petty cash	40,550	30,000
193,066,083	Fixed Deposits and Treasury bills for three months period	189,622,433	265,163,351
231,892,175		229,642,450	436,886,595

COCONUT DEVELOPMENT AUTHOITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2023

	Grant & Contribution	Grant from Capital Dev. Fund	Revaluation Surplus	Accumulated Fund	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01/01/2023	**88,943,222**	**77,652,767**	**704,966,685**	**1,028,214,837**	**1,899,777,511**
Prior year Adjustment		-	-	(4,007,581)	**(4,007,581)**
Revaluation	-	-	(332,439,874)	-	**(332,439,874)**
MDF Fund Movement				**(2,794,808)**	**(2,794,808)**
Income & Expenditure	**-**	**-**	**-**	**170,788,322**	**170,788,322**
Balance as at 31/12/2023	**88,943,222**	**77,652,767**	**372,526,811**	**1,192,200,770**	**1,731,323,570**

Significant Accounting Policies

1. *General*

1.1. The Coconut Development Authority was established in terms of the Coconut Development Act No.46 of 1971(As amended). Head Office situated at No 54, Nawala Road, Narahenpita, Colombo 05 and Divisional Office situated in Duke Street, Colombo 01.

1.2. The authority is directed by the Board of Directors. In terms of Coconut Development Act, the board consists of 09 members and appointed them by the Minister - in – charge. The members hold office for three years and are eligible for reappointment.

1.3. ***Powers and Functions of the authority***

In terms of the Coconut Development Act.No.46 of 1971, subsequent amendment Act. No 40 of 1987, extra ordinary gazette notification No.69/4 of 31/12/1978, the authority has been vested with powers and functions in the industry to be its apex body which will provide governance, guidelines, technology, approval for projects and program and fund management as well for the other board affiliated as co-groups in the industry.

General Policies

1.4. Statement of Compliance

Statement of Financial Position, Statement of Financial Performances, Statement of changes in net assets/ equity, Cash flow statement, Approved budget column in the financial statement and Notes, comprising a summary of significant accounting policies and other explanatory notes have been prepared in accordance with the Standards issued by The Institute of Chartered Accountants of Sri Lanka.

1.5. Basis of Preparation

The financial statements presented in Sri Lanka rupees have been prepared on a historical cost basis.

1.6. Changes in Accounting policies and adoption of new Public Sector Accounting Standards during the year.

The accounting policies adopted are consistent with those of the previous financial years.

The Coconut Development Authority has adopted the following new SLPSAS that are effective in the current year and the accounting policies of the Institute have been revised where relevant to reflect the changes in the provisions of these SLPSAS.

SLPSAS -01 Presentation of Financial Statements

SLPSAS - 02 Cash Flow Statements

SLPSAS - 03 Accounting Policies, Changes in Accounting Estimates& Errors

SLPSAS - 04 Borrowing Cost

SLPSAS - 05 Effects of Changes in Foreign Exchange Rates

SLPSAS - 06 Events after the Reporting Data

SLPSAS - 07 Properties, Plant & Equipment

SLPSAS - 08 Provisions, Contingent Liabilities and Contingent Assets

SLPSAS - 09 Inventories

SLPSAS - 10 Revenue from Exchange Transactions

SLPSAS - 11 Revenue from Non-Exchange Transactions (Taxes and Transfers)

SLPSAS - 12 Leases

SLPSAS - 13 Investment Properties

SLPSAS - 14 Related Party Disclosures

SLPSAS - 15 Presentation of Budget Information in Financial Statements

SLPSAS - 16 Construction Contracts

SLPSAS - 17 Segment Reporting

SLPSAS - 18 Agriculture

SLPSAS - 19 Employee Benefits

SLPSAS - 20 Intangible Assets

1.7. Comparative Information

The Accounting Policies applied by the Authority are, unless otherwise stated, consistent with those used in the previous year. Previous year figures and phrases have been rearranged wherever necessary to conform to the current year presentation.

1.8. Event after the Balance Sheet Date.

All material post financial position events have been considered and appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

1.9. Foreign Currency Translation.

The Financial Statements are prepared in Sri Lanka rupees which is the authority functional and presentation currency.

1.10. Tax

The authority is liable to pay VAT, SSCL and Stamp Duty in the current year under the provisions of the Inland Revenue Act.

1.11. Infrastructure Plant & Equipment

Property Plant & Equipment are stated at cost or revalued amount less accumulated depreciation. The provision for depreciation is calculated by using a straight- line method on the cost or revalued amount .Full year depreciation is changed in the year of purchase or in the year of start to use and no depreciation is made in the year of disposal.

Depreciation is provided on the straight line method at the following rates per annum.

Building & Structures	*2.5%*
Motor Vehicles	*20%*
Furniture & Equipment	*10%*
Books & Periodicals	*10%*
Compute /Printers/Scanners/Fax Machines	*20%*
CCTV Camera system	*20%*
Machinery & Equipments	*20&*
Laboratory Equipment	*20%*

No depreciation is charged on Lands and on leased lands. Lands owned by the Authority are shown at revalue amount

Lease assets

Leased assets or other assets not owned by the Authority are not recorded as authority's assets. The land in Narahenpita (head office premises) and the land in Duke Street (Divisional office premises) acquired under 99 years lease agreement has not been accounted as the property belongs to the Authority.

Revaluation of Assets Land & Building		
Valuation Department has revalued Land , Building and Motor Vehicles as follows.		
Date of Revaluation	***Type of Assets***	***Revalue Amount***
		RS
2022.01.10	*Land- Dunkannawa*	*57,500,000.00*
2022.01.10	*Building- Dunkannwa*	*9,268,700.00*
2022.02.14	*Building - Duke Street*	*99,000,000.00*
2023.01.03	*Building - Narhenpita*	*108,400,000.00*

Motor Vehicles revalued on 2022/12/05			
	Vehicle Number	***VehicleType***	***Revalue Amount (Rs)***
	-	-	***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

1.14. Working- in- Progress

Expenditure on capital work by nature is recorded under this account until complete the whole work and ready for use. The total expenditure in this account is transferred to the appropriate asset account if not disputed. Expenses on major repairs or temporary constructions which incurred are also shown under this account until the repair is fully completed and then transfer to the relevant account throughout the expected life time as per the given board decisions.

1.15. Inventories

Inventories are valued at first in first out basis (FIFO)

1.16. Trade and other Receivable

Trade and other receivable are stated at the amounts they are estimated to be realized,

1.17 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 Deposit accounts are in Bank of Ceylon, People's Bank and Regional Development Bank as per the decisions 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

1.18. Cash and Cash Equivalent

Cash and Cash Equivalents in the cash Flow Statement comprise, cash at bank and cash in hand and short-term deposits

1.19. Liabilities and Provisions

Provision for Gratuity

Gratuity is a defined benefit plan. The institute is liable to pay gratuity in terms of the relevant statues. In order to meet this liability, a provision is calculated based on Actuarial Valuation method. The present value of the defined benefit Obligation is determined by discounting the estimated future cash outflows using Treasury bill interest rate as at 31.12.2023..

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions.

Key assumptions used in determining the defined retirement benefit obligations are given in Page No.29. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 - 'Employee Benefits'. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

COCONUT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL POSITION AS AT 31.12.2023

PROPERTY PLANTS & EQUIPMENT AS AT 31.12.2023 Head Office & Duke Street

	COST AS AT 01.01.2023	ADDITION	ADJUSTMENT & DISPOSAL	COST AS AT 31.12.2023	ACCUMULATED DEPRECIATION AS AT 01.01.2023	ADJUSTMENT & DISPOSAL	DEPRECIATION 2023	ACCUMULATED DEPRECIATION AS AT 31.12.2023	W.D.V. AS AT 31.12.2023
	RS	RS	RS	RS	RS	RS	RS	RS	RS
BUILDING NARAHENPITA	108,400,000			108,400,000	2,710,000		2,710,000	5,420,000	102,980,000
BUILDING DUKESTREET	99,000,000			99,000,000	2,475,000		2,475,000	4,950,000	94,050,000
LAND	340,000,000		(340,000,000)	-	-			-	-
LABOROTARY EQUPMENT	145,177,661	3,146,405	(16,652,724)	131,671,342	125,454,623	(16,652,703)	12,728,227	121,530,147	10,141,195
FURNITURE & FITTINGS	22,210,631	139,960	(638,981)	21,711,610	15,970,130	(544,670)	1,666,290	17,091,750	4,619,860
COMPUTER ACCESSORIES	22,240,713	8,662,651	(339,042)	30,564,322	18,065,071	(338,070)	3,026,907	20,753,908	9,810,413
MACHINERY EQUPMENT	20,920,779	5,538,293	(2,097,983)	24,361,090	17,326,163	(2,078,741)	2,206,955	17,454,377	6,906,712
BOOKS	743,014		-	743,014	740,556		549	741,105	1,909
MOTER VEHICLES	81,790,000		-	81,790,000	16,358,000		16,358,000	32,716,000	49,074,000
CCTV	1,258,080			1,258,080	503,232		251,616	754,848	503,232
DUNKANNAWA ESTATE ASSETS	242,953		(16,613)	226,340	242,879	(16,601)		226,278	62
	841,983,831	**17,487,309**	**(359,745,343)**	**499,725,798**	**199,845,654**	**(19,630,784)**	**41,423,544**	**221,638,414**	**278,087,383**
WORKIND PROGRES	689,226	6,158,660		6,847,886			1,369,577	1,369,577	5,478,309
3014 · Boundry Wall	690,552			690,552			437,692	437,692	252,860
	843,363,609	**23,645,969**	**(359,745,343)**	**507,264,236**	**199,845,654**	**(19,630,784)**	**43,230,813**	**223,445,684**	**283,818,552**

PROPERTY PLANTS & EQUIPMENT AS AT 31.12.2023- DUNKANNAWA ESTATE

	COST AS AT 01.01.20223	ADDITION	ADJUSTMENT & DISPOSAL	COST AS AT 31.12.2023	ACCUMULATED DEPRECIATION AS AT 01.01.2023	ADJUSTMENT & DISPOSAL	DEPRECIATION 2023	ACCUMULATED DEPRECIATION AS AT 31.12.2023	W.D.V. AS AT 31.12.2023
LAND	57,500,000	-		57,500,000	-	-	-	-	57,500,000
BUILDINGS	9,268,700	-	3,795,560	13,064,260	1,952,113	(1,625,507)	326,607	653,213	12,411,048
DRUM PAIR	1,008,348	-		1,008,348	605,009		201,670	806,679	201,669
DRYING YARD	580,160	-		580,160	348,096		116,032	464,128	116,032
TOTAL	**68,357,208**	**-**	**3,795,560**	**72,152,768**	**2,905,218**	**(1,625,507)**	**644,308**	**1,924,019**	**70,228,749**

No.				Rupees
	COCONUT DEVELOPMENT AUTHORITY			
	NOTES TO THE FINANCIAL POSITION AS AT 31.12.2023			
		Rec'ble in year 2024	**Rec'ble after 2024**	
2	**Staff Debtors**			
	Distress Loan	*4,762,512*	*21,144,994*	*25,907,506*
	Motor Cycle Loan	*1,101,204*	*1,578,857*	*2,680,061*
	Motor Cycle Loan (Special)	147,260	-	*147,260*
	Foot Cycle Loan	*4,800*	*3,000*	*7,800*
	Festival Advance	*96,250*	-	*96,250*
		6,112,026	**22,726,851**	**28,838,877**
3	**KAPRUKA NIPAUM DIRIYA LOAN SCHEME**			
	Balance as at 2023/01/01		**705,000**	
	Loans given during the year		-	
	Repayment during the year		*595,000*	
	Balance as at 31/12/2023			**110,000**
	JAYAISURA LOAN SCHEME 2022			
	Balance as at 2023/01/01		*155,076,634*	
	Loans given during the year		*112,550,000*	
	Repayment during the year		*54,260,653*	
	Balance as at 31/12/2023			**213,365,980**
				213,475,981
4	**INVENTTORIES**			
	Recurrent			
	Laboratory requisites		*20,244,553*	
	Motor Spare parts		*223,054*	
	Stationery		*4,760,028*	
	Uniform		*25,279*	**25,252,914**
5	**Sundry Debtors**			
	Recurrent			
	Debtors on Service rendered to D.C. Mills		*4,242,552*	
	Debtors on Kind Coconut Charges		*50,300*	
	Debtors on Service rendered to Milk products		*61,625*	
	Debtors on Service rendered to Substrade products		*19,884*	
	Debtors for Copra / Fresh Coconut Lot Fees		*323,558*	
	Debtors for Labal Stickers	***Page No.34***	*6,999*	
	Debtors for Registation PD		*(104,410)*	
	Debtors for Registation MD		*176,738*	
	Debtors for Testing Charges		*741,168*	
	Debtors for Quality Certificate		*(195,502)*	
	Debtors for Container inspection Charges		*(294,148)*	**5,028,763**
	Rent income and Charges receivable			*63,378*
	Bank of Ceylon (Interest on Fixed Deposits)			*18,807,420*
	VAT Recoverable			*229,488*
				24,129,049
	Capital Development Fund			
	Bank of Ceylon Interest Receivable on Fixed Deposits		*344,456*	
	Sri lanka Rupawahini Corporation		*7,060,032*	
				7,404,488

	COCONUT DEVELOPMENT AUTHORITY						
	NOTES TO THE FINANCIAL POSITION AS AT 31.12.2023						
No.							***Rupees***
	P.S.S.Oil Fund						
	Interest Receivable from Fixed Deposits					*23,181,579*	
	Interest Receivable from Treasury Bills					*1,598,314*	
							24,779,893
	Mill Development Fund						
	Interest Receivable						***1,991,531***
							58,304,960
6	***Sundry Deposits***						
	Electricity Deposits					*1,120,000*	
	Kammalpattuwa (C.P.C.S.) Ltd.					*10,000*	
	Pushpakumara Edirisinghe					*6,054*	
	Mr. Y.K.C. Jayathilaka					*15,102*	***1,151,157***
	Sundry Deposits Capital						
	Rent Deposits Reginal Office -M.M.A.D.Herath					*150,000*	
	Rent Deposits Reginal Office -Wayamba Pradesiy					*210,000*	***360,000***
							1,511,157
7	***Treasury Bill***						
	PSS Oil Fund						
	Treasury Bills Cord No	***Renewal date***	***Matuarity date***	***Period***	***Interst Rate***	***Value***	
	664	*2023.07.28*	*2024.01.26*	*1 year*	*14.00%*	*7,856,371*	
	664	*2023.05.12*	*2024.05.10*	*1 year*	*19.50%*	*5,804,202*	
	664	*2023.04.07*	*2024.04.05*	*1 year*	*19.50%*	*615,770*	
	664	*2023.09.08*	*2024.09.08*	*1 year*	*11.00%*	*356,330*	
	130999	*2023.01.06*	*2024.01.06*	*6 MONTHS*	*24.00%*	*1,166,778*	***15,799,451***
	664	*2023.10.27*	*2024.01.26*	*3 MONTHS*	*13.00%*	*886,459*	***886,459***
							16,685,910
8	***Fixed Deposits***						
	Recurrent						
	F/D Receipt No	***Renewal date***	***Matuarity date***	***Period***	***Interst Rate***	***Value Rs.***	
	F/D A/C NO 89068776 - BOC	*2023.06.07*	*2024.06.07*	*1 year*	*10.00%*	*61,210,000*	
	F/D A/C NO 89069009 - BOC	*2023.06.07*	*2024.06.07*	*1 year*	*10.00%*	*122,420,000*	
	F/D A/C NO 89068748 - BOC	*2023.06.07*	*2024.06.07*	*1 year*	*10.00%*	*61,210,000*	
	F/D A/C NO 001-60-01-0009127	*2023.11.12*	*2024.11.12*	*1 year*	*11.50%*	*69,164,848*	
	F/D A/C NO 119-60-01-0001263	*2023.06.07*	*2024.06.07*	*1 year*	*16.00%*	*30,581,250*	***344,586,098***
	3 Months Period						
	F/D A/C NO 89068892 - BOC	*2023.12.08*	*2024.03.08*	*3 months*	*9.00%*	*12,989,734*	
	F/D A/C NO 89068966 - BOC	*2023.12.08*	*2024.03.08*	*3 months*	*9.00%*	*12,989,734*	
	F/D A/C NO 89068864 - BOC	*2023.12.08*	*2024.03.08*	*3 months*	*9.00%*	*12,989,734*	
	F/D A/C NO 89068877 - BOC	*2023.12.08*	*2024.03.08*	*3 months*	*9.00%*	*12,989,734*	
	F/D A/C NO 89704304 - BOC	*2023.10.11*	*2024.01.11*	*3 months*	*9.00%*	*15,200,665*	
	F/D A/C NO 89704323- BOC	*2023.10.11*	*2024.01.11*	*3 months*	*9.00%*	*60,231,903*	***127,391,502***
							471,977,600
	Capital Development Fund Fixed Deposits						
		date	***Matuarity date***	***Period***	***Interst Rate***	***Value Rs.***	
	F/D A/C NO 89068824	*2023.12.08*	*2024.06.08*	*6 months*	*26%*	*39,885,092*	
	3 Months Period						
	F/D A/C NO 89068929	*2023.12.08*	*2024.03.08*	*3 months*	*26%*	*12,989,734*	
	F/D A/C NO 89068947	*2023.12.08*	*2024.03.08*	*3 months*	*26%*	*12,989,734*	***65,864,559***

	COCONUT DEVELOPMENT AUTHORITY						
	NOTES TO THE FINANCIAL POSITION AS AT 31.12.2023						
No.							Rupees
	P.S.S. Oil Fund						
	Kapruka Loan Fixed Deposit						
	F/D Receipt No						
		Renewal date	Maturity date	Period	Interst Rate	Value	
	119-60-01-00012635-2	2023.06.07	2024.06.06	1 year	16.00%	61,162,500	
	001-60-01-00014405-7	2023.06.07	2024.06.06	1 year	17.00%	61,400,000	
	001-60-01-00014406-6	2023.06.07	2024.06.06	1 year	17.00%	61,400,000	
	(BOC)89068987	2023.06.07	2024.06.06	1 year	10.00%	61,210,000	
	(BOC)89068807	2023.06.07	2024.06.06	1 year	10.00%	61,210,000	
							306,382,500
	MDF Fund						
	Jayaisura Loan Fixed Deposit						
	F/D Number	Renewal date	Maturity date	Period	Interst Rate		
	135030100081	2023.07.09	2024.07.09	1 year	16.00%	32,890,680	32,890,680
	3 Months Period						
	(BOC) 85092573	2023.11.09	2024.02.09	3 months	15.00%	3,638,813	
	(BOC) 89068844	2023.12.08	2024.03.08	3 months	15.00%	23,381,520	27,020,333
	MDF Saving Accounts						44,000,498
							71,020,831
9	Pre Payments						
	Recurrent						Rs.
	Prepayment other					36,000	
	Prepayment Insurance Fire					177,378	
	Prepayment InsuranceMedical					4,479,904	
	Prepayment Service Charges					724,033	5,417,315
10	Cash at Bank						
	Saving account- Seylan Bank					25,000	
	Saving Account -BOC-					108,821,087	
	Saving Account -Peoples-					43,957,834	
	Current Account-BOC -Nugegoda-A/C No -228042					(8,104,417)	
	Current Account- Peoples' Bank-Narahenpita- A/C No-119100160007416					3,479,282	148,178,785
	Capital Development Fund						
	BOC -Nugegoda-A/C No -228043						505,376
	Saving Account Peoples Bank--Head Office - **PSS Oil Fund**						4,500,922
	Saving Account -RDB						18,474,195
							171,659,278
11	Petty Cash						
	Narahenpita					25,000	
	Kurunegala					5,000	30,000
12	Inter Current Accounts						
	Recurrent						
	Kapruka Loan fund					175,133,158	
	PSS OIl Fund					(13,497,972)	
	CESS Inter Current Account					40,504,356	202,139,543
	Capital Development Fund						
	P.S.S.Oil Fund (Loan Kapruka)					4,070,000	4,070,000
	P.S.S. Oil Fund						
	MDF Fund (Jaya isira Loan)					40,516,083	
	Recurrent					13,497,972	54,014,054

No.	Description	Amount	Rupees
	COCONUT DEVELOPMENT AUTHORITY		
	NOTES TO THE FINANCIAL POSITION AS AT 31.12.2023		
No.			**Rupees**
	Mill Development Fund		
	Inter Current Accounts		
	Capital Development Fund (MDF) Receivable		25,335
	Capital Development Fund		688,597
			713,932
13	**Sundry Creditors**		
	GB.O.-Purchasing Advance		
	Sri Lanka State Trading	63,720	
	Hemsons Internaional	543,915	
	Rainbow Stationery & Amp Electronics	59,700	
	Boomi Tech	560,000	
	S P Trading Company	25,275	
	Commercial Marketing	794,486	
	Agilex Holding	4,552,275	
	Southern Marketing	38,375	
	Lanka Global & Company	110,000	
	Hardlead IT Technologies	2,111,200	
	S J Y Constructions	51,743	
	D A W Associates	226,285	
	Karunarathne Fabricators	1,427,523	
	Octagan Force Pvt Ltd	245,406	
	Analytical Instruments	324,157	
	Metropolitan Technologies	701,500	
	Anex Agencies	4,380	
			11,839,942
	Capital Development Fund		
	Creditors		
	Heyleys Science	130,000	
	Salacine Television	1,512,149	
			1,642,149
			13,482,091
14	**Sundry Deposits**		
	Quality Certificates		
	Stassen Exports	116,193	
	Decico Lanka Pvt Ltd	40,050	**156,243**
	Refundable Bid Bond ,Tender Deposit and Retention		
	GIT Holdings	143,037	
	WTD De Silva	1,000	
	Hemson International	85,024	
	C.W. Macky	70,000	
	Randeniya Oil Mill	80,000	
	W.A.D.R.B. Kumara	15,500	
	S.J.Y. Constructions	161,938	
	Southern Constructions	12,175	
	Adamjee Lukmanjee	250,000	
	Scientific instruments	4,000	
	Micro Tec Biological	4,000	
	Hardlead IT Technologies	200,000	
	Technical Fire Protections	5,993	
	Qualikem Int (Pvt) Ltd	45,000	
	GIT Holdings	143,037	
	E-Wis periperals	2,300	
	Octagon Forse Pvt Ltd	22,450	
	Lotus Constructions	23,033	
	Octagon Forse Pvt Ltd	28,931	
	S J Y Constructions	13,469	
	Karunarathne Fabriators	91,635	
	D A W Associates	122,176	**1,524,696**

No.			Rupees
	COCONUT DEVELOPMENT AUTHORITY		
	NOTES TO THE FINANCIAL POSITION AS AT 31.12.2023		
	Security Deposits		
	01. Pushpakumara Edirisinghe	6,054	
	02. Y.K.C. Jayathilaka	15,102	**21,157**
			1,702,096
15	**Receipt In Advance**		
	Deposits for Testing Charges	**2,327,000**	
	Registration and Testing charges	**5,213,438**	
	Unidentified Deposits	**2,833,390**	
			10,373,827
16	**Accrued Expenses**		
	E.P.F. Payables	2,084,809	
	E.T.F. Payables	262,526	
	Electricity	1,055,851	
	Water	132,760	
	Telecommunications	203,597	
	Security Services	335,872	
	Cleaning Services	382,343	
	Audit Fee	770,640	
	Fuel and Lubricant	320,529	
	Overtime	1,066,905	
	Repair & Maintennce	456,239	
	Domestic Travelling	690,170	
	Gratuity	721,170	
	Dunkannawa Expenses	2,155,606	
	Stamp Duty	1,544,754	
	parking fee	42,560	
	Coin Payables	880	
	Social Security Tax 2.5%	259,971	
	Salary	429,805	
	Transport	210,925	
	Welfare	129,140	
	Office Requisities	110,890	
	Other Expenses	210,203	
	VAT -15%	4,499,663	
			18,077,806
	Capital Development fund		
	Accrued Expenses		
	Capital Development Fund		
	Electricity	25,082	
	Advertisment	74,382	
	Water	1,766	
	Audit Fee(QA&QC)	717,050	
			818,280
			18,896,085
17	**Accumulated Income over Expenses**		
	Recurrent		
	Balance as at 01-01-2023		437,567,783
	Nursery project		
	Prior year adjustment		(4,068,449)
	Surplus/Deficit		187,029,677
	Balance as at 31-12-2023		**620,529,010**
	Capital Development fund		

COCONUT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL POSITION AS AT 31.12.2023

No.					Rupees
	Balance as at 01-01-2023				**103,465,789**
	Surplus/Deficit-2023				**(57,066,083)**
	Prior year adjustment				**60,869**
	Balance as at 31-12-2023				**46,460,575**
	PSS Oil Fund				
	Accumulated Fund at 01-01-2023				**376,904,948**
	Surplus/Deficit 2023				25,498,331
	Accumulated Fund at 31-12-2023				**402,403,279**

			Jaya Isura Fund	Mill Development Fund	Total
	MDF		Rs.	Rs.	
	Savings Account	Page -27-28		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 01-01-2023		**63,455,678**	**46,820,641**	**110,276,319**
	Savings Account	Page -27-28		44,000,498	
	Un operating MDF account			-	
	R'ble from Capital Development Fund			25,335	
	Jaya insure Loan granted		213,365,980	-	
	Saving Account		18,474,195	-	
	Fixed Deposits		59,911,012		
	P'ble to Pss Oil Fund (Loan)		(40,516,083)	-	
	P'ble to GBO Oil Fund (Loan)		(175,133,158)		
	Capital Development Fund		688,597	-	
	Interest Receivable		1,991,531		
	Balance as at 31.12.2023		**78,782,074**	**44,025,833**	**122,807,907**
	P.S.S.OIL FUND				
	MDF C/Account				**40,516,083**

Discloses

1 Advance Payment for Digital Wall amounting Rs. 999,600/= has been repaid by the supplier on 09.02.2024 .(Receipt No.24947)

2 BCC Lanka Limited completely settled the principal loan amount of Rs.58,265,037/40 . BCC lanka issued th e cheque in favour of The Treasury and the Authority considered it as recovered the loan from BCC Lanka Ltd as well as transferdt the funds amounting Rs.58,265,037.40 to the treasury as the levy from Coconu Development Authority. Interest Receivable on this loan completely written off from the books as per the treasury recmendation and the approval of the board of directors.

Legal Cases

1 SC/FR 129/2021 -

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.

2 SC/FR 194/2017 -

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.

COCONUT DEVELOPMENT AUTHORITY

NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2023

		Rs.	Rs.
1	***Registration Fee - Marketing Division***		
	Kernal Products	4,108,650	
	Fresh Coconut	4,547,000	
	Non Kernel Product - Raw	2,835,000	
	Non Kernel Product -Value Added	4,775,000	
	Non Kernel Product -Value Ather	1,190,000	
	Non Kernal Products	115,784	
	Other Coconut Product	71,500	
	Un Processing Nuts	1,740,000	
	King Coconut	2,957,680	
	Dealer Registrations	97,500	
	Estate Registration	72,225	
	Broker Registration	34,590	
	other	483	
	No objection letters issuing charges	1,684,040	**24,229,452**
2	***Registration Fee - Procesing Division***		
	Desicated Coconut	1,509,300	
	Vergin Coconut Oil	1,136,051	
	Coconut Oil	915,736	
	Paring Coconut Oil	202,500	
	Industrial Coconut Oil	10,000	
	White Coconut Oil	532,670	
	Copra Miller	22,000	
	Refined Bleached Deodorized	272,400	
	Coconut Milk	395,000	
	Coconut Milk Powder	320,000	
	Coconut Milk Processor	57,500	
	Coconut Vineger	16,719	
	Creamed Coconut	327,500	
	Cocnut Milk Related Produc	190,000	
	Coconut Butter	157,500	
	Coconut Spread	87,500	
	Coconut Amino	108,000	
	Coconut Flour	294,000	
	Ccoconut Cream	265,000	
	Coconut Suger	140,000	
	Coconut Syrup	35,000	
	Coconut Smils	105,000	
	Frozen Grated Coconut	70,000	
	Coconut Soft Gel	6,000	
	Coconut Treacle	24,000	
	DC Repaker	239,700	
	Coconut Oil Repacker	17,500	
	Coconut Water	495,000	
	King Coconut Water	100,000	
	Fiber Mills	259,951	
	Coir Pith Substrade	1,370,650	
	Fiber Bale	111,500	

NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2023

	Cut Fiber	*100,000*	
	Activated Carbon	*180,000*	
	Shell Charcoal	*101,100*	
	Shell Charcoal Briquettes	*45,000*	
	Shell Pleces & Powder	*17,000*	
	Ornamental Products	*24,000*	
	Brooms & Ekels	*92,000*	
	Twine Coir Yarn	*246,000*	
	Coconut Toddy	*10,500*	
	Mct Coconut Oil	*60,000*	
	Mct oil Powder	*85,000*	
	Coconut Base Alcohol	*80,000*	
	Shell Charcoal Pieces	*9,000*	
	Coconut Husk	*52,500*	
	Coconut Sumbol	*10,000*	
	Coconut Chips	*20,000*	
	Coconut Creem Processor	*20,000*	***10,945,777***
3	***Laboratory Income***		
	DC Sampling &testing charges	*29,184,004*	
	PDDC Sample testing charges	*1,183,010*	
	DC Repacking sample testing charges	*853,972*	
	Quality certificate testing charges	*2,517,125*	
	Water sampling charges	*1,547,120*	
	Coir Fibre testing charges	*3,842,658*	
	Coconut oil testing Charge	*5,984,250*	
	Coconut milk testing Charge	*1,217,861*	
	Coconut shell charcoal testing Charge	*16,582*	
	Poonac sample testing Charge	*34,755*	
	R.B.D. Coconut oil testing Charge	*3,712,400*	
	White coconut oil testing Charge	*25,155*	
	Substrate sample testing Charge	*2,439,898*	
	VCO testing Charge	*649,910*	
	WCO testing Charge	*185,000*	
	Copra sample testing charges	*27,650*	
	Coconut milk powder testing charges	*235,992*	
	Urgent charges	*1,414,303*	
	Coconut cream testing charges	*717,765*	
	Return consinment testing charges	*867,523*	
	Coconut husk sample testing charges	*182,850*	
	King Coconut water testing charges	*176,150*	
	Coconut suger testing charges	*44,750*	
	Grow bags testing charges	*37,650*	
	Activate carbon testing charges	*2,555*	*57,100,886*
4	***Miscellaneous Income***		
	Sale of Bulletins	*58,490*	
	Exbition Stall Charges	*110,191*	
	Sundry Income	*643,007*	
	Lable Books & Stickers Charges	*8,550,939*	***9,362,627***

NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2023

5	***Auction Proceeds***		
	Lot Fees Income -Copra & Fresh Coconut		*1,443,498*
	Less :Action Fee	*163,533*	
	Communication Expenses	*31,279*	
	Other	*130,945*	*(325,757)*
			1,117,741
6	***Dunkannawa Modern Mill***		
	Sale of Coconut , Fiber and Plants		*6,136,593*
	Less :Expenses		
	Salaries & Wages,	*(445,977)*	
	EPF & ETF	*(628,410)*	
	Fertilizer	*(824,063)*	
	Electricity	*(244,544)*	
	Insurance	*(4,013)*	
	Telephone charges	*(673)*	
	Rrepair Maintenance and Other	*(1,150,914)*	
	Pulking Expenses	*(280,000)*	***(3,578,593)***
			2,558,001
7	***Interest Income***		
	Recurrent		
	Interest on Staff Loans	*1,252,635*	
	Interest on Investment (Treasury Bills)	*675,685*	
	Interest on Investment -Saving accounts	*643,992*	
	Interest on Fixed Deposits	*67,548,099*	***70,120,411***
	Capital Development Fund	*Rs.*	*Rs.*
	Interest on Fixed deposits	*9,820,883*	
			9,820,883
	P.S.S.Oil Fund	*Rs.*	*Rs.*
	Interest on Treasury Bills	*4,650,749*	
	Interest on Bank loans	*12,153*	
	Interest on Fixed Deposits	*47,403,649*	
	Interest on Servings Accounts	*153,955*	
			52,220,506
	MDF Fund		
	Interest on Fixed Deposits	*9,176,898*	
	Interest on Bank loan	*5,856,422*	
	Interest on Servings Accounts	*307,842*	
			15,341,162
			132,161,800

Coconut Development Authority
OPERATING EXPENSES

Rs.

2,022	2,023	DESCRIPTION	SUB TOTAL	2023
ACTUAL	ESTIMATE			TOTAL
		PERSONAL EMOLUMENTS		Rs.
92,421,713	110,000,000	Salaries & Wages	94,886,713	
18,388,844	20,000,000	Cost of Living & Other allowances	17,141,129	
44,656	375,000	Holiday Payment	413,157	
10,768,575	12,000,000	Monthly Allowance	10,975,522	
139,320		Acting allowance	-	
16,410,904	19,500,000	E.P.F.	16,855,339	
3,191,225	3,900,000	E.T.F.	3,196,720	
1,369,000	2,600,000	Professional Allowance	1,038,000	
4,413,403	6,700,000	Fuel & vehicle Allowance	2,991,311	
66,780		Language / Interim Allowance	688,414	
963,292		Telephone Allowance	1,111,979	
8,601,170	8,460,000	Overtime	9,713,614	
3,773,815	6,500,000	Welfare Expenditure	6,037,260	
354,163	**1,800,000**	Training & Seminars	906,111	
7,169,601	8,460,000	Insurance medical	7,236,452	
-		New Recruitment Expenses	-	
149,758	140,000	Membership Subscriptions	4,500	**173,196,222.03**
		TRAVELLING EXPENSES		
4,456,783	6,600,000	Travelling Expenses (Local)	10,496,096	
336,000	560,000	Parking Fee	542,850	**11,038,946**
		SUPPLIES & REQUISITES		
15,440,528	11,650,000	Stationery & Other Requisites	12,734,712	
7,333,306	9,500,000	Fuel & Lubricants	10,281,172	
664,654	750,000	Uniforms	939,635	
9,517,414	29,900,000	Laboratory Chemicals Other Consumables	26,201,542	
708,370	1,400,000	Other reqquisities	1,203,171	**51,360,232**
		REPAIRS & MAINTENANCE		
8,229,080	9,400,000	Vehicles	15,538,074	
2,701,549	2,800,000	Machinery Office Equipment & Furniture	5,692,174	
6,972,505	4,700,000	Structures / Buildings	6,250,248	**27,480,497**
		TRANSPORTATION , COMMUNICATION , UTILITY & OTHER SERVICES		
4,056,362	4,700,000	Transport	3,982,150	
479,900		Postal Charges & Stamp Fee	420,411	
2,193,291	2,800,000	Communication	2,414,496	
6,121,401	13,100,000	Electricity	11,745,786	
907,563	2,800,000	Water	1,248,960	
1,971,621		Lease Rental for Vehicles		
776,172	4,220,000	Insurance -Vehicles,Fire, Personal Accidents	1,741,553	
3,719,305	4,700,000	Security Services	3,243,941	
4,363,284	4,700,000	Cleaning Services	3,580,764	
149,520	1,600,000	Legal Fees	63,700	
545,400	940,000	Audit Fees	600,000	
1,315,273	1,900,000	Advertisement/ Subscriptions for Magazines	2,261,021	
504,046		Board meeting/AMC meeting and othe Expnses	62,000	**31,364,781**
			-	
		Taxes and other Levies		
3,508	-	Stamp Duty	16,550	
1,372,777	1,900,000	Rates & Taxes	1,559,380	**1,575,930**
-		**Other Expenses**		
127,200	450,000	Chairman's Entertainment & Board / AMC metting expenses	999,543	
476,000	1,750,000	Board members Allowance & Transport Allowances	688,096	
150,000	600,000	Audit & Mgt meeting Allowance & Transport Allowance	104,000	
212,825		Translation Fee		
	450,000	News Papers	516,860	
30,750	50,000	Other Expenses	348,653	
28,678	500,000	Reginal Office Expenses	101,842	**2,758,993**
28,240		Hambanthota Project Piliminary Expenses	-	
254,119,521	**324,855,000**	**TOTAL EXPENDITURE**		**298,775,600**

Coconut Development Authority
Millers Savings A/C - 2023

Mill No.	A/C No.	Name of the Mill	Balance as at 01.01.2023	Deposit - November'21	Deposit - December'21	Interest 2023 (Janauary-June)	Withdrawals	Tax for 2023	Balance as at 31-12-2023
M 62	1-0065-30-0926-2	Desico Lanka (Pvt) Ltd.	392,996.80	7,744.84	5,264.22	10,974.39		548.72	416,431.53
M 63	1-0065-30-0928-9	Chilaw D.C. & Oil Mills	1,045,480.65	380.00	0.00	29,034.69		1,451.73	1,073,443.61
M 64	1-0065-30-0929-7	Rathkarawwa D.C. & Oil Mills	640,613.89	8,981.20	12,390.00	17,888.75		894.43	678,979.41
M 67	1-0065-30-0932-7	Marawila Coconut Producers C.S. Ltd.	163,203.56	22,105.00	20,867.00	4,733.64		236.68	210,672.52
M 69	1-0065-30-0933-5	Baduwatta Mills (Pvt) Ltd.	1,021,804.42	11,917.02	13,922.87	28,495.41		1,424.79	1,074,714.93
M 71	1-0065-31-8518-4	Madampe Mills	666,658.77	0.00	0.00	18,512.97		925.65	684,246.09
M 72	1-0065-30-0935-1	St. Joseph D.C. Manufactures (Pvt) Ltd.	368,897.41	13,713.40	11,138.63	10,360.42		518.02	403,591.84
M 75	1-0065-30-0936-0	Siriyangani D.C. & Fibre Mills	785,149.75	15,305.40	13,869.72	21,939.68		1,096.97	835,167.58
M 76	1-0065-30-0937-8	S.A. Silva & Sons Lanka (Pvt) Ltd.	2,819,788.49	21,362.28	42,672.44	78,600.14		3,930.02	2,958,493.33
M 77	1-0065-30-0938-6	St. Anne's Factory	425,347.58	8,660.00	2,010.00	11,862.89		593.15	447,287.32
M 79	1-0065-30-0939-4	Fatima Mills Ltd.	496,250.87	8,800.00	6,950.00	13,854.43		692.73	525,162.57
M 80	1-0065-30-0940-8	Dunagaha C.P.C.S. Ltd.	1,893,957.93	14,300.00	18,263.00	52,746.34		2,637.32	1,976,629.95
M 84	1-0065-30-2204-8	Sonic Expo (Pvt) Ltd. (Sonlak (Pvt) Ltd.)	1,250,342.98	16,116.39	13,807.27	34,861.79		1,743.10	1,313,385.33
M 85	1-0065-30-0941-6	Modern Food Factory (Wichy Plantation)	489,678.97	0.00	1,300.00	13,603.99		680.20	503,902.76
M 86	1-0065-30-0942-4	J.P.M. Pinto & Company (Pvt) Ltd.	611,435.34	12,583.00	12,301.60	17,095.52		854.78	652,560.68
M 87	1-0065-30-0943-2	St. Valentine D.C. Factory	732,824.60	4,455.00	4,585.00	20,392.65		1,019.64	761,237.61
M 88	1-0065-30-0945-9	St. Chistorpher D.C. Mills	689,706.53	7,900.00	4,467.00	19,211.18		960.57	720,324.14
M 89	1-0065-30-0946-7	Kudawewa Mills	888,020.23	6,570.00	6,320.00	24,720.30		1,236.02	924,394.51
M 90	1-0065-30-0947-5	Nadungamuwa Mills	1,393,136.41	2,230.00	4,240.00	26,950.42	1,368,136.41	1,347.54	57,072.88
M 91	1-0065-30-0948-3	Sandalanka C.P.C.S Ltd.	1,038,237.67	10,805.40	15,195.40	28,952.30		1,447.62	1,091,743.15
M 93	1-0065-30-0949-1	Green Palm DC Mills	1,926,850.99			53,508.66		2,675.44	1,977,684.21
M 94	1-0065-30-0950-5	Sirikatha D.C. Mills	618,524.24			17,176.27		858.82	634,841.69
M 95	1-0065-30-0951-3	Beligala Coconut Producers (CBL Cocos)	1,358,335.65	13,935.27	8,939.46	37,828.06		1,891.38	1,417,147.06
M 98	1-0065-30-0953-0	H.C.E. Soysa & Co.(Serendib Super Foods)	1,268,148.05	12,125.00	13,874.00	35,336.86		1,766.85	1,327,717.06
M 102	1-0065-34-3528-8	Nara Coco (Pvt) Ltd.	349,969.97			9,718.47		485.93	359,202.51
M 103	1-0065-30-0957-2	St. Theresa D.C. Mills	68,358.74	14,690.79	10,739.51	2,018.02		100.90	95,706.16
M 105	1-0065-30-0959-9	Dy & Du Rajapaksa (Henegama Mills)	728,015.04	4,995.80	6,720.00	3,392.61	681,312.04	169.66	61,641.75
M 107	1-0065-30-0960-2	Chandra D.C.Fibre & Tile Mills	270,625.71			7,515.14		375.77	277,765.08
M 108	1-0065-30-0962-9	Baththuluoya Mills	433,243.49			12,030.87		601.53	444,672.83
M 110	1-0065-30-0964-5	Unagahadeniya Mills (Renuka Agri Organics)	991,557.81	16,104.00	16,289.00	27,686.52		1,384.34	1,050,252.99
M 111	1-0065-30-0965-3	Kudirippuwa D.C. Mills	1,001,926.68	13,025.00	10,920.00	27,935.02		1,396.75	1,052,409.95
M 113	1-0065-30-0967-0	Belummahara D.C. Mills	104,734.06	25,605.90	20,743.49	3,125.89		156.30	154,053.04
M 114	1-0065-30-1243-3	Nattandiya Mills (Pvt) Ltd.	825,027.97	10,340.00	10,430.00	23,007.77		1,150.38	867,655.36
M 115	1-0065-30-0968-8	Bogamuwa D.C. Mills	446,810.42	10,375.00	11,720.00	8,147.56	421,810.42	407.40	54,835.16
M 119	1-0065-30-0970-0	Mathammana D.C. Mills	1,509,987.71	24,941.66	20,515.86	42,144.62		2,107.23	1,595,482.62

Mill No.	A/C No.	Name of the Mill	Balance as at 01.01.2023	Deposit - November'21	Deposit - December'21	Interest 2023 (Janauary-June)	Withdrawals	Tax for 2023	Balance as at 31-12-2023
M 120	1-0065-30-0971-8	Fatima D.C. & Oil Mills	117,462.10	17,844.00	12,455.00	3,404.24		170.22	150,995.12
M 122	1-0065-30-0972-6	St. Joseph D.C. & Fibre Mills	1,545,210.98	27,421.56	24,060.18	43,150.91		2,157.55	1,637,686.08
M 124	1-0065-30-0973-4	Minuwangoda Mills	106,420.69			2,955.23		147.78	109,228.14
M 126	1-0065-30-0974-2	David D.C. Mills (Luxshmi DC Mills)	1,026,048.07	9,250.00	9,350.00	28,580.07		1,429.00	1,071,799.14
M 127	1-0065-30-0976-9	Victoriya D.C. Mills (W.M. Fernando & Sons)	912.54			25.29		1.28	936.55
M 130	1-0065-30-0978-5	Boyagane D.C. Mills (Pvt) Ltd.	721,982.57	11,138.40	12,623.20	20,159.98		1,008.00	764,896.15
M 131	1-0065-30-0979-3	Jayakody D.C. Mills (Pvt) Ltd.	119,080.40	12,467.40	6,351.00	3,395.81		169.79	141,124.82
M 132	1-0065-30-0980-7	Asian Agro Products (Pvt) Ltd.	1,495,279.27	21,815.11	16,832.99	41,704.68		2,085.23	1,573,546.82
M 133	1-0065-34-3527-0	Upali D.C. Mills	124,772.10	0.00	0.00	3,464.69		173.24	128,063.55
M 134	1-0065-30-0981-5	Gunawardena D.C.Mills	1,039,228.13	12,815.00	12,678.00	28,978.09		1,448.92	1,092,250.30
M 136	1-0065-30-0982-3	Welwin D.C. Mills	478,342.81			13,283.46		664.17	490,962.10
M 138	1-0065-30-0984-0	Kammalpattu C.P.C.S. Ltd.	1,048,533.62			29,117.80		1,455.89	1,076,195.53
M 139	1-0065-31-0919-4	Sanhinda Mills (Pvt) Ltd.	826,214.09	19,945.00	30,716.00	23,178.49		1,158.93	898,894.65
M 144	1-0065-31-2830-0	Swanee Mills Ltd.	1,345,033.05	29,465.07	20,156.04	37,584.06		1,879.21	1,430,359.01
M 145	1-0065-31-8981-3	Dunagaha C.P.C.S. Ltd.	1,302,964.44	17,135.00	12,360.00	36,321.45		1,816.05	1,366,964.84
M 148	1-0065-32-9122-7	R.M.P. Coconut Products (Pvt) Ltd.	717,310.53			19,919.52		995.98	736,234.07
M 149	1-0065-34-3526-1	Mawiksal International (Pvt) Ltd.	1,227,154.34	20,420.00	19,755.00	34,265.27		1,713.27	1,299,881.34
M 150	1-0065-34-4854-1	NDC Export (Pvt) Ltd.	600,376.59	7,485.00	5,892.38	16,734.72		836.72	629,651.97
M 151	1-0065-34-4855-0	Wayaba D.C. & Oil Mills	379,003.14	8,585.00	8,945.00	10,606.42		530.33	406,609.23
M 152	1-0065-34-7387-2	Sanmik Food (Pvt) Ltd.	53,724.86	2,477.50	3,824.50	1,521.02		76.06	61,471.82
M 153	1-0065-34-7389-9	Navik Mills (Pvt) Ltd.	203,820.82			5,659.88		283.00	209,197.70
M 155	1-0065-34-8482-3	Waguruwela Oil Mills (Pvt) Ltd.	30,857.47	7,200.00		891.46		44.57	38,904.36
M 156	1-0065-34-9029-7	V.S.S. Products (Pvt) Ltd.	4,029.10			111.73		5.59	4,135.24
			44,229,411.09	**565,531.39**	**536,454.76**	**1,200,378.51**	**2,471,258.87**	**60,019.14**	**44,000,497.74**

06. Internal Audit Division

The Internal Audit Plan relevant to the year 2023 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, 25 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 2023/01 held on 08.02.2023

1. Mrs. M.C.N. Balasuriya - Treasury Representative (Chairman of Committee)
2. Mrs.K.M.B.T.Karunasena - State Ministry Representative
3. Mr. Priyalath Kimbihettige - Member
4. Mr. Upali Dammika De Silva - Member

Audit and Management Committee Meeting 2023/02 held on 07.06.2023

1. Mrs. M.C.N. Balasuriya - Treasury Representative (Chairman of Committee)
2. Mr.N.S.Wanasinghe - Ministry Representative
3. Mr. Priyalath Kimbihettige - Member

Audit and Management Committee Meeting 2023/03 held on 06.09.2023

1. Mrs. M.C.N. Balasuriya - Treasury Representative (Chairman of Committee)
2. Mr.N.S.Wanasinghe - Ministry Representative
3. Mr. Priyalath Kimbihettige - Member

The representative of the Auditor General and the internal auditors of the Ministry participated in all audits and management committee meetings held during the year 2023. The Chief Internal Auditor participated in the first meeting of the year, while the other internal auditors from the Auditor General's Department participated in all subsequent meetings. The committee has no members representing the management. The Chairman attended one meeting during the year by invitation, and the Director General attended meetings upon invitation. When required, other members of the management are invited to participate in committee meetings. The quorum of the committee is the simple majority of its 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 ManagementCommittee Meeting.
- Reviewing the formats and the contents and monitoring the reliability of the financialreporting system of the Coconut Development Authority.
- Regulation and reviewing the methodologies adopted in the certification of theobjectivity and the productivity of the external and internal audit task.
- Reviewing the appropriateness and the successfulness of the internal controls andsubmission of recommendations in that respect.
- Reviewing the internal Audit reports, external audit reports and the steps taken in thatregard.
- To be in compliance with the regulatory and financial reporting requirements andreviewing 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 31- Progress Review Meetings

Name of the Director	Number of meeting participated
Mrs. M.C.N.Balasuriya	03
Mrs. K.M.B.T.Karunasena	01
Mr. N.S.Wanasinghe	02
Mr. Priyalath Kimbiyahettige	03
Mr. Upali Dammika De Silva	01

The committee carried out the following activities during the review year:

6.3.1 Internal Audit

- With regard to the activities of the Internal Audit Division for the year 2023, the internal audit program and audit plan, prepared taking into consideration the recommendations of the Auditor General's Department, were discussed. Guidance was provided on areas to be further audited, and the audit program and plan were recommended for Board approval.
- The effectiveness of the implementation of the internal audit plan for the year 2022 was monitored.
- The progress of responses to internal audit inquiries was evaluated.
- In order to prevent recurrence of issues in the future, special internal audit findings and management's responses were reviewed, with a focus on taking timely corrective actions.

6.3.2 External Audit

- The progress of responses to the audit inquiries presented by the Auditor General's Department for the previous year ending on 2021.12.31 was evaluated, and the responses provided by the management were reviewed. Special attention was given to the issues highlighted, and follow-up actions were taken regarding the corrective measures implemented by the management to prevent recurrence of those issues. The financial statements for the year ending on 2022.12.31 were submitted to the Chairman in accordance with Section 12 of the Audit Act No. 19 of 2018 and Section 13(7)(a) of the Financial Act No. 38 of 1971, along with a detailed Auditor General's report. The committee focused on the points highlighted in the report and follow-up actions were taken regarding the steps taken in response to those issues.

- The committee paid attention to the recommendations given in the meeting of the Committee On Public Enterprises held on 06.07.2023 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 meeting reports regarding committee proceedings are maintained by the internal audit division. All meeting minutes are shared with the members, and the recommendations made by the committee are implemented after obtaining the approval of the Board of Directors during board meetings. Follow-up actions are taken based on the sequential foundation on notable issues. Corrective and preventive actions taken in accordance with the Authority's framework are subsequently reviewed during relevant intervals.

PAL/F/CDA/01/2023/10 19th July 2024

Chairman
Coconut Development Authority

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Coconut Development Authority for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Coconut Development Authority for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity 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 to be read in conjunction with provisions of the Coconut Development Act, No.46 of 1971, National Audit Act, No.19 of 2018 and the Finance Act No. 38 of 1979.

In my opinion, except for the effects of the matters described in basis for qualified Opinion section of this report, the financial statements of the Authority give a true and fair view of the financial position as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting standards.

1.2 Basis for Qualified Opinion

(a) According to paragraph 48 of Sri Lanka Public Sector Accounting Standard No. 01, assets and liabilities should not be offset against each other unless required or permitted. However, a credit balance of Rs. 2,464,299 was included within the sundry debtors' balance of Rs. 24,129,049.

(b) The 101 asset items used in the Dunkannawa Estate belonging to the Coconut Development Authority were not valued and accounted for under property, plant, and equipment.

(c) In 2023, the Business Service Center established at the Authority's Fort office received assets worth Rs. 4,869,826.2 as donations from 7 companies, but these assets were not accounted for.

(d) The income from exporter registration fees and the marketing division was Rs. 28,305,500, but in the financial performance statement, this income was Rs. 34,970,431, resulting in a difference of Rs. 6,664,931. Additionally, the export service fee income was Rs. 269,307,360, but in the financial performance statement, this income was Rs. 268,180,717, resulting in a difference of Rs. 1,126,643.

(e) On December 31, 2023, the Authority had unidentified credit balances of Rs. 8,018,127 and unidentified debit balances of Rs. 5,184,737. However, instead of accounting for these values separately, their net value of Rs. 2,833,390 was accounted for as an unidentified credit balance under current liabilities.

(f) According to the financial performance statement, the surplus for the review year was Rs. 170,788,322. However, since Rs. 167,993,514 had been credited to the accumulated fund in the financial position statement, the accumulated fund was undervalued by Rs. 2,794,605.

(g) The loan of Rs. 58,265,037 provided by the Authority to a state-owned company was repaid directly by that company to the Ministry of Finance. When accounting for this loan repayment, the amount was credited to the Authority's revenue for the review year, resulting in an understatement of the surplus by that amount.

My audit was conducted in accordance with Sri Lanka Auditing Standards (SLAS). My responsibility under those auditing standards is further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report. I believe that the audit evidence I have obtained is sufficient 1 and appropriate to provide a basis for my qualified opinion. 2

1.3 Other Information included in the Annual Report 2023 of the Authority

The Information, included in the Annual Report - 2023 of the Authority anticipated to be provided to me after the date of this audit report, but not including in the financial statements and in my audit report in relation to that is called as the other information. Management is responsible for the other information.

My opinion on financial statements does not cover any other information and I do not express any kind of assurance or opinion on it.

In relation to my audit on the financial statements, it is my responsibility to read the other information identified above and to consider in reading so whether other information is quantitatively inconsistent with the financial statements according to my knowledge obtained during the audit or otherwise.

If I conclude that there are material misstatements when I read the Annual Report 2022 of the Authority, those facts should be communicated to the controlling parties for correction. If there are any further misstatements not corrected, they will be included in the report that will be tabled by me in Parliament in due course in terms of Article 154 (6) of the Constitution.

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

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

In preparing the financial statements, management is responsible for assessing the Authority 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend 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.

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

1.5 Auditor's Responsibility on 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 Authority '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 communicate with those charged with governance regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 Specific provisions are included in the following requirements of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained was 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 Institution has any direct or indirect interest in any contract entered into by the Institution which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

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

Reference to Laws, Rules and Direction	Non-Compliance
(a) Section 33(4) of the Coconut Development Act No. 46 of 1971	Although the Authority should have made regulations regarding all matters necessary for the imposition, collection, implementation, and payment of the cess tax on coconuts, it had not prepared any regulations in this regard. However, until 2007, the CESS revenue was credited to the Mill Development Fund, and in subsequent years, savings accounts were maintained in the names of the mill owners who exported, with an amount of 20 cents per kg exported, received from Treasury grants. At the

	end of the year, there was a balance of Rs. 44,000,497.5 in 58 accounts. From 2019 to 2023, Rs. 11,814,955 from those accounts was repaid to the mill owners.
(b) Section 51 of the Coconut Development Act No. 46 of 1971, as amended by Act No. 24 of 1975 and paragraph 3 of the First Schedule of the Extraordinary Gazette Notification No. 69/4 dated 31st December 1979.	While the Authority should have established and maintained quality standards for exported coconut products, although in 2023, coconut-related products (excluding desiccated coconut) worth US$ 277,510 and weighing 172,685 metric tons were exported, no quality inspections were conducted in this regard.
(c) Sections 3 and 4 of Internal Circular No. CDA/DC/M/87/15 dated 10th December 1987.	While the inspection, sampling, quality certification, and related activities for desiccated coconut products, especially those exported to specific markets like the USA, Canada, Australia, and New Zealand, should have included collecting 25% of the daily production as samples and verifying their compliance with Sri Lankan standards, although 5,082 metric tons of desiccated coconut were exported to those countries in 2023, sample collection for inspection was done for only about 10%.

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

2.2.4 to state that the resources of the Institution 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.

In the procurement for the purchase of 50 computer tablets, the Authority incurred a financial loss of Rs. 1,522,600. This was due to initially receiving a price quote of Rs. 117,700 from one company, disregarding it, and then re-inviting quotes, subsequently purchasing 46 tablets from the same company for Rs. 150,800 each.

2.3 Other Audit Observations

While the Dunkannawa Coir Development and Training Center was established in 2006 as a training center for developing the coir industry, it was observed that the objectives of establishing the training center were not being met, as no training courses were conducted in 2023, 14 out of the 18 machines in the factory were inactive, and the machines that were in working order were also in need of repair. It was also observed that all the existing assets were becoming useless and decaying.

W.P.C. Wickramaratne
Auditor General