



2023

லாரீகை லாரீகாலி வருடாந்த அறிக்கை **ANNUAL REPORT**



தல் ங்லரீலன ஢ல்புலய
பனை அபிவிருத்திஸ் சபை
Palmyrah Development Board

லுபிலி கர்லானை அலாநாண்டய
பெருந்தோட்ட கைத்தொழில் அமைச்சு
Ministry of Plantation Industries

Annual Report

2023

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1. AN INTRODUCTION TO THE PALMYRAH DEVELOPMENT BOARD

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

1.1 Our Goals & Objectives

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

1.2 Review of the Chairman

As the Chairman of the Palmyrah Development Board, I am pleased to present my message for the Annual Report of 2023.



In light of the current economic downturn, significant attention is being given to the export of plantation crops. In this context the palmyrah development board is focusing on enhancing the value of palmyrah, a key resource growing abundantly in the Northern & Eastern provinces, by utilizing modern technology to produce value – added products & introduce them to the global market.

Through continuous research, efforts are being made to improve the quality of palmyrah based products, introduce new packaging methods, implement quality control tests, conduct ongoing capacity – building training and establish model production units. These initiatives aim to bring palmyrah products upto export standards.

Compared to previous years, palmyrah product exports have seen significant growth & local sales have also increased considerably. As a result, the income & living standards of those involved in the palmyrah industry are improving.

Doubt that in the future, I have no palmyrah- based industries will emerge as a major plantation sector contributing to the country's foreign exchange earnings.

In this regard, I extend my heart felt gratitude to the staff of PDB and our stakeholders

Mr.P.A.Krishantha Pathiraja

Chairman

Palmyrah Development Board

1.3 Review of the General Manager

The palmyrah industry plays a vital role in sustaining the livelihoods of communities in the Northern and Eastern provinces of Sri Lanka. More than 12,000 families depend on palmyrah-based industries, which continue to grow in relevance due to the increasing global demand for organic and natural products. This demand has created a promising opportunity for the future development of the sector.



Recognizing this potential, the Palmyrah Development Board (PDB) has focused on enhancing both the quantity and quality of production during the year under review. Notably, the production centers in Karainagar and Kaithady received Good Manufacturing Practices (GMP) certification, marking a significant milestone in our journey toward quality assurance. Renovation and infrastructure development were carried out at several key production centers, including Karainagar (Jaffna), Padapaddi, Kattukaran Kudiyiruppu, and Daravankottai (Mannar), as well as Varothayanagar (Trincomalee), with the aim of increasing output and maintaining product standards. As a result, PDB production centers collectively produced goods worth Rs. 34.10 million this year. To boost employment and promote the production of handicrafts, we trained 479 new individuals across the Northern and Eastern provinces, as well as in Hambantota and Puttalam districts. This initiative supports skills development and provides new job opportunities in rural communities.

Our Katpaham sales outlets recorded a revenue of Rs. 65.42 million, reflecting a 32.74% increase compared to the previous year. This achievement was driven by active participation in mobile sales, district-level marketing, and regional exhibitions. Research and innovation also remained a key focus. The Palmyrah Research Institute conducted 15 research studies during the year. Additionally, our laboratory services, particularly analytical testing of food samples, generated an income of Rs. 1.03 million. In our commitment to resource regeneration, we planted 232,600 palmyrah seeds across the Northern and Eastern provinces in collaboration with Divisional Secretariats. We also took proactive measures to curb the indiscriminate felling of palmyrah trees.

In conclusion, I extend my heartfelt gratitude to our Chairman, management team, employees, cooperative societies, and all producers who have supported and collaborated with us throughout the year. I look forward to continued collaboration in our journey ahead.

Mr.M.B.Loganathan

General Manager

Palmyrah Development Board

2. CORPORATE GOVERNANCE

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

2.1 Board of Directors

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

Table 1: Chairman& Board Directors of Palmyrah Development Board – 2023

Name	Designation
Mr.P.A.Krishantha Pathiraja	Chairman, Director, Palmyrah Developoment Board
Mr.H.P.K. Perera	Director
Mr.Sumith Priyantha Halvitige	Director
Prof.Subramaniam Mohanadas	Director
Mr.Kantharaja Ilango	Director
Mr.Sellayya Selvarasa	Director
Mrs.KN.S. Ranathunga	Director

2.2 Meeting of the Board Directors

Board meets every month, to deliberate and decide on important policy, administrative and management matters 07 numbers of meeting were held in 2023

Table 2: Detail of Board of Directors Meetings

Board of Directors Meetings	Date of held
First Board of Directors Meeting	24.01.2023
Second Board of Directors Meeting	23.03.2023
Third Board of Directors Meeting	22.05.2023
Fourth Board of Directors Meeting	28.07.2023
Fifth Board of Directors Meeting	22.09.2023
Sixth Board of Directors Meeting	20.10.2023
Seventh Board of Directors Meeting	21.12.2023

2.3 Audit and Management Committee (AMC)

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

Table 3: Audit and Management Committee Members – 2023

Name	Designation
Mr.H.P.K.Perera	Director
Mr.Sumith Priyantha Halvitige	Director
Mrs.K.N.S.Ranathunga	Director

The objectives of the Audit and Management Committee

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

2.4 Internal Control

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

2.5 Management

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

Table 4: Details of the Executive Members

Designation	Name	Hand Phone	E-Mail
General Manager	Mr.M.B.Loganathan	0777176322	Mblogan-cro@yahoo.com
Deputy General Manager (Acting)	Mr.S.Srivijenthiran	0773787380	srthyl@yahoo.com
Manager (Finance)	Mr.D.S.Fernando	0706934416	dsaakalanka@yahoo.com
Manager(Extension)	Mr.A.Kausitharan	0774400641	extensionpdb@yahoo.com
Manager(Applied Research)	Mr.S.Srivijenthiran	0773787380	srthyl@yahoo.com
Manager (Admin & HR)	Mr.G.K.Wahalathanthri	0712185399	Geethkw2009@yahoo.com
Manager (Marketing)	Mr.B.Suthaharan	0766688337	sbsuthaharan@yahoo.com
Manager (Production)	Mr.M.Hubert Antony	0766913101	antonygowry@yahoo.com
Manager (Development)	Mrs.S. Janarthanan	0773787380	Sumithira79@yahoo.com
Internal Audit Officer	Mrs.Srivanathy	0768688277	srivanathyj@gmail.com

3. CORPORATE INFORMATION

Name : Palmyra Development Board

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

Year of Incorporation : 1978

Table 5: Detail of Registered Office

Registered Office	Address	Telephone & Fax
Head Office	Palmyrah Development Board Kandy Road, Jaffna	021 2222034 021 2224154
City Office	498, Galle Road, Colombo – 06.	0112364406/0112364405
Regional Offices		
Batticaloa	Bar Road, Batticaloa	065 2223179
Trincomalee	Inner Harbor Road, Trincomalee	026 2224039
Ampara	No -20, N.H.D.A, Kalmunai	067 2220405
Puttalam	Near Bus Stand, Kalpitiya	032 2260749
Mannar	Pansala Road, Shanthi Puram, Mannar	023 2222373
Vavuniya	NO-67/68, Bazaar Street, Vavuniya	024 2222483
Mullaitivu	A9 Road, Mankulam, Mullivalai	021 2060042
Kilinochchi	Kandy Road, Kilinochchi	021 2285638
Hambantota	Wellawaya Road, Weerawila	047 3221201

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

Web : www.pdb.gov.lk

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

Consultant Lawyers : Attorney General Department

Bankers : Bank of Ceylon

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

4. PALMYRAH RESOURCES AND ITS USES

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

Table 6: The Distribution of Palmyrah Palms in Sri Lanka

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

Table 7: Palmyrah Products

Sap based products: ✓ Sweeteners: Jaggery, Treacle, Sweet toddy, Sugar candy ✓ Alcoholic: Arrack, Bottled Toddy ✓ Fermented product: Vinegar
Pulp-based products: ✓ Bottled pulp, Pannaddu, PaniPannadu, Jam, Cordial, Ready to serve drink, Palmyrah sauce, Pulp mixed Ice cream, Jelly yoghurt, Facial cream, Toothpaste
Tuber-based products: ✓ Tuber (Fresh), Dried tuber, Dried tuber flour, Boiled tuber flour, Palm Posha, Biscuits, Cakes, Instant khool mix, Soup cube, Noodles
Palmyrah leaf-based products ✓ Traditional handicrafts: Rattan like weaving baskets, Weaving chairs, Boxes for packing Cashew, Tea and Spices, Hats, Mats, Ekel products, toothpicks, Wall hangers, , Soil salinity control
Fiber based products ✓ Hard fiber- Heavy duty brushes, medium fiber - Cleaning and household brushes, Fibre Dust as growing media for Horticultural plants
Timber Based Products ✓ Roofing material, Furniture, Firewood
Nut shell based products(charcoal) ✓ Hand wash, Shoe polish, Activated Charcoal

5. SKILL REPORTING OF OCCUPATIONAL DIVISIONS

5.1 Plantation Development Division:

5.1.1 Palmyrah Plantation activities

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

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

Table 8: Seeds Planted during last Three years by PDB

Districts	2021	2022	2023
Jaffna	50,400	71,600	90,450
Mannar	55,000	52,520	14,150
Vavuniya	145,000	10,020	
Killinochchi	-	7,500	11,000
Mulaithivu	125,000	3,750	32,000
Trincomalee	-	24,000	
Batticaloa	100,000	36,400	65,000
Ampara	25,000	78,600	20,000
Total	500,400	284,390	232,600



Fig 1: Palmyrah seed plantation (Jaffna)



Fig 2: Palmyrah seed plantation (Mullaitivu)

5.1.2 Control of Indiscriminate Tree Felling:

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

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

Table 9: Last three years Detail of Tree cutting

Districts	2021	2022	2023
Jaffna	10,514	7,382	4,837
Mannar	1189	1,232	843
Vavuniya	186	355	180
Killinochchi	1391	846	622
Mulaithivu	844	823	291
Trincomalee	453	338	371
Batticaloa	564	342	596
Ampara	198	143	28
Puttalam	-	-	296
Total	15,339	11,461	8064

5.1.3 Palmyrah Model Farms

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

Model farms are a long term investment for the palmyrah industry. Income from the palms can not be expected until maturity (15-20 Years). As most of the model farms given below are with young palmyrah trees it should be maintained properly to get better output in future.

As the maintenance expenses for this farm seem to be high than the income and inadequate staff to maintain all such farms, audit management committee recommend to maintain certain farms only. It was discussed in the board meeting and approval was granted to maintain the following 3 farms. Hence action was taken to handover the rest of the lands to the responsible divisional secretariats.

Table 10: Details of the model farms are given below

District	Location & Area	Main Crops
Jaffna	Mamunai – 200 Ac	Palmyrah and Cashew(20Ac)
Vavuniya	Puliyankulam – 10Ac	Young Palmyrah, lime
Hambanthatta	Weerawila – 22Ac	Palmyrah & Vegetables ,Banana Gingili like annual crops

5.1.4. Planning Activities

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

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

Table 11: Detail of the Palmyrah based producers in 2023

District	Toddy (Active tappers)	Handicraft	Tuber	Pulp	Food
Kilinochchi	740	300	300	40	30
Jaffna	1024	360	700	200	50
Mullaithivu	490	105	50	110	7
Mannar	176	135	615	235	0
Vavuniya	457	260	114	0	0
Amparai	0	63	0	0	0
Batticaloa	50	300	15	100	30
Trincomalee	125	200	100	15	50
Puttalam	3	15	10	0	0
Weerawila	1	32	0	0	0
Total	2667	1770	1904	700	167

Table 12: Trend of Palmyrah Production

Year	Toddy (Bottle)	Palmyrah Arrack (Bottle)	Jaggery (kg)	Odiyal (kg)	Pannaddu (kg)	Palmyra h Pulp (litr)	Handicraft (value Mn.Rs)	Timber (no)
2022	7,508,975	250,000	68,000	380,000	7200	52,000	42.0	11,461
2023	7,000,000	120,000	61,000	403,000	7000	27,394	51.0	8,064

5.2 Extension Division:

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

Table 13: Summary of Training program conducted in year 2023

Program	Fund	No of training Program	No of Beneficiaries
Handicraft Palm Leaf Training (06month)	Capital	19	344
Handicraft Palm Leaf Training (06month)	PDB	09	135
Handicraft Palm Leaf Training (Special Program, Jaffna District)	D.S office	01	10
Pulp training	Capital	08	232
Tapping training	Capital	02	112
Trainer's training	Capital	01	23
Total		29	479

Table 14: Trainees trained in Handicraft making over the last three years

Districts	Number of Trainees-2021	Number of Trainees-2022	Number of Trainees-2023
Jaffna	149	168	86
Kilinochchi	40	24	50
Mullaithivu	20	23	20
Vavuniya	63	30	20
Mannar	63	64	68
Puttalam	25	31	-
Trincomalee	55	75	39
Batticaloa	214	191	121
Amparai	85	103	75
Hambanthota	-	39	-
Kurunagala	27	18	-
Anuradhapura	28	23	-
Total	769	789	479

Table 15: Details of Palm leaf handicraft producer and their production value over the last five years

Year	Producer	Value of handicraft Product supply to Board (Rs.Mn)	Value of handicraft Product supply to Outside (Rs.Mn)
2019	1040	12.70	48.60
2020	2364	8.94	28.00
2021	2384	7.96	36.00
2022	2634	14.93	46.00
2023	2776	19.97	65.00



Fig 3: Palmyrah handicrafts training programme



Fig 4: New palm leaf product designs - 2023

5.3 Production Division

The Production Division is an important part of the Palmyrah Development Board. The production centers manufacture palm-based, value-added products from palm raw materials using both traditional methods and research-based formulations. Among these products, palm-based food items are mainly derived from Palmyrah fruit, Palmyrah tuber, and Palmyrah sweet toddy. The products produced in the production centers are marketed through the Katpakam sales outlets.

One of the main objectives of the Production Division is to transfer research outcomes to the palm-based industry. Palm food products such as Pamposa, bottled fruit pulp, crush, Panampanam, Palmyrah jam, Panipanatu, cakes, biscuits, desserts, and instant Oodial Khool are some of the items produced.

In addition, to improve the livelihoods of individuals dependent on palmyrah, production equipment is provided to help enhance their output. Raw materials such as Odial, boiled Odial, sweet toddy, Panatu, and pulp are purchased from them and used in our production centers.

Projects implemented in the year of 2023,



Fig 5: Karainagar & Kaithadi Production centers have received GMP (Good Manufacturing Practices)



Fig 6: The training activities of Pulp at Colombo production center



Fig 7: Maintenance and reconstruction work of production centers: Karainagar, Kattukkaran Housing Scheme, and Varothayanagar

Table 16: Detail of the production centers

Districts	Centres	Centre Base Products
Jaffna	Karainagar	Tuber Based Products, Sap Based Products, Pulp Based Products
	Kaithady	Pulp Based Products
	Sinkainagar	Sap Based Production, Raw Pulp Production
Mannar	Tharavankoddai	Sap Based Production, Raw Pulp Production
	Padappadi	Sap Based Production, Raw Pulp Production
	Kaddukkaran Kudiyiruppu	Sap Based Productions
Vavuniya	Puliyankulam	Tuber Base Productions
Trincomallee	Varothayanagar	Sap Based Production, Raw Pulp Production
Puttalam	Kalpity	Fiber, Raw Pulp Productions
Colombo	Wellawatte	Palm Chocolate, Palm Biscuit, Palm Cake, PanamPalakaram, ThadduVadai
Batticaloa	Light house	Raw Pulp, Palm Drink

Table 17: Details of Productions

Productions	Unit	2021	2022	2023
Sap Based Products				
Jaggery Production	Kilograms	6664.0	6357.25	5,820.15
Treacle Production	Liters	3899.63	3952.89	6,222.90
Sugarcandy Production	Kilograms	46.7	29.95	11.50
Fruit/ Pulp Based Products				
Pulp Production	Liters	13466.75	20289.75	10,775.25
Soft Drink Production	No. of bottles(190ml)	6990.00	1759.78	8,417
Palm Crush Production	No.of bottles(750ml)	2556.00	2526.00	2,081
Jam Production	No.of bottles(400g)	856.00	918.00	1,131
Panattu Production	Kilogram	495.00	318.00	526.75
Panattu	Kilogram	507.700	213.00	496.40
Spiced Panattu Production	Kilogram	466.5	218.5	275
Jaggary Cake Production	No.of Items produced(pcs)	5023.00	2389.00	4,279
Palm Palakaram Production	No. of Packets produced	2652.00	1995.00	3,457
Other Sweet & Savoury Items	No. of Items produced	21784.00	9280.00	-
Tuber Based Products				
Boiled Dried Tuber Flour	Kilogram	2150.00	979.75	1,248.50
Dried Tuber Flour	Kilogram	1587.00	1916.5	2,791
Boiled & Dried Tuber	Kilogram	1699.00	980.5	2,619
Seeval Odiyal(long sliced)	Kilogram	470.00	1014.75	715
Dried Tuber Round Chips	Kilogram	76.500	681.25	527
Dried Tuber Flour	Kilogram	729.00	2803.60	1,752
Odiyalkool	No. of Packets (150g)	169.00	75.00	262
Palm Posha	Kilogram	818.75	262.5	814.25
Other Products				
Non Palmyrah Product (Curd chilli, masmalow, gulukorasa, thattuvadai)	No.of Items produced	1333.0	1157.0	1090.0
Total Production Value (Mn)		17.76	20.59	34.1

5.4 Administration Division:

Human Resource Management Cadre, Management

➤ **Officers Promoted :** Nil➤ **Officers Retired:**

- 1) S.Masootha Umma - Management Assistant
- 2) A.Suguna - Management Assistant

- 3) T.Srithevy - Administrative Officer
- 4) M.B.Loganathan - General Manager

➤ **Officers Resigned :**

- 1) S.D.D.J.Bandara - Internal Auditor
- 2) Uppal Nishantha - Labourar
- 3) W.S.S.M Fernando - Management Assistant
- 4) A.V.B.J.Gunarathna - Audit Officer
- 5) S.Jegan - Laborour
- 6) D.Sannjayan - Management Assistant
- 7) R.Mathanathas - Management Assistant
- 8) R.Ilankan - Management Assistant
- 9) S.Chandrakanthan - Management Assistant

Table 18: Cadre Position as at 31.12.2023

Serial No	Number of Employees (As at 31.12.2023)	Approved cadre	Actual cadre
		Nos	Nos
1	Executive	14	06
2	Supervisors/Technical Officer/Salesman	20	14
3	Clerical and Allied	82	60
4	Skilled and semi-skilled workers	61	55
5	Minor Employees and unskilled	50	49
6	Casual and Trainees	-	
	Total No of Employees	227	184

Physical Resource Management

a) vehicle Management

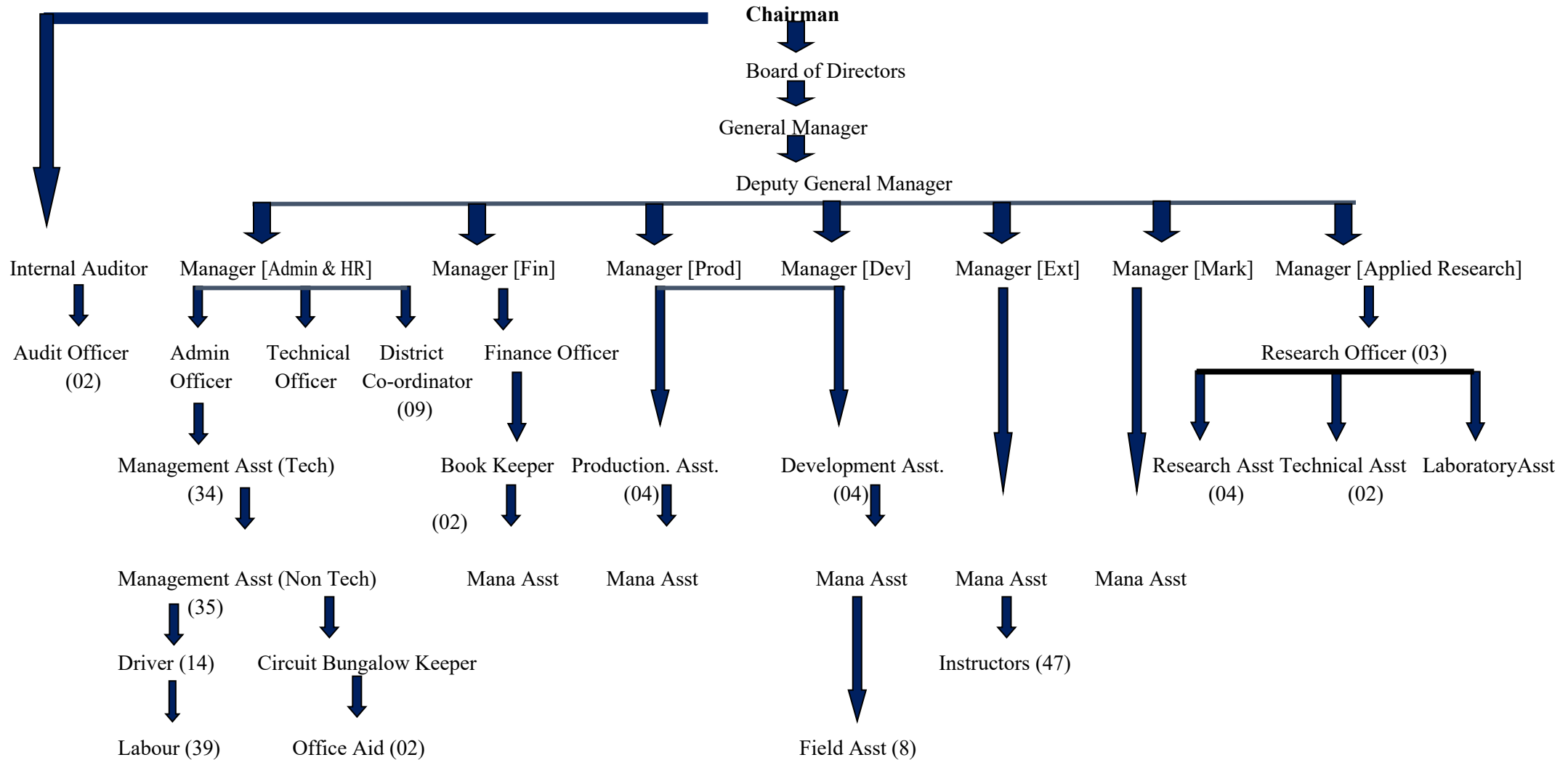
The following Registers are maintained.

- 1) Assets Register for vehicle
- 2) Log books for vehicles repairs and services

Structure of the Organization Chart:

ORGANIZATION CHART

PALMYRAH DEVELOPMENT BOARD.



5.5 Marketing Division

The Palmyrah Development Board carries out its marketing activities through “Katpaham” sales centers, by participating in district and divisional-level exhibitions, and by organizing mobile sales. It is noted that these efforts provide marketing opportunities for several Palmyrah-based producers and industries. With a view to increasing exports, an annual exporters' meeting was organized, and actions were initiated to address the issues faced by exporters.

Table 19: Details of the Katpaham locations:

District	Address
Jaffna	Pointpedro Road Nallur, Jaffna
	No – 129 D, K.K.S Road, Jaffna
	Bustand , Jaffna
	Kandy road, Kaithady , Jaffna
Colombo	No – 498, megacity, Galle Road, Colombo-06
	No – 02, Navam mawatha Narehenpittiya
Negombo	Lewis place, Kudapaduwa, Negombo
Kandy	No – 309, peradeniya Road, Kandy
Mannar	Madu Road , Mannar
	Mannar town Mannar
Kilinochchi	Ariviyal nagar, Kilinochchi
Batticaloa	15 UDA , Building , Batticaloa
	Show room, light house, Batticaloa
Trincomalee	Power house road, Trincomalee
	Main Road , Varothayanagar , Trincomalee
Amparai	Navithanveli, Kalmunai
Vavuniya	67/68 , Bazar Street , Vavuniya
Puttalam	New bus stand , Kalpity
Hambantota	Front of pansala , Tissamaharama

Table 20: Last Three years Turnover of the Sales Outlets (Katpaham)

District	Katpaham	2021	2022	2023
Jaffna	Nallur	9,097,324.76	10,239,084.80	18,581,319.45
	Showroom	842,642.00		
	K.K.S Road	1,373,055.80	197,252.00	
	Bus stand	608,851.90	1,975,365.90	1,733,480.00
	Manthikai	-	-	
	Kaithady	549,709.00	910,028.00	1,590,545.00
	Cargill's food city /TCT	445,335.00	105,040.00	254,305.00
	Exhibition	437,301.00	1,053,796.00	2,815,181.00
Colombo	Megacity	11,976,227.84	13,924,394.99	17,142,074.40
	Narehenpitiya		764,621.00	349,271.00
Kandy	Katpaham	1,895,074.00	5,286,400.20	6,886,818.99
Vavuniya	Katpaham	2,110,465.00	2,769,835.00	4,254,065.00
Batticaloa	Katpaham	983,772.00	4,231,381.00	2,379,440.00
	Show room	726,732.00	2,567,412.00	857,715.00
Amparai	Katpaham	107,805.00	551,411.00	302,536.00
Mannar	Katpaham	543,996.00	2,184,223.00	3,963,737.00
	Madu katpaham	107,805.00	597,344.00	664,290.00
Trincomalee	Katpaham	714,479.70	1,010,350.00	1,249,665.00
	Varothayanagar	-	144,870.00	577,647.50
Puttalam	Katpaham	240,042.00	49,710.00	291,916.00
Hambantota	Weerawila	129,935.00	227,969.50	361,156.00
	Tissamaharama	269,950.00	459,745.00	651,387.50
Kilinochchi	Katpaham		82,109.00	346,615.00
Mullaitivu	District office			23,800.00
Total		33,496,625.00	50,057,661.39	65,416,756.84

5.5.1. Export of Palmyrah Products:

Exporters meeting was conducted to facilitate the exports of palmyrah products. According to the data received from the registered exporters, the total value of palmyrah product exports for the year 2023 amounted to **Rs. 57.83 million.**

Marketing Division - Highlighted events -2023



Fig 08: IDB Exhibition- Colombo



Fig 09: Jaffna University Exhibition



Fig 10: IDB Exhibition- Jaffna



Fig 11: New Katpaham Opening – University of Kilinochchi

5.6. Research Division

5.6.1 Analytical laboratory

Accredited to ISO 17025:2017 by SLAB and ILAC since 2017. Conducted ISO assessment in January; corrective actions submitted to SLSI by June. Planned scope extension to include Toddy testing for alcohol strength, acidity, and conductivity. Issued 208 chemical analysis reports, generating Rs. 1,036,016.00 in revenue.

Research & Publications

- Instant Soup Cube: Collaboration with Sabaragamuwa University of Jaffna; abstract presented at 2nd APSURS, May 2023.
- Bioactive Palmyrah Pulp Powder: Collaboration with Vocational University of Sri Lanka; article published in Food Chemistry Advances, August 2023.



Fig 12: Training on Extraction & Preservation of palmyrah pulp



Fig 13: Immediate soup cube preparation

5.6.2 Microbiology laboratory

Accreditation & ISO Work

- Accredited ISO 17025:2017 by SLAB; SLAB audit completed; ISO auditing for National Water Supply and Drainage Board conducted.

Testing Services

- Analyzed 203 food samples with 445 parameters.

Publication

- Rinoshan et al., "Physicochemical and Biological Properties of Palmyrah Fruit Pulp in Non-Dairy Frozen Dessert," Sabaragamuwa University Conference, 2023.

5.6.3 Biochemistry laboratory

Research Highlights

1. Quality evaluation of palmyrah fruit pulp incorporated in cereal flakes.
2. Development of natural food product ‘panampaniyaaram’, incorporated with small millets.
3. Validation of a spectrophotometric method for estimation of phosphorus content in palmyrah treacle and jaggery.

5.6.4 Food technology laboratory

Research Highlights

- Development, formulation, and quality evaluation of starch-based edible film incorporated with Palmyrah (*Borassus flabellifer* L) fruit pulp (in collaboration with Sabaragamuwa University of Sri Lanka).
- Effect of virgin coconut oil enriched with bioactive compounds from Palmyrah fruit pulp on frozen dessert (in collaboration with Sabaragamuwa University of Sri Lanka).
- Development of bio-based edible package for Palmyrah fruit leather from food industry wastes (in collaboration with Sri Jayewardenepura University of Sri Lanka).
- Palmyrah male inflorescence-based facial scrub for clean, healthy, youthful skin (in collaboration with Sri Jayewardenepura University of Sri Lanka).
- Formulation and standardization of Palmyrah-based hair coloring cream (in collaboration with Uva Wellassa University of Sri Lanka).
- Development of Palmyrah (*Borassus flabellifer* L) based herbal itch-relieving cream (in collaboration with University of Colombo).

Publications

1. Christine Thevamirtha et al. (2023): Antioxidant activity of Palmyrah-based skincare products, Industrial Crops and Products.
2. U. Sinthujah et al. (2023): Natural soap formulation with reduced alkali, Institute of Chemistry Ceylon Annual Session.
3. Anuluxshy Balasubramaniyam et al. (2023): Palmyrah-based facial scrub, ICIET 2023.
4. Anuluxshy Balasubramaniyam et al. (2023): Moisturizing facial cream and solid lotion bar, Industry Related Research Presentation.
5. Anuluxshy Balasubramaniyam et al. (2023): Palmyrah milk drink, Industry Related Research Presentation.
6. Anuluxshy Balasubramaniyam et al. (2023): Healthy breadsticks from Palmyrah flour, Industry Related Research Presentation.

5.6.5 Hi-tech laboratory

Research Highlights

- Comprehensive Analysis of Palmyrah Sap and Sap-Based Sugary Products from Diverse Geographic Locations in Jaffna: Quality, Nutritional Content, and Potential Health Benefits.
- Development of Palmyra Fruit Pulp Incorporated cashew apple wine.
- Investigating the Nutritional and Functional Characteristics of Palmyrh Fruit Kernel fat.
- Development of Fruit Mincemeat Using Palmyrah Fruit Leather (PFL) Incorporation of Other Dried Fruits.

Key Activities: Developed HPLC methods for water-soluble vitamins, fat-soluble vitamins, simple sugars, beta-carotene, and preservatives, and GC methods for methanol and ethanol in Palmyrah products. As income Generation activity, 2 methanol content test reports were provided for wine this year.

Publications:

1. **Extraction of Fat:** K. Thanushan et al., 2023, International Conference on Multidisciplinary Approaches.
2. **Spices-Incorporated Jaggery:** J.Jena et al., 2023, International Conference on Technological Research and Innovation.
3. **Activated Charcoal:** T. Keasavi et al., 2023, International Symposium on Agriculture and Environment.
4. **Cellulose Nano Fiber:** R.S. Akshana et al., 2023, International Conference on Applied Sciences.



Fig 14: Palm soap production



Fig 15: Ethanol and methanol analysis

5.6.6 Research Related Other Activities

Academic Activities

- Ocean University, Jaffna: 6-day training on Food Nutrition & Composition; 40 participants.
- Sri Lanka German Training Institute, Kilinochchi: 3-day food analysis training; 29 participants.
- University of Jaffna: 2-day equipment handling training; 9 staff.
- University College of Jaffna: Ongoing 6-month training; 4 students.
- Sri Lanka-German Training Institute: Multiple training sessions and industrial training for Food Technology students.
- Rajarata, Eastern, Sabaragamuwa, Ocean Universities: 2 students each in Microbiology techniques.

Trainings and Technology Transfer

- Sent Palmyrah pulp RTS samples to Serandib (Pvt) Ltd.
- Completed HACCP training and sent final exam results to SLGTI.
- Developed and approved curriculum for palmyrah tapping with NAITA and College of Tertiary and Vocational Education.
- Evaluated inventions for "Sahasak Nimavum" 2023.
- Conducted technology transfer workshops in Batticaloa and Jaffna.
- Participated in Sri Lanka UK Alumni Forum and presented at PTB workshop.
- Issued energy test reports; maintained ISO accreditations for chemical and microbiological scopes and Attended ISO training by PTB and presented PRI's progress.
- Ethanol and Methanol GC analysis, PTB, May 2023.
- Preservative HPLC analysis, PTB, Feb 2023.
- Awareness on food quality and microbial analysis.
- Palmyrah pulp canning and quality control workshops.
- University of Jaffna: Agriculture lab visit.
- Field visits and training at Coconut Research Institute; ICDA program; GMP workshop; Seeding program.

Exhibitions

- Trade Fair, March 3, 2023.
- Innovate Dairy Fiesta-2023, Rajarata University of Sri Lanka, August 25, 2023.
- Industrial Exhibition 2023 Jaffna Edition, Jaffna Cultural Center, September 1-3, 2023

PRI Publications

- Guidebook: A Guide for Palm-Based Entrepreneurs
- Book : Unrevealing the magic of palmyrah

5.7 : Financial Review

Table 21: Cash flow statement for the year ended 31st December 2023

Details	YEAR 2023	YEAR 2022
Cash flow operation Activities		
Surplus/(deficit) from ordinary Activities	(11,954,968.97)	(24,786,100.28)
Non cash movement		
Depreciation	19,682,373.22	21,561,323.75
Interest income	(534,244.01)	(258,278.64)
Interest income & Expense	78,309.20	21,880.00
Provision for bad debts		512,940.62
Provision for Gratuity	4,252,072.50	3,280,332.50
Profit on Disposal of Fixed Assets	(277,819.90)	-
Operating Profit before Working Capital Changes	11,245,722.04	332,097.95
(Increase) / Decrease in Stock	(18,421,005.68)	5,847,325.39
(Increase) / Decrease in Trade Receivable	(3,871,611.27)	(10,208,365.01)
Increase / (Decrease) in Current Liabilities	1,341,192.03	19,151,374.59
Retirement Benefit of Obligations Paid	(6,607,428.50)	(1,225,762.00)
	(16,313,131.38)	13,896,670.92
Interest income	534,244.01	258,278.64
Interest Expense	(78,309.20)	(21,880.00)
Cash Generated from / (Used in) Operation	(15,857,196.57)	14,133,069.56
<u>Investment Activities</u>		
Fixed Assets Purchases	(1,646,462.50)	(10,432,020.35)
Weerawala building Working process correction	(1,504,555.50)	(1,095,000.00)
Increase the fixed assets investment	(382,348.49)	-
Net Cash Flow Investment Activities	(3,533,366.49)	(11,527,020.35)
<u>Financing Activities</u>		
(Increase)/Decrease Distress Loan	(273,458.52)	(112,709.73)
(Increase)/Decrease Festival Advance	(5,250.00)	3,250.00
Accounts Adjustment	920,176.99	
Government Grant Received	29,086,000.00	10,025,852.08
Net Cash Flow Financing Activities	29,727,468.43	9,916,392.35
Net Increase / (Decrease) in cash and cash equivalents	10,336,905.37	12,522,441.56
Cash and cash equivalents at beginning of period	17,111,186.34	4,588,744.78
Cash and cash equivalents at end of period	27,448,091.71	17,111,186.34

5.8 Risk Management

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

5.9 Strategies

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

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

5.10 Human Capital

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

5.11 Environmental Reporting

- Hence palmyrah products are ecofriendly in nature, increasing production will enhance gross domestic products.
- As Palmyrah is one of the items of food, component that determines the economy of a country and has important medicinal features, search for special technology is underway to revive this industry.
- As the Palmyrah food items are organic, and the demand is outweighing the supply with regard to edible and non-edible products of Palmyrah, we have ambitiously embarked on a plan to increase the Palmyrah trees to sustain the industry.
- As our Handicraft items are eco-friendly and our food items are organic, Non-Governmental Organizations support us for our program. This not only helps in self-employment but also helps in Infrastructure Development of the villages.

- The palmyrah does not require fertilizer, pesticide, or weedicide like agrochemical to grow, therefore cultivation of palmyrah is not harmful to the environment.
- Palmyrah act as natural habitat for several microorganisms, flora and fauna. Therefore, it is boost to the environment

5.12 Challenges

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

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 General Accounting Policies

6.1.1 Accounting Conventions:

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

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

6.1.2 Consolidation Policies

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

6.2 Assets and basis of valuation

6.2.1 Property, Plant and Equipment

A) Assets

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

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

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

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

B) Subsequent Expenditures

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized only when it increases the future economic benefits

embodied in the item of property, plant and equipment. All other expenditures are recognized in the income statement as an expense as and when incurred.

C) Depreciation

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

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

D) Amortization

Amortization written off over the following period.

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

6.2.2 Inventories

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

6.2.3 Cash and cash equivalents

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

6.3 Liabilities and Provisions

6.3.1 Retirement Benefit Obligations

A) Defined contribution plans

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

B) Defined retirement benefit plans

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

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

C) Trade and other payables

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

6.4 Income Statement

6.4.1 Income

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

A) Local Sales

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

B) Farm income

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

C) Palmyrah Research Institute (PRI) Testing income

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

6.4.2 Other Income

A) Interest Receive

Income from Saving Account Interest.

B) Profit on Fixed Asset Disposal

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

Other income is recognized on an accrual basis.

C) Tender Deposit Non-Refundable.

Income from Tender Deposit Non-Refundable by supplier.

D) Other Received.

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

E) Trade Promotions.

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

F) Palmyrah Tree Cutting Income.

Income from Public for Palmyrah Tree Planting.

6.4.3 Expenditure

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

6.5 Cash flow

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

6.6 Government Grants

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

7. FINANCIAL STATEMENTS – DISCLOSURES

7.1: Balance sheet

Table 22: Balance sheet as at 31st December 2023

PALMYRAH DEVELOPMENT BOARD FINANCIAL POSITION AS AT 31ST DECEMBER 2023			
(All amounts are in Sri Lankan Rupees)			
ASSETS	NOTE	YEAR 2023	YEAR 2022
Non - Current Assets			
Property, Plant & Equipment	1	162,620,227.94	97,901,800.21
Intangible Assets	2	1,095,000.00	1,095,000.00
Investment		3,094,221.09	2,711,872.60
Total Non - Current Assets		166,809,449.03	101,708,672.81
Building Advance Capitalize (Work In Progress)		8,817,682.42	84,601,169.17
Current Assets			
Trade Receivables	3	8,549,408.48	12,142,311.23
Stock In Hand	4	50,787,819.54	32,366,813.86
Cash & Cash Equivalents	5	27,448,091.71	16,924,118.26
Total Current Assets		86,785,319.73	61,433,243.35
Total Assets		262,412,451.18	247,743,085.33
EQUITY AND LIABILITIES			
Equity			
Contributed capital		299,572,193.20	299,572,193.20
Other Reserves		(94,890,361.96)	(123,391,983.45)
Accumulated Surpluses / Deficits		(36,741,069.25)	(24,786,100.28)
Total Equity		167,940,761.99	151,394,109.47
Liabilities			
Non Current			
Gratuity (Retirement Benefit of Obligations)	6	65,371,066.80	68,589,545.50
Non Current Liabilities		65,371,066.80	68,589,545.50
Current Liabilities			
Trade & Other Payables	7	29,100,622.39	27,759,430.36
Total Current Liabilities		29,100,622.39	27,759,430.36
Total Equity and Liabilities		262,412,451.18	247,743,085.33

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


Manager (Finance)
Palmyrah Development Board
A. Kaushitharan
Manager (Finance)
Palmyrah Development Board
Jaffna


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

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


P.A. Krishantha Pathiraja
Chairman
Palmyrah Development Board


Board Director
Palmyrah Development Board


Board Director
Palmyrah Development Board

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

7.2: Profit & Loss Account

Table 23: Profit & Loss Account as at 31st December 2023

PALMYRAH DEVELOPMENT BOARD			
FINANCIAL PERFORMANCE			
FOR THE YEAR ENDED 31 ST DECEMBER 2023			
(All amounts are in Sri Lankan Rupees)			
Details	NOTE	YEAR 2023	YEAR 2022
Revenue	10	68,573,739.99	53,477,674.25
Direct Cost	11	(34,738,072.32)	(45,303,967.51)
Gross Profit		33,835,667.67	8,173,706.74
Other Income	12	157,035,455.48	178,247,933.84
Administration & Establishment Expenses	13	(181,286,473.97)	(198,661,580.90)
Selling & Distribution, Production Expenses	14	(3,233,220.80)	(2,318,390.62)
Surplus/(Deficit) from Operation		6,351,428.38	(14,558,330.94)
Finance Expenses	15	(142,866.46)	(51,980.00)
Project Expenses -Capital Oriented Expenses	16	(18,163,530.89)	(10,175,789.34)
Net Surplus /(Deficit) During the Period		(11,954,968.97)	(24,786,100.28)

7.3: Cash flow statement

Table 24: Cash Flow Statement for the year ended 31 December 2023

Details	YEAR 2023	YEAR 2022
Cash flow operation Activities		
Surplus / (deficit) from ordinary Activities	(11,954,968.97)	(24,786,100.00)
Non cash movement		
Depreciation	19,682,373.22	21,561,323.75
Interest Income	(534,244.01)	(258,278.24)
Interest Income & Expense	78,309.20	21,880.00
Provision for bad debts	-	512,946.62
Provision for Gratuity	4,252,072.50	3,280,332.50
Profit on Disposal of Fixed Assets	(277,819.90)	-
Operating Profit before Working Capital Changes	11,245,722.04	332,097.95
(Increase) / Decrease in Stock	(18,421,005.68)	5,847,325.39
(Increase) / Decrease in Trade Receivable	(3,873,611.77)	(10,383,086.01)
Increase / (Decrease) in Current Liabilities	4,141,192.03	19,151,274.74
Retirement Benefit of Obligations Paid	(6,607,428.50)	(1,225,762.02)
	(16,513,131.38)	13,899,670.92
Interest Income	534,244.01	258,278.24
Interest Expense	(78,309.20)	(21,880.00)
Cash Generated from / (Used In) Operation	(15,857,196.57)	14,133,069.56
Investment Activities		
Fixed Assets Purchases	(1,646,462.50)	(10,432,020.35)
Weerawala Building Working process carrection	(1,504,555.50)	(1,095,000.00)
Increase the fixed assets investment	(382,348.49)	-
Net Cash Flow Investment Activities	(3,533,366.49)	(11,527,020.35)
Financing Activities		
(Increase) / Decrease Distress Loan	(273,458.52)	(112,709.73)
(Increase) / Decrease Festival Advance	(5,250.00)	3,250.00
Accounts Adjustment	920,176.99	-
Government Grant Received	29,086,000.00	10,025,852.08
Net Cash Flow Financing Activities	29,727,468.43	9,916,392.35
Net Increase / (Decrease) in cash and cash equivalents	10,336,905.37	12,522,441.56
Cash and cash equivalents at beginning of period	17,111,186.34	4,588,744.78
Cash and cash equivalents a end of period (NOTE A)	27,448,091.71	17,111,186.34

NOTE A		
Cash & Cash Equivalents		
Bank of Ceylon, Jaffna 1093005	1,052,009.42	827,228.46
Bank of Ceylon, Jaffna 1093004	2,909,365.31	18,377.61
Bank of Ceylon, Jaffna 1092999	35,630.60	179,386.79
Bank of Ceylon, Jaffna 74904025	9,926,208.29	9,165,702.12
Bank of Ceylon, Milagiriya 1991642	4,944,217.95	93,513.66
Bank of Ceylon, Milagiriya 1991647	342,696.59	13,304.95
Bank of Ceylon,(saving) Colombo 1996054	85,686.42	62,339.77
Bank of Ceylon,(saving) Jaffna 1092863	5,848,877.95	4,586,034.58
Bank of Ceylon,(saving) Jaffna 9184318	10,724.06	-
Bank of Ceylon,(saving)-Batticaloa 2905767	10,228.98	5,802.52
Bank of Ceylon,(saving)-Kalmunai 6138932	9,299.85	2,177.66
Bank of Ceylon,(saving) Kilinochchi 71166358	10,094.62	8,381.07
Bank of Ceylon,(saving) Trincomalee 2902326	10,765.71	33,274.15
Bank of Ceylon,(saving) Vavuniya 6921197	11,055.87	18,699.75
Bank of Ceylon,(saving) Mannar 2902626	30,357.17	16,807.41
Bank of Ceylon,(saving) Mullaitivu 73640702	14,510.81	8,465.91
Bank of Ceylon,(saving) Kilpitiya 465853	32,932.80	5,374.22
Bank of Ceylon,(saving)-Weerawala 77713079	64,422.57	1,756.69
National Saving Bank-1-0006-02-7511-5	730,535.66	112,060.09
Cheque payment transit	-	35,000.00
Cash in hand	1,435,739.52	1,920,068.73
Petty cash	11,961.16	-
	27,448,091.71	17,111,186.34

7.4: Equity Changes

Table 25: Statement of changes in equity for the year ended 31st December 2023

Description	Contributed Capital	Other Reserves	Translation Reserves	Accumulated Surpluses / Deficits	Total	Minority Interest	Total Net Asset / Equity
Balance as at 01-Jan-2022 Restarted Balance	299,572,193.20	(123,391,983.45)	-	(24,786,100.28)	151,394,109.47	-	151,394,109.47
Loss on revaluation of investments	-	-	-	-	-	-	-
Government Grant Capital	-	23,000,000.00	-	-	23,000,000.00	-	23,000,000.00
Government Grant-Special Project	-	6,086,000.00	-	-	6,086,000.00	-	6,086,000.00
Previous Year Account Adjustment 2022 Note – 09	-	920,176.99	-	-	920,176.99	-	920,176.99
Weerawala building working process correction	-	(1,504,555.50)	-	-	(1,504,555.50)	-	(1,504,555.50)
Surplus / Deficit for the period	-	-	-	(11,954,968.97)	(11,954,968.97)	-	(11,954,968.97)
Total Recognized Revenue and Expenses for the Period	-	28,501,621.49	-	(11,954,968.97)	16,546,652.52	-	16,546,652.52
Balance as at 31-Dec-2023 Carried forward	299,572,193.20	(94,890,361.96)	-	(36,741,069.25)	167,940,761.99	-	167,940,761.99

7.5 : Budget Comparison Statement

Table 26: Statement of budget comparison for the year ended 31st December 2023

Details	Budget sl. Rs.	As per financial statement sl. Rs.	Total sl. Rs.	Difference sl. Rs.	%
Personal Emoluments			135,454,643.06		
Salaries & Wages	132,195,122.00	106,917,232.14		25,277,889.86	90.88
E.P.F.	22,439,024.00	20,367,092.78		2,071,931.22	90.77
E.T.F.	3,365,854.00	3,056,268.24		309,585.76	90.80
Overtime	2,337,000.00	400,977.40		1,936,022.60	17.16
Gratuity	6,094,000.00	4,252,072.50		1,841,927.50	69.77
Board Members Fees	1,540,000.00	461,000.00		1,079,000.00	29.94
Travelling Expenses			1,314,014.85		
Domestic	3,360,000.00	1,314,014.85		2,045,985.15	39.11
Supplies			57,664,620.48		
Stationery & Office requisites	2,894,000.00	634,797.80		2,259,202.20	21.93
Fuel & Lubricants	6,105,000.00	3,706,669.98		2,398,330.02	60.72
Marketing Purchase	114,536,000.00	53,159,078.00		61,376,922.00	46.41
Exhibition	1,260,000.00	164,074.70		1,095,925.30	13.02
Maintenance Expenditure			6,933,953.98		
Vehicle	4,628,000.00	1,569,963.33		3,058,036.67	33.92
Plant, Machinery & Equipment	565,000.00	220,139.90		344,860.10	38.96
Building & Structures	1,550,000.00	103,360.00		1,446,640.00	6.67
Others	1,041,000.00	3,390,979.75		(2,349,979.75)	325.74
Miscellaneous Expenses	1,000,000.00	1,649,511.00		(649,511.00)	164.95
Contractual Services			16,496,162.43		
Transport	873,000.00	614,741.53		258,258.47	70.42
Telecommunication & Postal	1,604,000.00	1,282,332.31		321,667.69	79.95
Electricity & Water Charges	6,992,000.00	2,961,608.88		4,030,391.12	42.36
Rents & Tax charges	13,748,000.00	9,758,544.02		3,989,455.98	70.98
Others	3,811,000.00	1,878,935.69		1,932,064.31	49.30
Other Operating Exp					
Research	-	133,004.75		(133,004.75)	
Entertainment & Welfare	100,000.00	-		100,000.00	-
Bank Charges	110,000.00	142,866.46		(32,866.46)	129.88
Total Operating Exp	332,148,000.00		275,871,821		
			218,139,266.01		
Rehabilitation & Improvement of Capital Assets			19,809,993.39		
Building & Structures	1,000,000.00	791,535.00		208,465.00	79.15
Plant, Machinery & Equipment	-	-		-	-
Others	2,000,000.00	3,266,216.13		(1,266,216.13)	163.31
Plantation	1,910,000.00	1,237,498.72		672,501.28	64.79
Palmyrah Training	5,430,000.00	4,333,140.00		1,096,860.00	79.80
Other Palmyrah Oriented	4,400,000.00	4,512,254.13		(112,254.13)	102.55
Research & Development	5,100,000.00	4,211,474.91		888,525.09	82.58
Marketing Development	3,160,000.00	1,457,874.50		1,702,125.50	46.14
			20,085,864.60		
Other Income	23,000,000.00				
Turnover from Katpakam	133,171,000.00	64,801,057.74		68,369,942.26	48.66
Miscellaneous Income	10,000,000.00	6,808,137.73		3,191,862.27	68.08
Treasury Grant Recurrent	158,000,000.00	154,000,000.00		4,000,000.00	97.47
Treasury Grant Capital	23,000,000.00	23,000,000.00		-	100.00
Foreign Fund	-	6,086,000.00		(6,086,000.00)	-
	324,171,000.00				

7.6: Notes to the Financial Statements 01 to 16

Table 27: Notes to the Financial Statements 01 to 02 for the year ended 31 December 2023

NOTE - 01 - PROPERTY, PLANT & EQUIPMENT				
	Cost as at	Additions/	(Disposals)/	Cost as at
01.1 Gross Carrying Amounts	01.01.2023	Transfers	Transfers	31.12.2023
Land and Buildings	199,165,160.68	82,754,338.45	-	281,919,499.13
Furniture & Fittings	41,823,336.21	91,000.00	-	41,914,336.21
Lab Equipment	83,737,332.26	601,162.50	-	84,338,494.76
Office Equipment	30,742,171.15	381,600.00	-	31,123,771.15
Motor Vehicles	66,391,495.93		-	66,391,495.93
Production Accessories	118,525,740.62	572,700.00	-	119,098,440.62
	540,385,236.85	84,400,800.95	-	624,786,037.80
01.2 Depreciation	Balance as at	Charge for the	(Disposals)/	Balance as at
	01.01.2023	year/Transfers	Transfers	31.12.2023
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Land and Buildings	120,830,765.67	14,286,554.59	-	135,117,320.26
Furniture & Fittings	35,290,791.02	1,056,168.98	-	36,346,960.00
Lab Equipment	79,975,287.60	1,097,669.99	-	81,072,957.59
Office Equipment	26,187,352.23	935,988.16	-	27,123,340.39
Motor Vehicles	63,704,308.55	1,777,777.43	-	65,482,085.98
Production Accessories	116,494,931.57	528,214.07	-	117,023,145.64
	442,483,436.64	19,682,373.22	-	462,165,809.86
	97,901,800.21			162,620,227.94
	-			
NOTE - 02 INTANGIBLE ASSETS				
Accounting Software	1,095,000.00		-	1,095,000.00
	1,095,000.00	-	-	1,095,000.00

Table 28: Notes to the financial statements 03 to 06 for the year ended 31 December 2023

	Notes	Year 2023	Year 2022
NOTE - 03 - TRADE & RECEIVABLES			
Trade Debtors			695,660.50
Sundry Debtors	17	4,683,914.21	9,259,901.79
Festival Advances	18	17,000.00	11,750.00
Distress Loan	19	570,037.75	296,579.23
Staff Advances			(4,893,196.95)
Staff Debtors	20	255,336.40	832,722.99
Rent Advances	21	2,863,120.12	5,938,893.67
Refundable Deposits	22	160,000.00	-
		8,549,408.48	12,142,311.23
NOTE 03.1 - Trade Debtors & Sundry Debtors			
		Year 2023	Year 2022
Trade Debtors & Sundry Debtors	17	4,930,436.01	10,479,903.99
Less- Provision for bad debts 5%		(246,521.80)	(524,341.70)
		4,683,914.21	9,955,562.29

NOTE - 04 - STOCK IN HAND			
Details		Year 2023	Year 2022
Katpahams			
Batticaloa Katpaham		748,537.65	275,895.15
Batticaloa Showroom		173,059.00	154,653.50
Kalmunai Katpaham		97,465.50	117,055.50
Colombo Maga City		1,657,608.00	1,459,845.90
Jaffna Busstand Katpaham		225,073.00	108,532.00
Trincomalee Katpaham		199,525.00	214,819.44
Show room Trincomalee		44,175.00	38,588.00
Vavuniya Katpaham		360,931.50	171,282.50
Nallur Katpaham		1,072,714.50	919,078.60
Kaithady Katpaham		115,617.50	76,166.00
Mannar Katpaham		285,686.50	77,920.50
Mannar Madhu Katpaham		50,989.00	51,462.00
Narahenpitiya Katpaham			138,618.00
Kandy Katpaham		2,037,965.60	1,117,774.50
Kilinochchi Katpaham		208,760.00	
Thissamaharama Katpaham		1,066,060.00	283,881.00
		8,344,167.75	5,205,572.59

Stores			
		Year 2023	Year 2022
Colombo Main Stores		814,337.00	
Stores Mannar		51,000.00	
Stores Marketing Unit		1,770,096.50	606,685.00
Stores Batticaloa		470,310.00	12,940.00
Stores Kalmunai		41,806.00	41,806.00
Stores Kalpitiya		320,142.00	
Stores Trincomalee		245,895.00	98,245.00
Mullaithuvu Reginal Office			25,500.00
Stores Vavuniya			41,700.00
		3,713,586.50	826,876.00
PRI Kaithaddy			
Chemical			
		Year 2023	Year 2022
Stores		14,576,187.76	14,331,382.26
Analytical Lab		1,258,381.43	
Bio Chemistry Lab		1,264,587.27	
Food & Technology Lab		1,372,613.99	
High Technology Lab		869,880.89	
Microbiology Lab		654,687.39	
		19,996,338.73	14,331,382.26
Glass Ware			
		Year 2023	Year 2022
Stoes		7,079,928.16	7,079,928.16
Analytical Lab		1,067,252.18	
Bio Chemistry Lab		964,638.52	
Food & Technology Lab		814,181.86	
High Technology Lab		584,506.56	
Microbiology Lab		874,992.28	
		11,385,499.56	7,079,928.16
		31,381,838.29	21,411,310.42
Production Centers			
Raw Materials			
		Year 2023	Year 2022
Batticaloa Production Center		78,629.50	263,772.66
Colombo Production Centre		326,892.50	

Kaddukarankudiyiruppu Jaggery Center		289,535.00	132,985.00
Kaithadi Production Centre		1,869,021.36	
Kalpitiya Production Center		661,937.40	2,937,753.90
Karainagar Production Center		619,740.22	
Padapaddi Production Center		41,208.00	791,464.35
Trincomalee Production Centre		755,288.40	107,721.15
Singanagar Jaggery Center.		675,633.08	411,913.96
Tharavankoddai Jaggery Center.		447,206.88	59,405.88
Vavuniya Production Centre		387,259.45	218,037.95
		6,152,351.79	4,923,054.85
Finished Goods			
		Year 2023	Year 2022
Singanagar Jaggery Center.		84,481.05	
Kaithadi Production Centre		115,920.00	
Batticaloa Production Center		174,430.66	
Trincomalee Production Centre		29,150.00	
Padapaddi Production Center		791,893.50	
Kaddukarankudiyiruppu Jaggery Center			
		1,195,875.21	-
		50,787,819.54	32,366,813.86

NOTE - 05 - CASH & CASH EQUIVALENTS		Year 2023	Year 2022
Bank of Ceylon , Jaffna 1093005		1,032,009.42	827,228.46
Bank of Ceylon , Jaffna 1093004		2,909,365.31	18,377.61
Bank of Ceylon , Jaffna 1092999		35,630.60	179,386.79
Bank of Ceylon , Jaffna 74904925		9,926,208.29	9,163,702.12
Bank of Ceylon , Milagiriya 1991642		4,942,177.95	93,013.66
Bank of Ceylon , Milagiriya 1991647		342,696.59	13,304.95
Bank of Ceylon.(saving)-Colombo 1996054		85,686.62	62,339.77
Bank of Ceylon.(saving)-Jaffna 1098363		5,846,877.95	4,586,034.58
Bank of Ceylon.(saving)-Jaffna 91849718		10,124.06	
Bank of Ceylon.(saving)-Batticaloa 2905767		10,228.98	5,802.52
Bank of Ceylon.(saving)-Kalmunai 6138832		2,299.85	2,127.66
Bank of Ceylon.(saving)-Kilinochchi 71166258		10,704.92	5,281.07
Bank of Ceylon.(saving)-Trincomalee 2902326		10,765.71	33,274.15
Bank of Ceylon.(saving)-Vavuniya 3321197		17,055.87	18,696.75
Bank of Ceylon.(saving)-Mannar 2902426		30,357.17	16,507.61
Bank of Ceylon.(saving)-Mullaithivu 73640702		14,510.81	8,465.91
Bank of Ceylon.(saving)-Kalpitiya 4664963		32,932.80	5,374.22
Bank of Ceylon.(saving)-Weerawala 77713079		10,422.47	5,136.69
National Saving Banks 1-0006-02-7511-5		730,335.66	112,063.09
Check payment transit			35,000.00

Cash In Hand (Centers)		1,435,739.52	1,733,000.65
Petty cash		11,961.16	
		27,448,091.71	16,924,118.26
NOTE - 06 - GRATUITY PAYABLE			
		Year 2023	Year 2022
Balance B/F		68,589,545.50	67,730,485.48
Gratuity Provision/Adjustment for the Previous Years		(863,122.70)	(1,195,510.48)
Gratuity Expenses for the Year		4,252,072.50	3,280,332.50
		71,978,495.30	69,815,307.50
Gratuity Payments		(6,607,428.50)	(1,225,762.00)
Gratuity Payable		65,371,066.80	68,589,545.50

Table 29: Notes to the financial statements 07 to 09 for the year ended 31 December 2023

	Notes	Year 2023	Year 2022	
NOTE - 07 - TRADE & OTHER PAYABLES				
Trade Creditors	23	2,713,159.33	9,883,761.74	
Sundry Creditors	24	18,815,129.84	14,238,056.89	
Utility Creditors	25	452,766.62	285,015.09	
Staff Security Deposit	26	730,335.66	652,026.46	
Provisions - Audit Fees		4,328,960.00	2,480,960.00	
Staff Creditors	27	1,521,102.83	-	
Salary Control		149,378.48	219,610.18	
Small Expences (Petty cash)	28	389,789.63	-	
		29,100,622.39	27,759,430.36	
NOTE - 08- NON RELATED PARTY DISCLOSURES (LKAS 24)				
NAME		DESIGNATION	NATURE OF THE RELATED PARTY TRANSACTION	ADDRESS
P.A.Krishantha Pathiraja		Chairman	No	No.170,Yatagama, Mabodale,Veyangoda.
S.Srivijendran		General Manager	No	36/8,Agriculture School Lane Palaly Road, Thirunelvely
No Related party transactions have taken place between Palmyrah Development Board and each of the above personal and with any of their family members, for the financial year 2023.				
NOTE - 09 - PRIOR YEAR ADJUSTMENTS				
	Year 2023	Year 2022		
Expenses	920,176.99	(19,577,630.05)		
Funded Project Reversal		(46,906,684.63)		
Income 2021		540,000.00		
Interest		(1,352.73)		
Surcharge		(2,080.00)		
	920,176.99	(65,947,747.41)		

Table 30 : Notes to the financial statements 10 to 12 for the year ended 31 December 2023

NOTE - 10 REVENUE			
	Notes	Year 2023	Year 2022
Local Sales	29	64,801,057.74	50,638,486.86
Mobile/Exhibition Sales		-	569,467.00
Farm Income		310,867.50	337,787.00
PRI Testing Income		3,461,814.75	1,931,933.39
		68,573,739.99	53,477,674.25
NOTE - 11 DIRECT COST			
		Year 2023	Year 2022
Opening Balance Stock		32,366,813.86	
Purchase		52,639,247.93	44,542,066.51
Material cost		468,190.01	761,901.00
Packing Material		51,640.06	
		85,525,891.86	45,303,967.51
Closing Stock 31-Dec-2023		50,787,819.54	
		34,738,072.32	45,303,967.51
NOTE - 12 - OTHER INCOME			
		Year 2023	Year 2022
Palmyrah Tree Felling Income	30	1,617,600.00	2,349,640.79
Bank Interest Income	31	534,244.01	258,278.64
Registration of Suppliers		170,000.00	
Rent Income		-	405,000.00
Vehicle Usage Charges Income		8,800.00	9,350.00
Other Income		246,111.10	7,118,250.82
Government Grant (Recurrent)		154,000,000.00	149,600,000.00
Project Fund / Government Grant (Line Ministry)		163,500.00	18,494,255.46
Staff Loan Interest		17,380.47	13,158.13
Bad Debtors Adjustment		277,819.90	-
		157,035,455.48	178,247,933.84

Table 31 : Notes to the financial statements 13 for the year ended 31 December 2023

NOTE - 13 - ADMINISTRATION & ESTABLISHMENT EXPENSES		
	Year 2023	Year 2022
Audit Fees	1,848,000.00	1,200,000.00
AMC Meeting Expenses	142,500.00	97,500.00
Assessment Tax	41,221.26	
Board Members Expenses	318,500.00	363,750.00
Building Maintenance	81,610.00	92,078.00
Casual Wages	2,095,307.51	1,990,752.08
Cleaning charges	265,974.00	
Communication Allowance	572,908.33	696,500.00
Communication Expenses	540,748.98	837,368.09
Computer Maintenance	98,400.00	333,350.00
Computer stationary	361,167.70	-
Depreciation - Building	14,286,554.59	7,381,695.31
Depreciation-Furniture & Fittings	1,056,168.98	2,556,940.75
Depreciation-Lab Accessoceries	1,097,669.99	2,608,507.09
Depreciation-Office Equipment	935,988.16	1,526,241.74
Depreciation-Production Accessoceries	528,214.07	5,710,738.86
E.P.F	20,367,092.78	13,296,408.76
E.T.F	3,056,268.24	3,324,816.36
Electricity Expenses	2,539,844.39	2,536,845.79
Equipment Maintenance	220,139.90	394,398.00
Fuel Expenses	1,845,699.98	2,258,747.00
Fuel Allowance	1,860,970.00	1,887,180.00
Gratuity	4,252,072.50	3,280,332.50
Legal Expenses	1,131,990.00	818,550.00
Maintenance Furniture and Fitting	3,700.00	-
Maintenance General	1,596,362.75	2,069,035.78
Office Expenses	96,064.00	710,012.76
Overtime Expenses	400,977.40	345,844.50
Penalties and Surcharge	-	86,280.00
Postal Expenses	168,675.00	
Press Ads	292,813.00	657,170.00
Rates & Taxes		30,276.88
Rent / Lease	9,040,695.62	10,392,283.04
Refreshment Expenses	133,004.75	
Running/Upkeep Expenses of Machinery	4,450.00	
Salary	104,821,924.63	123,164,655.86
Security Expences	1,223,699.69	2,309,335.84
Special Allowances	-	368,259.43
Staff Welfare	-	8,000.00
Printing & Stationerys	273,630.10	1,255,763.80
Translation Expences	362,423.00	345,314.00
Travelling Expenses	1,314,014.85	1,657,478.07
Upkeep of Building	17,300.00	
Vehicle Insurance	105,839.27	7,404.21
Vehicle Maintenance	1,464,124.06	1,781,497.36
Water Expenses	421,764.49	280,269.04
	181,286,473.97	198,661,580.90

Table 32 : Notes to the financial statements 14 to 16 for the year ended 31 December 2023

NOTE - 14 - SELLING & DISTRIBUTION EXPENSES		
	Year 2023	Year 2022
Business License Tax	6,250.00	-
Transport Expenses	614,741.53	-
Depreciation - Motor Vehicle	1,777,777.43	1,777,200.00
Exhibition Expenses	164,074.70	28,250.00
Insurance Expenses	2,745.00	
Provision for Bad Debts	-	512,940.62
Special Discount	667,632.14	-
	3,233,220.80	2,318,390.62
NOTE - 15 - FINANCIAL EXPENSES		
	Year 2023	Year 2022
Bank Charges	34,557.26	22,600.00
Cheque Book Charges	30,000.00	7,500.00
Interest Expenses	78,309.20	21,880.00
	142,866.46	51,980.00

Notes - 16 - Project Expenses -Capital Oriented Expenses		
	Year 2023	Year 2022
HR Expenses	2,092,411.54	174,800.00
Equipment Maintenance	2,542.09	-
Building Upgrading Expenses	791,535.00	-
Handicraft Training Programmes	4,280,182.00	1,511,850.00
Expenses of Increase Marketing Network	1,457,874.50	-
Developments Programmes	217,405.00	2,984,700.00
Capital - Staff Development	41,900.00	
Information Technology	55,600.00	
Modal Farm development	99,828.72	944,575.00
Production Modernization	3,939,554.13	1,202,418.67
Pulp Training	52,958.00	191,065.00
Research Programmes	4,211,474.91	1,106,719.67
Seed Plantation	920,265.00	1,736,400.00
Training Courses		233,826.00
Upgrade the Research Institute Facility		89,435.00
	18,163,530.89	10,175,789.34

7.7: Trial Balance

Table 33: Trial Balance as at 31-December-2023

Particulars	Debit	Credit
Provious Year Account Adjustment	7,189,350.91	8,109,527.90
Contributed Capital		299,572,193.20
Other Reserves	123,391,983.45	
Accumulated Surpluses / (Deficits)	24,786,100.28	
Government Grant Capital		23,000,000.00
Weerawala Building Working Process Carrection	1,504,555.50	
Government Grant-Special Project		6,086,000.00
Audit Fees Provision		4,328,960.00
Bad Debts		246,521.80
Employee Gratuity Provision		65,371,066.80
Trade Creditors		2,713,159.33
Sundry Creditors		18,815,129.84
Staff Creditors		1,521,102.83
Utility Creditors		452,766.62
Staff Security Deposit Creditors		730,335.66
Salary Control		149,378.48
Work In Progress (Buildings)	8,817,682.42	
Intangible Assets-Accounting Software	1,095,000.00	
Land	62,525,897.40	
Building	219,393,601.73	
Electrical Fittings	12,446,822.93	
Fittings	14,035,422.52	
Furniture	15,432,090.76	
Equipment-PRI	11,393,130.27	
Machinery	72,935,814.49	
Other Lab Accessories	9,550.00	
Farm Equipment	2,295,888.33	
Other Equipment	1,123,863.13	
Technology Equipment	27,704,019.69	
Equipment-Production Accessories	15,221,657.32	
Machinery-Production Accessories	103,604,737.30	
Other-Production Accessories	272,046.00	
Distribution Vehicle	43,977,605.93	
Farm Vehicle	14,901,290.00	
Office Vehicle	7,512,600.00	
Acc. Dep. Building		135,117,320.26
Acc. Dep. Electricals		11,402,430.62
Acc. Dep. Fitting		11,129,126.21
Acc. Dep. Furniture		13,815,403.17
Acc. Dep. Equipment		8,127,593.10
Acc. Dep. Machinery		72,935,814.49
Acc. Dep. Other Equipment		9,550.00
Acc. Dep. Farm Equipment		1,446,587.08
Acc. Dep. Other Equipment-Office Equipment		1,121,721.87
Acc. Dep. Technology Equipment		24,555,031.44
Acc. Dep. Equipment-Production Accessories		13,304,762.34
Acc. Dep. Machinery-Production Accessories		103,446,337.30
Acc. Dep. Other Accessories-Production Accessories		272,046.00
Acc. Dep. Distribution Vehicle		7,240,104.10
Acc. Dep. Farm Vehicle		14,901,290.00
Acc. Dep. Office Vehicle		43,340,691.88

Investment-Fixed Deposit - 89333190	3,094,221.09	
Supplier Deposit	160,000.00	
Festival Advance	17,000.00	
Distress Loan	570,037.75	
Rent Advances	2,863,120.12	
Staff Debtors	255,336.40	
Sundry Debtors	4,930,436.01	
Cash-Batticalo	8,264.00	
Cash Batticaloa Showroom	23,616.70	
Cash-Colombo Megacity	639,322.00	
Cash-Jaffna	301,719.00	
Cash Kalpitiya	134,485.00	
Cash Kilinochchi	31,000.00	
Cah - Mullaithuvu	5,800.00	
Cash-Kaithady	36,852.00	
Cash -Kandy	40,757.00	
Cash-K.K.S.Katpaham	13,402.40	
Cash -Mannar Katpaham	5,947.00	
Cash -Nallur Katpaham	136,597.48	
Cash -Narahenpitiya Katpaham	8,750.00	
Cash-Thissamaharama Katpaham	19,710.00	
Cash-Trincomalee Showroom	1,108.00	
Cash -Busstand Katpaham	16,024.00	
Cash-Vavuniya Katpaham	12,384.94	
Petty Cash-Audit	8.16	
Petty Cash- Batticaloa	10,000.00	
Petty cash -Trincomalee Reginal Office	1,953.00	
Petty Cash-Colombo Admin		35,711.08
Petty Cash-Colombo Fuel		5,000.00
Petty Cash-Colombo Production		236,956.29
Petty Cash- Jaffna Admin Cleaning		37,150.00
Petty Cash- Kandy Katpaham		25,653.76
Petty Cash- Nallur Katpaham		18,150.00
Petty Cash-Karainagar Production Center		26,251.00
Petty Cash-PRI		4,917.50
Bank Balances	26,000,391.03	
Sales		64,801,057.74
Opening Balance Stock	32,366,813.86	
Purchase	52,639,247.93	
Material Cost for Production	468,190.01	
Packing Material	51,640.06	
Farm Income		310,867.50
PRI Testing Income		3,461,814.75
Government Grant (Recurrent)		154,000,000.00
Bank Interest Income		534,244.01
Other Income		246,111.10
Bad Debtors Adjustment		277,819.90
Project Fund Income		163,500.00
Palmyrah Tree Cutting Income		1,617,600.00
Staff Loan Interest		17,380.47
Registration of Suppliers		170,000.00
Vehicle Usage Charges Income		8,800.00
Administration & Establishment Expenses		
Press Ads	292,813.00	
AMC Meeting Expenses	142,500.00	
Assessment Tax	41,221.26	
Audit Fees	1,848,000.00	

Board Members Expences	318,500.00	
Building Depreciation	14,286,554.59	
Building Maintenance	81,610.00	
Casual Wages	2,095,307.51	
Cleaning Charges	265,974.00	
Communication Allownace	572,908.33	
Communication Expense	540,748.98	
Computer Maintenance	98400.00	
Computer Stationery	361,167.70	
Electricity Expenses	2,539,844.39	
EPF	20,367,092.78	
Depreciation Office Equipments	935,988.16	
Equipment Maintenance	220,139.90	
ETF	3,056,268.24	
Fuel Allowance	1,860,970.00	
Fuel Expenses	1,845,699.98	
Depreciation Furniture and Fitting	1,056,168.98	
Gratuity	4,252,072.50	
Depreciation Lab Accessories	1,097,669.99	
Legal Expences	1,131,990.00	
Maintences Furniture & Fittings	3,700.00	
Maintenance General	1,162,875.75	
Maintenance Specific	278,004.00	
Office Expenses	96,064.00	
Office Maintenance Expenses	155,483.00	
Overtime Expenses	400,977.40	
Printing and Stationeries	273,630.10	
Depreciation Production Accessories	528,214.07	
Postal Expenses	168,675.00	
Refreshment Expenses	133,004.75	
Rent/Lease	9,040,695.62	
Running/Upkeep Expenses of Machinery	4,450.00	
Salary	104,821,924.63	
Security Expences	1,223,699.69	
Translation Expences	362,423.00	
Travelling Expenses	1,314,014.85	
Upkeep of Building	17,300.00	
Vehicle Insurance	105,839.27	
Vehicle Maintenance	1,464,124.06	
Water Expenses	421,764.49	
Selling and Distribution Expenses		
Business License Tax	6,250.00	
Transport Expenses	614741.53	
Exhibition Expenses	164074.70	
Insurance Expenses	2745.00	
Special Discount	667632.14	
Depreciation Motor Vehicles	1,777,777.43	
Finance Expenses		
Bank Charges	34,557.26	
Cheque Book Charges	30,000.00	
Interest Expenses	78,309.20	
Project Expenses -Capital Oriented Expenses		
Capital - Staff Development	41,900.00	
Information Technology	55,600.00	
Handicraf Training Programmes	4,280,182.00	
Development Programmes	217,405.00	
Equipment Maintenance	2,542.09	

Building Upgrading Expenditure	791,535.00	
Expences of Increase Marketting Network	906,521.38	
Exporters Meeting	551,353.12	
HR Expenses	2,092,411.54	
Modal Farm Development	99,828.72	
Production Modernization	3,939,554.13	
Pulb Training	52,958.00	
Research Programmes	4,211,474.91	
Seed Plantation	920,265.00	
Total	1,119,260,937.42	1,119,260,937.42



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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

} NPCG/JF/C/PDB/1/2023

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

} 19 November 2024

Chairman,
Palmyrah Development Board

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

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


W.P.C. Wickramaratne
Auditor General

- Copies to:** 1. Secretary, Ministry of Finance, Economic Stabilization and National Policies
2. Secretary, Ministry of Plantation Industries.

අංක 306/72, පොල්දැව් පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

NPCG/JF/C/PDB/1/2023

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

19 November 2024

Chairman,
Palmyrah Development Board.

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Palmyrah Development Board for the year ended 31 December 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 Palmyrah Development Board ("Board") for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No.38 of 1971. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

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

1.2 Basis for Qualified Opinion

- As per Paragraph 27(b) of SLPSAS 02, a reduction in receivables during the period should increase cash flows from operating activities under the indirect method. However, the decrease in trade receivables amounting to Rs. 3,871,611 during the year under review has been deducted in the cash flow statement.

අංක 306/72, පොල්දැව් පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව

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- (b) The overstatement of work-in-progress for the Weerawala building, amounting to Rs.1,504,555 in the previous year's financial statements, had been corrected in the statement of changes in equity for the year under review without being adjusted retrospectively, as required by SLPSAS 03. Furthermore, the corrected amount of Rs.1,504,555 was incorrectly deducted in the Cash Flow Statement under Investment Activities for the year under review, even though no actual cash outflow was associated with this adjustment, as it was a non-cash correction.
- (c) The cost of production accessories amounting to Rs. 119,098,441 had been shown under property, plant equipment without grouping of assets of a similar nature or function in an entity's operations according to Paragraph 50 of the SLPSAS 07.
- (d) According to Paragraph 71 of SLPSAS 07, the useful life of an asset is defined based on the asset's expected utility to the entity. However, the Board depreciated the building over 10 years instead of 20 years, as entities typically estimate a useful life of 15 to 25 years. As a result, the surplus for the year under review was understated by Rs. 3,316,874, and the accumulated depreciation of Rs. 74,913,538 as of the end of the year was overstated in the financial statements.
- (e) A capital grant amounting to Rs. 23,000,000 and a government grant for a special project amounting to Rs. 6,086,000, received during the year under review, had not been recognized as revenue in accordance with SLPSAS 11. As a result, the surplus for the year under review had been understated by Rs.29,086,000.
- (f) A land which is belonging to the Board and registered at the Registrar's General Department on 24 November 2017 had not been valued and brought to the financial statements. As a result, the value of the non- current assets had been understated in the financial statements. Further, action had not been taken by the board to transfer the ownership of 8 lands which are being used for long period.
- (g) The provision for gratuity had not been made for staff members who have completed less than five years of service. As a result, the profit for the year under review had been overstated by Rs.641,670. Further, the gratuity provision for staff who have completed five years of service had been made only for one year. As a result, the provision for gratuity have been understated by Rs. 2,285,770 in the financial statements.
- (h) The gratuity paid was incorrectly reported as Rs. 6,607,428 in the cash flow from operating activities instead of Rs. 2,077,111. As a result, the cash flow from operating activities had been understated by Rs. 4,530,317.



- (i) Employee contributions to the Employees' Provident Fund (EPF) for the year under review, amounting to Rs. 8,146,837, had been misclassified under EPF expenditure account. As a result, salary expenditure was understated and EPF expenditure was overstated by the same amount.
- (j) Documentary evidence had not been provided to audit to confirmed the existence and accuracy of the balances of Rs.20,712,184.

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

1.3 Other information included in the Board's 2023 Annual Report

The other information comprises the information included in the Board's 2023 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it become available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Board's 2023 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

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

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



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

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

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

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

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also,

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on Other Legal and Regulatory Requirements

- 2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.
- 2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.
- 2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1)(d)(iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 The financial statements presented includes all the recommendations made by me in the previous year except the audit matters of 1.2(f) described in the basis for Qualified Opinion section of my report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;



- 2.2.1 To state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal cause of business as per the requirement of section 12(d) of the National Audit Act, No. 19 of 2018.
- 2.2.2 To state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of section 12(f) of the National Audit Act, No. 19 of 2018 except for;

Reference to law/ direction	Description
(a) Financial Regulation of the Democratic Socialist Republic of Sri Lanka	
(i) FR 177(1)	Although the money collected should be banked as early as possible, the Katpaham Sales Centre in Colombo had a practice of delaying deposits beyond the due dates. It was observed at an audit test check carried out over 02 months that a total of Rs.1,539,930, collected on 49 instances, had been retained for periods ranging from 3 to 8 days before being deposited.
(ii) FR 371(2)(b), as amended by Public Finance Circular No. 03/2015	The Ad-hoc Sub-Imprest aggregating Rs. 1,601,850 had been granted to non-staff grade officers on 76 instances contrary to the Regulations. Further, ad-hoc sub-imprest aggregating Rs. 2,800,000 were granted by the management, exceeding the specified limit of Rs.100,000 in 5 instances, without prior authority being obtained from the General Treasury.
(iii) F.R - 371(5), as amended by Public Finance Circular No. 03/2015	Sub-imprest must be settled within 10 days of completion or by December 31 of the financial year. However, out of the Rs. 136,500 advanced on 9 occasions, Rs. 66,500 was settled after the year under review, with delays of 10 to 280 days, and Rs. 70,000 remained unsettled as at 02 August 2024.
(iv) FR 396(d)	No action had been taken regarding 10 cheques totaling Rs. 204,174 that remained uncashed for more than six months from the date of issue till the audit date.



- (b) Paragraph 4.2.1 of Procurement Guidelines 2006 of the Government of the Democratic Socialist Republic of Sri Lanka. The procurement plan for the year under review had not been prepared

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

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

2.3 Other Matters

Following observations are made.

- (a) Action had not been taken to recover the 08 Sundry debtor balances included under trade receivables aggregating to Rs.4,338,434 remained outstanding for over 06 years as at 31 December 2023.
- (b) Action had not been taken to settle 05 trade creditor balances totalling Rs. 306,875 and 08 sundry creditor balances totalling Rs. 2,967,592, which remained outstanding for over 2 to 5 years as at 31 December 2023.
- (c) At the inspection of the Kandy Sales Centre, it was observed that the tally system, inactive since August 2023, has caused a complete breakdown in stock management. Furthermore, the sales items from the main office were not updated in the computer system, and internal controls were absent, including a lack of CCTV for security. Unrequested items resulted in expired stock, and three staff members were not adequately monitored. The absence of refrigeration caused perishable items to expire. Additionally, it was observed that there were 15 unrecognized stock items totaling 5,533 units and 21 stock items showing negative values amounting to Rs 1,264,561.
- (d) It was observed that one Pasteurizer plant valued at Rs.805,000 and one Autoclave plant purchased before 2018 had been idled over five years.
- (e) The logbooks for 22 vehicles used by the Board for the year 2023 were not submitted for audit.

- (f) The financial statements and the draft annual report should be furnished to the Auditor General within 60 days from the close of the financial year. However, the financial statements of the Board for the year 2023 had been furnished to audit on 28 August 2024 with the delay of 182 days and draft annual report had not been submitted until 28 October 2024. Furthermore, the annual reports of the Board for the years 2021 and 2022 had not been tabled in Parliament.


 W.P.C. Wickramaratne
 Auditor General

8.1 Actions taken to rectify the weaknesses pointed out in the Audit Report

Explanations provided by management regarding the matters contained in the Report of the auditor General on the Financial Statements and other legal and regulatory requirements of the Palmyrah Development Board for the year ended 31st December 2023, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

- 1.2 (a) Receivable related errors in the cash flow statement was identified and duly rectified in the 2024 financial statements
- 1.2 (b) The adjustment has been made in accordance with accounting standards. Furthermore, non-cash adjustments will be properly disclosed in future periods.
- 1.2 (c) Production accessories have been re-classified appropriately in the 2024 financial statements.
- 1.2 (d) The reassessment of the building's useful life will be corrected as per Board approval in the future.
- 1.2.(e) Grants will be properly disclosed as income in the next reporting cycle, in accordance with accounting standards.
- 1.2 (f) The Board will take steps to transfer the ownership of all long-held land to ensure accurate reporting.
- 1.2 (h) The gratuity calculations have been revised to ensure the inclusion of all eligible employees and to rectify errors identified in previous years.

1.2 (h, i) Reporting errors related to gratuity and employee provident fund contributions will be duly disclosed in the 2024 financial statements.

1.2 (j) Relevant documents and reconciliations have been submitted to the National Audit Office.

2.2 (a) i. Management now closely monitors sales center deposits to ensure timely banking.

ii. Steps have been taken to obtain a decision from the Board.

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

iv. Outstanding cheques are being monitored and addressed promptly

2.3 Other Matters

a) The legal advice from the ministry will be presented at the forth coming board meeting, and actions will be taken based on the decision made.

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

c) Action will be taken to install the CCTV System and further discrepancies related to the stock book entries have been rectified by Accounts Department in the year 2024.

d) The pasteurizer and autoclave plants have been repaired as per the capital action plan, and necessary steps have been taken to integrate them into the production process.

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

f) Appropriate measures will be implemented to ensure timely submission in the future.

