

Coconut Development Authority



Annual Report 2020

Our Vision

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

Our Mission

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

Introduction

The main statutory institute established as per section 24 of part iii reading “An Authority called Coconut Development Authority to be set up” (herein after called as “Authority”) in Coconut Development Authority Act No. 46 of 1971 for development of coconut industry is the Coconut Development Authority.

Functions of the Coconut Development Board in accordance with 30(1) of Act are as follows.

- (a) Deciding on development priorities in respect of coconut industry and lands under coconut cultivation and economical land utilization for coconut cultivation / assisting Minister to formulate policies.
- (b) Working out or helping to formulate projects and schemes in accordance with development priorities so decided.
- (c) Implementing projects and programmes carried out to date or supporting for their implementation.
- (d) Coordinating activities of Boards appointed by Minister under this Act.
- (e) Approving annual budget of Boards and providing funds to them
- (f) Implementing a proper management accounting systems and directing / assisting to Board to run the same.
- (g) Appraising progress of Boards regarding development priorities and policies determined by Minister.
- (h) Assisting financially or other way to any person or a group of people (incorporated or not) who engage in scientific researches regarding land utilization for coconut cultivation and lands used for coconut cultivation on coconut industry or its products and coordinating such research activities.
- (i) Reaching consolidations with international organizations working for similar interests with agreement of Minister.
- (j) Giving directions to the Minister on all matters affecting coconut industry.
- (k) Taking all steps as felt by the Authority to develop and revive coconut industry.

Powers vested in Authority as per section 31 of Act are given below.

Authority is empowered to take immediate action for all acts related to functions of 31 (1) of Authority or think it may fitting or.

All powers enshrined by Section 22 (2) (1) without prejudice to project to powers vested by sub section (2) (1) to be with the Boar or Authority with same make.

(3) One or few or a part of special powers vested by Section 23 can be vested to Board and Authority by an order published in Gazette when and where Minister may think fit of.

A huge contribution is made annually to gross domestic product by Coconut and coconut related industries.. The Authority could earn the highest income of Rs. 109 billion ever recorded from the export of coconut and coconut related products in year 2019 when comparing with year 2018. It marks an increase by 15%.

When identifying and formulating main policies in respect of coconut industry development by the Ministry, help needed is given together with developing Preprocessing and Marketing Sections of coconut industry, supervision and implementing operations by Coconut Development Authority. Under it, 5 active sections named Process Development Section, Quality Control and Quality Assurance section, Marketing Development and Research section, Finance section and Administration each being led by a Director. In executing these functions, Engineering section and Internal Audit section too extend their support to the aforesaid sections.

The Chairman acts as the Chief Executive Officer of the Authority and policy /programmes worked out by Director Board with running affairs of Authority, supervision is undertaken by the Director General under whom Process Development Section, Quality Control and Quality Assurance section, Marketing Development and Research section, Finance section and Administration are run with directors. The approved cadre of the Authority is 259. Total number of employees on staff in the year 2020 was 259 and out of this, 31 are from Management category

Review of the Chairman

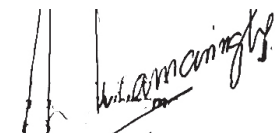
Coconut tree, which is believed to have spread within the coastal areas and then spread to the inner parts of the Island during the ancient times, is elaborated as the Kapruka of the country (Tree of life). At present it has secured a unique place among the main economic crops of the country as a result of becoming an essential crop in the food culture of Sri Lankan society and direct as well as indirect way of income.

Coconut and coconut related industries of Sri Lanka are at present behind only to Indonesia and Philippines and Brazil and the annual harvest of the coconut cultivation (nuts) is nearly 3000 million. Nearly 1800 million of nuts are used for domestic using and the rest of the productions is used in the industry for items based on coconut kernel such as desiccated coconut, coconut cream, coconut powder, and copra and nuts. Further a huge demand is observed now in the international market for industries, which are not based on coconut kernel, such as activated carbon, coconut coir fiber, coir pith and products based on coconut husks.

There is a huge demand in the international market for the coconut based products and it is a great pleasure to mention that the Coconut Development Authority is performing a highly satisfactory role in the fields such as financial contribution, consultation and monitoring etc, in connection to the production process with a view to enhance further the demand for the coconut based productions of Sri Lanka whilst ensuring a quantitative and qualitative growth in exports.

The income, which has been reported as Rs. 109 billion in year 2019 as the income from exports, could be enhanced up to Rs. 123 billion in 2020 and it has become possible to enhance the income from exports in the coconut industry amidst the hardships of the COVID 19 pandemic by 12% beyond the forecasted income and it has marked the highest reported income from exports.

Coconut Development Authority has already taken ensure proper contribution and monitoring to enhance the coconut kernel based industries minimizing the wastage in domestic usage by way of introducing productive food processing methods among Sri Lankans and also to develop the industries with the introduction of environmental friendly methods brining the industries not based on coconut kernel under one umbrella and directing them to follow environmental friendly production processes. In the meantime, our pure expectation is to bring the coconut industry of Sri Lanka to the apex of the international arena with the application of measures such as introduction of labels with quality certificate for the easy identification of high quality and clean coconut oil for Sri Lankans, contribution for the enhancement of the usage of machinery with proper standards to ensure a high quality production process, promotion of high quality products with issuance of quality certificates providing laboratory services to check the productions, granting loan facilities for production process joining with state banks.




Jayantha Wickramasingha
Chairman

Review of the Director General

Productions in a wide range are made under the titles such as coconut kernel based productions, coconut fiber based productions, coconut shell based productions and other ornaments etc. which ensure value added and diversified process in relation to the coconut tree, which is popular among common folks as Kapruka. In the meantime the industries such as coconut kernel based industries, desiccated coconut industries, virgin coconut oil industries, coconut milk and cream industries, which have obtained ISO and GMP certificates, have made their contribution to promote the brand of Sri Lanka Coconut by way of presenting high quality products to the international market. The intervention and the direction of the Inspectors of Coconut Development Authority at regional level as well as the financial assistance provided by the Mills Development Fund and laboratory and quality assurance services of the Authority have made a productive effect in this regard. Further the Authority provides the necessary directions to expand the international market opportunities by way of introducing high quality products to cater to the demand at world market with the provision of financial and technological assistances for dried milk whilst expanding sample tests on coir pith and substrata identifying the requirement of enhancing the coir fiber related productions.

Further the Authority provides contribution at remarkable level with a view to alleviate the poverty by coordinating the market whilst conducting training programmes under informal project divisions for the persons occupying in coconut related industries in rural areas and other willing parties, introducing entrepreneurs. However the COVID 19 pandemic, which spread all over the world paralyzing the communal life in year 2020, has made adverse effects to the export sectors of Sri Lanka but the coconut related industry has shown a growth of 8% in year 2020 comparatively to year 2019 earning an income of 661 million USD.

The inability to produce a harvest in coconuts to cater to the demand in the field is highly significant among the challenges in the field. This situation becomes very critical during the season, where the harvest records lower figure, and therefore the supply of nuts to the local demand at a reasonable price and the protection of the market share in the international market make grave challenge. However combined approaches are being made to bring the harvest of nuts at optimum level by way of implementing measures such as introduction of varieties with higher harvest, provision of assistance for water supply systems, popularizing new cultivation methods and application of fertilizers etc joining with Coconut Cultivation Board, and Coconut Research Institute. Further the Authority has prepared plans to make the general public aware on the importance of maintaining the domestic wastage at minimum level, ensuring communication with people for the expansion of supplies of coconut related productions, collection of coconut shells and coconut husks required to the industry. In the meantime the Authority has planned to enhance the awareness of people in order to expand the supply of raw materials. With the application of these measures, the 'Kapruka' can be transformed to a significant source of income whilst popularizing the brand of Sri Lanka Coconut following a well planned approach, which ensures the sound interrelationship with all government institutions connected with industrialists, cultivators and those who are actively occupying the field.


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M.L. Dashitha Niroshana
Director General

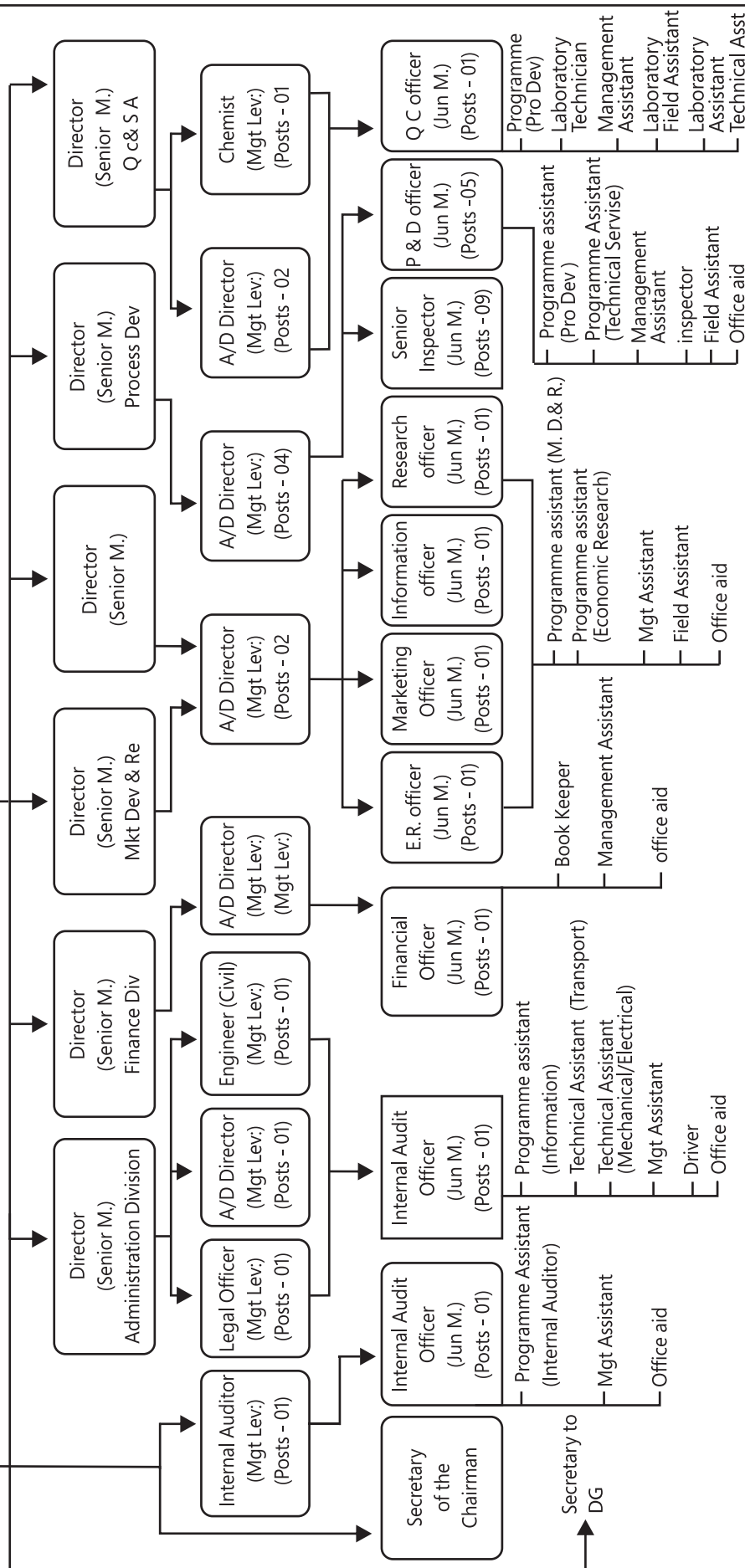
**Members of the Board of Directors from
January up to December 2020**

1. Mr. Jayantha Wickramasingha - Chairman
2. Mr. N.N.Wanasingha
3. Mrs. I.T.Nimesha Mendis
4. Mr. Dinesh Fernando
5. Mr. Priyalath Kimbiyahettige
6. Mr. Jagath Chandana Thalgasduwage
7. Mr. Upali Dammika De Silva

Chairman and Heads of Divisions

- | | | | |
|----|--|---|-------------------------|
| 1 | Mr. Jayantha Wickramasingha | - | Chairman |
| 2. | Mrs. Sureka N. Aththanayake
From 01.03.2020 up to 30.11.2020 | - | Director General (Actg) |
| | Mr. M.L.Dashitha Nirosha
From 01.12.2020 | - | Director General |
| 3. | Mrs. S.S.Purasingha
(Quality Control & Standards Assurance) | - | Director |
| 4. | Mrs. M.P.Sandhya Kanthi | - | Director (Finance) |
| 5. | Mr. P.A.S.K.Sampath Samarawickrama
(Marketing Development and Research) | - | Director |
| 6. | Mr. P.Edirimanna
(Covering up futies) | - | Process Development |
| 7. | Mrs. S.W.Rasika
(Administration- Covering up duties) | - | Director |
| 8. | Mr.W.M.T.S.Weerasuriya | - | Internal Auditor |

Chairman and Board of Directors



1. Senior M - Senior Management Level	5. Admin Officer - . Admin Officer	9 Jun Management t level -
2. A/D Director – Assistant/ Deputy Director	6 E.R. officer- Economic & Research Officer	10. M D & R. – Marketing Development and Research
3. Mgt Level. – Management Level	7. Pro Dev – Process Development Officer	11. QC&SA. Quality Control and Standard Assurance
4. Internal Auditor – Internal Auditor	8. QC Officer- Quality Control officer	

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01. Process Development Division

The main thrust of Process Development Division to monitor and develop coconut based industry. For this purpose, Process Development Division has prepared plans in 2020 in order to achieve following objectives.

Ensuring assistance for the exportation of the productions, which are processed in accordance with local as well as international standards and specifications by way of supervising and inspecting the manufacturing institutions and their processes

1. Making contribution through Mills Development Fund for the payment of wages of the employees engaged in the industry during the periods where production process or development activities of desiccated coconut industry are not carried out.
2. Implementation of programmes for directing industrialists for the production of coconut oil in higher quality
3. Enhancing the productivity and efficiency of the productions and minimizing the cost by way of providing facilities for working capital for coconut based productions .
4. Making directions to the entrepreneurs to obtain loan facilities from Banks and ensuring concessions for interest.
5. Implementing training programmes and providing training to the officers in order to encourage the new tendencies, technologies and research for the benefit of coconut based manufacturers and directing manufacturers to apply local and overseas technologies for the skill development.
6. Making contribution to uplift the informal industry.

Enhancement of the quality of the productions and target export income is expected by this planning process aiming at sustainable development targets and based on the vision and mission of the Coconut Development Board.

Accordingly the projects and programmes launched by the Processes Development Division in year 2020 to implement the aforementioned plans are as follows.

1. Running industry in accordance with existing laws and regulations through registering coconut based industries.
2. Inspecting coconut productions institutes, collecting samples and referring industrialists for maintain standards of coconut related products. Provision of instructions in this regard.
3. Directing industrialists to maintain standard specification on coconut based productions by way of issuing Microbiological and physical standard certificates.
4. Improving quality of finished goods and production process by contributing to audit activities in getting Good Manufacturing Practice (GMP) Certification and International Quality certifications of non kernel and Quality certification on Food Security of Coconut kernel based industries of ISO 22000
5. Making contribution through Mills Development Fund for the payment of wages of the employees engaged in the industry during the periods where production process or development activities of desiccated coconut industry are not carried out
6. Developing industry by implementing soft loan schemes in collaboration with People's Bank and Regional Development Bank for enhancement of coconut related industrialists.

7. Formulating methodologies for production and supply of coconut oil with higher standards for the benefit of consumers and directing industrials to follow such methodologies.
8. Providing investment assistance for the development of infrastructure facilities of coconut fiber industries..
9. Skill development of officers in order to ensure that they are employed in an efficient and productive manner.
10. Taking action to obtain ISO 17020:20102 accreditation/ compliance certificate to the inspection unit of Processes Development Division
11. Introducing value added productions for the informal industries, implementing technology transfer programs , providing equipment and investment assistance
12. Providing assistance to industrialists of informal sector to make eco friendly burners for which coconut shell can be used instead of firewood.
- 1. Making directions for the maintenance of industry as per existing laws and regulations by way of registering producers as coconut related producers and ensuring its monitoring process**

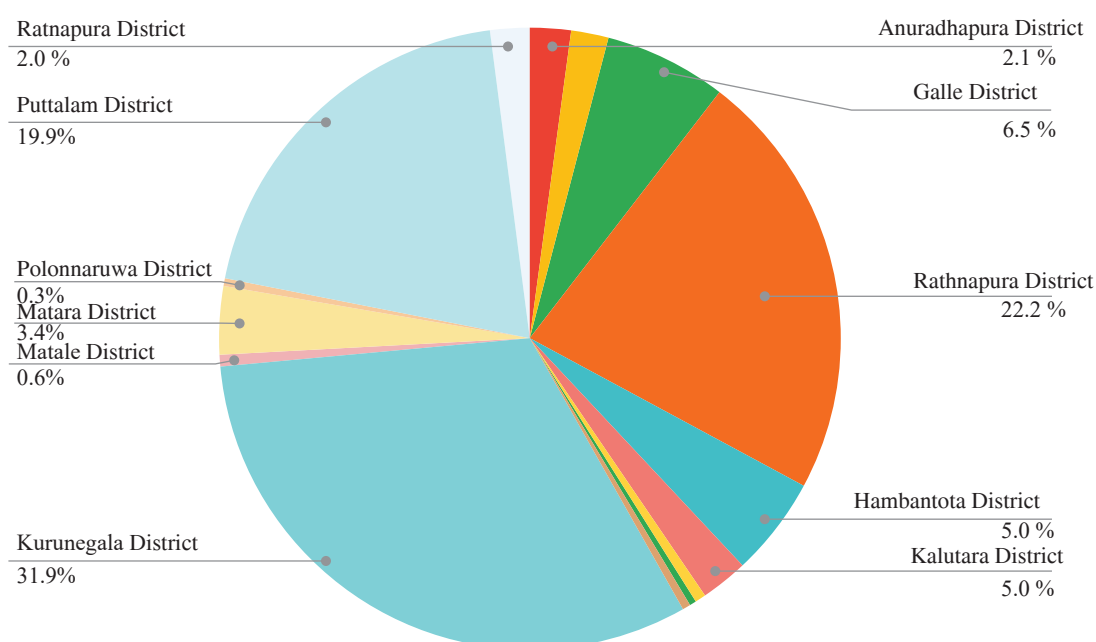
Registration of coconut based producers and processors for the year 2020 had been commenced from November 2019. Applications of registration are issued from Coconut Development Authority Fort office on Duke Street, Colombo 01 and regional offices located in Kurunegala, Gampaha, Puttalam, Galle, Ratnapura and Matara. In the meantime the industrialists were facilitated to download their applications and to submit them online through the website of the Coconut Development Authority. Accordingly the particulars of the industries registered in the above manner are given in the table below.

		Registration		
	Production category	2018	2019	2021
1	Desiccated Coconut	46	48	46
2	Creamed Coconut	15	17	14
3	Powdered Coconut Milk	9	12	13
4	Copra Oil	69	89	101
5	Virgin Coconut Oil	58	60	50
6	White coconut oil	31	38	39
7	MCT oil	—	—	1
8	MCT powder	—	—	2
9	Industrial Coconut Oil	6	7	9
10	Coconut Water	22	22	23
11	Coconut Vinegar	1	1	1
12	Paring Coconut Oil	23	34	35
13	Coconut milk	21	22	24
14	Powered coconut milk	4	6	6
15	Coconut Milk Related Products	4	5	5
16	Coconut butter	3	7	8
17	Coconut Sugar	3	4	1
18	RBD Coconut Oil	7	7	8
19	Cosmetics	1	1	1
20	Copra	35	26	26
21	Coconut Spread	4	3	5
22	Repacked desiccated coconut	2	1	3

23	Coconut syrup	5	3	3
24	Grated coconut	2	1	1
25	Coconut treacle	2	7	10
26	Processed coconut cream	2	2	2
27	Coconut aminos	—	—	3
28	Coconut Jam	1	1	1
29	Powered coconut	—	—	5
30	Activated carbon	9	7	10
31	Fibre/Coir Mills	342	267	283
32	Shell charcoal pieces	5	5	5
33	Hub operator	1	1	1
34	Coconut charcoal	17	33	33
35	Coconut shell pieces / Powder	3	1	3
36	Coconut Shell Ornamental Products	6	8	11
37	Finished products	133	126	137
38	Coir Fibre pith Substrate	117	120	124
39	Fibre Intermediate Products	31	39	37
	Other	0	15	2
	Total	1040	1046	1092

Table 01: Coconut Related Products Manufacturer/Processor Registration from 2018 to 2020

In considering registered coconut based industries during year 2019 and 2020 by the Authority, a considerable upliftment can be seen in the registration of coconut oil, coir pith and related industries. The assistance specially extended by the Authority for the development of cocour oil, and coconut fiber industry during the 2020 as in previuos years and the expansion of project services have served as the cause for the enhancement in registration.



Graph 1: Distribution of registered coconut based manufacturers as per districts

According to the above graph, the distribution of the reghistered industries in Coconut Triangle is 74%. The total registration of all the remaining districts is 26%.

2. Inspection of coconut based production institutions, collection of samples, and directing them for analysing and thereby directing industrialists to make their productions in accordance with the standards of Sri Lanka. .

2.1 Coir fibre and coir pith substrate analysis process

The objective of the process was to analyze coir fibre and coir pith in order to make the Coir Fibre Manufacturers aware of the quality and adherence to standards of the coir fibre and coir pith produced in their institutions and direct them to organize their production process observing the instances where deviations from specifications are observed.

Under this process analysis has been made under the parameters such as pH value, moisture, electrical conductivity, extraneous matters, Ecoli, salmonella of coir pith substrates and moisture and impurities of coir fiber.

Accordingly 239 samples were collected from Coir Pith Substrate Manufacturers for year 2020, who has registered in the Authority, and Quality Assurance Certificates have been issued. Further action has been taken to collect 130 samples from selected Coir Fibre Manufactureres and to issue Quality Assuarance Certificates.

Accordingly the Manufactureres were directed to rectify the instances of deviations from specifications by way of studying such instances.

2.2 Vergin Coconut Oil Sample Analysis Process

Main objective of this analysis process is to take necessary action to ensure the accuracy of data when the standard of the productions is not compatible as per the report of analysis with the comparisons of Sri Lanka Standard Institution on the vergin coconut oil.

Accordingly samples of vergin coconut oil were analysed by the laboratory of the Authority under the parameters such as free fatty acids, colour, moisture, iodine value and yeast and moulds.

Analysis has been carried out in year 2020 for 23 vergin coconut oil samples.

2.3 Coconut milk productions sample analysi process

For year 2019 24 Coconut Milk Producing Industries and and 07 Cocomnu Milk Powder Industries have been registered. Examinations were conducted using samples in order to ascertain whether the processed coconut milk, which are available in the market, is enriched with the quality, taste and nutritional factors as natural coconut milk. Under this process pH value and the count of fat in samples of processed coconut milk have been examined and further value of salmonell., Ecoli, pH and fat have also been examined in powdered coconut milk. Accordingly analytical reports have been obtained conducting examinations o 123 samples of processed coconut milk and 21 samples of powdered coconut milk

In the meantime 03 awareness programmes were also conducted in order to provide knowledge to the industriliasts in the field for the production of coconut oil from coconut testa, which is a by product made in the production process of coconut milk and coconut milk powder, in an efficient and productive way following Sri Lanka Standards.

2.4 Analytical process for samples of coconut oil

Under the programme launched by the Process Development Division to issue a logo to the coconut oil productions with higher standards, 107 samples were obtained from coconut oil mils and accordingly analytical reports have been obtained testing the value of iodin, free acid



content and aflatoxin of coconut oil in consistent with SLS 32: 2017 of Sri Lanka Standard Institution.

Accordingly the Manufactureres were directed to rectify the instances of deviations from the standards of Sri Lanka Standard Institution by way of studying such instances and further the furture works of the relevant programme are also carried out based on the findings of the analysis.

2.5 Analytical process for coconut shell charcoal

The analysis of coconut charcoal, which is the main raw materia of activate carbon, a mani field identified for the enhancement of the income from export of Sri Lanka has been commenced from year 2020.

Under this process analysis has been conducted under the parameters such as moisture, amount of ashes and external impurities. As an initiative samples have been obtained from 09 manufactureres and they have been directed for the analysis.

A ccordingly the Manufactureres were directed to rectify the instances of deviations from the **standards of Sri Lanka Standard Institution.**

3. Directing industrialists to maintain the standards of coconut related products by way of issuing micro organisms and physical quality certificates

These certificates are issued to the exporters to get their clearance works fulfilled more efficiently in exporting their productions through the services provided by the service coordination unit of the Process Development Division.

Since the issuance of this quality certificate is directly linked with the analytical specifications of productions, they naturally tend to produce highly quality productions.

During year year 2020 25,255.15 metric tons of desiccated coconut has been produced and out of the above 6006 daily samples of desiccated coconut have been submitted to the Process Development Division for analyzing under micro organisms and physical quality parameters. Further 572 certificates for exportation have been based on such analysis.

Type of certificate	Number of certificates issued	
	2019	2020
Salmonella Free	384	197
Physical Quality	384	197
Aflatoxin Free	127	83
Sulpher Dioxide Free	148	95
Total	1043	572

Table 02: Issuing micro organisms and physical quality certificates for desiccated coconut products stocks prepared for the export

The number of the certificates issued in year 2020 has marked a decline by 50% comparatively to year 2019. Main reasons caused for such decline are the adverse effect of COVID 19 pandemic, which has become a threat to all the countries including Sri Lanka and the unforeseen decline in the harvest of coconut.

Analytical reports have been issued on result sheet issued by laboratory on submission of the samples of coconut based productions, which have been handed over by exporters and producers, to the laboratory.

Type of Products	No. of reports issued		
	2020	2019	2018
Coir/Coir pith	250	316	255
Coconut oil	319	211	341
Desiccated coconut	08	18	13
Desiccated coconut with less fat	51	87	144
Coconut milk	03	9	3
Punnakku	03	-	-
Coconut cream	02	-	-

Table 03: Issuance of reports of the results on samples received in response to the requests made by industrialists

4. Enhancement in the production process and the quality of finished goods by way of providing contribution to the auditing on the good manufacturing practices for non coconut kernel based industries and ISO 22000:2005/2018 Food Safety Management on coconut kernel based industries and to contribute to obtain international recognition for such productions.

ISO 22000:2005/2018 means a quality assurance system, which gives certification those certain foods, are safe for consuming. Obtaining this quality assurance certificate has been made compulsory for food productions made based on coconut kernel and coconut water. Main objective of this measure is to ensure high quality productions with the establishment of an efficient, sustainable system, which follows international standards. Accordingly it paves way to issue high quality and standard productions to the market and in return the industrialists would have opportunity to grab specific market segment in the industry.

Accordingly a trained field officer has been directed to the auditing when institutions which have obtained accreditation and certification from SLAB and IFA conduct audit, and the institutions have been directed to rectify the weaknesses observed in them as per the observation report provided by the said officer. By the end of year 2020, participation has been made for ISO 22000:2018 at 62 industries.

GMP is a quality assurance system which assures the maintenance of proper production process. It has made compulsory to obtain this quality assurance certificate in the registration of coir based productions and coir pith productions. By way of ensuring contribution for the audit activities on methodologies applied for obtaining this quality assurance certificate, Process Development Division assists for the maintenance of the quality of the production process and finished goods. Accordingly the Division has participated in the GMP audit examinations at 51 industries by the end of year 2020.

5. Financial provisions for payment of wages to the employees under Mill Development Fund for desiccated coconut mills at the occasions, where production is not carried out and where renovations and developments are made.

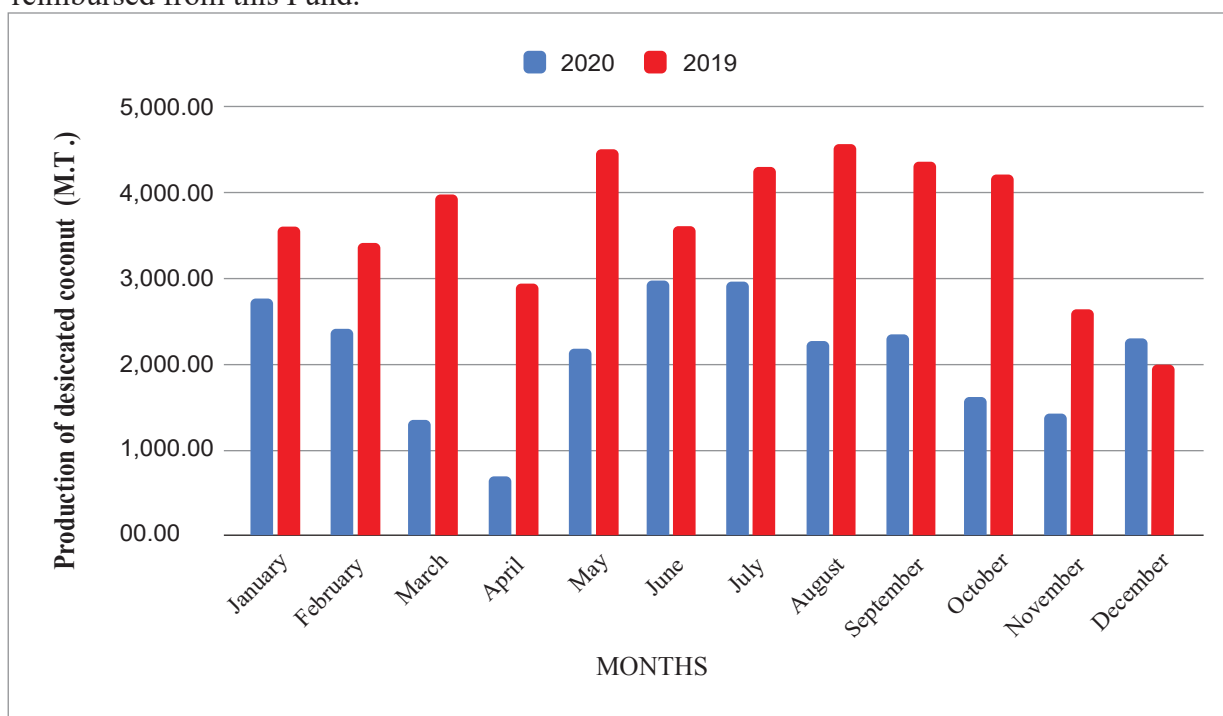
20 cents out of each one kilo of desiccated coconut so produced is credited against the Desiccated Coconut Fund set up in name of Desiccated coconut manufacturing facilities. Financial allocations are made at time of need for renovations of institute concerned. The amount of the desiccated coconut production in year 2020 is 25,255.15 mts and the monthly productions are given in the table below.

Month	Production of desiccated coconut (M.T.)
January	2,761.35
February	2,400.15
March	1,334.49
April	700.81
May	2176.94
June	2969.83
July	2954.12
August	2261.48
September	2341.65
October	1624.5
November	1416.28
December	2,313.55
Total	25,255.15

Table 04: Issuance of reports of the results on samples received in response to the requests made by industrialists

The amount remitted by the Coconut Development Authority to the Mills Development Fund for the total of these productions is Rs. 5.05 million.

Accordingly one institution has carried out the development activities of the wet section of its manufactory and the amount of Rs. 1.08 million, which has been spent for the purpose, has been reimbursed from this Fund.



Graph 2 Monthly production of desiccated coconut in year 2019 and 2020

Production of desiccated coconut in year 2020 shows a decline by nearly 50% comparatively to year 2019. Main reasons for such decrease are the unexpected decline in the coconut harvest of Sri Lanka and further it has to restrict the production due to quarantine curfew which has been imposed for several months all over the Island.

6. Developing industry by implementing soft loan schemes in collaboration with People's Bank and Regional Development Bank and providing interest payments for enhancement of coconut related industrialists

Kapruka Nipeyum Diriya Loan scheme has been commenced on 16.05.2012 by a memorandum of understanding signed joining with Peoples Bank and Kapruka Jaya Isura loan scheme has been commenced on 25.02.2015 by a memorandum of understanding signed joining with Regional Development Bank. In the meaning 02 soft loan schemes with low interests are also maintained with a view to attract small scale and medium scale industrialists and to develop coconut based industries.

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

The amount reimbursed to the bank under Kapruka Nipayum Diriya loan scheme of People's bank for making payment to industrialists is also a realtime expenditure to the Authority.

By Kapruka Jaya Isura loan scheme of Regional Development Bank, loans are issued directly to industrialist under annual interest of 6%. There fore the above interest is not cost time expenditure for tha part of the Authority. However, half of the interest i.e. 3% from the interest of 6% paid by the induustriliast to the bank for both these loan schemes is paid to the Authority by the Bank.

Further action has been taken to increase the loan of R. 2.0 million which has been granted until such time in terms of the memorandum of understanding signed on 04.06.2020 by Coconut Development Board with Regional Development Bank up to Rs. 3.5 million. There fore arrangements have been made during year 2020 to grant the difference between the loans of Rs. 2.0 million and the loan of Rs. 3.5 million, which has been increased, to the industrialists.

However, People's Bank has so far not extended its concurrence to this memorandum of understanding.

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

Year	Peoples Bank		Regional Development Bank		Total	
	Amount	Amount of loan Rs. million	Amount	Amount of loan Rs. million	Amount	Amount of loan Rs. million
2012	17	11.99.	-	-	17	11.99
2013	67	47.35	-	-	67	47.35
2014	40	19.67	-	-	40	19.67
2015	31	17.54	06	7.42	37	24.96
2016	06	1.72	06	5.67	12	7.39
2017	02	1.50	05	8.40	07	9.90
2018	08	7.66	53	65.30	61	72.96
2019	07	5.65	59	70.86	66	76.51
2020	01	1.5	11	11.80	12	13.30
Total	179	114.58	70	172.59	319	282.02

Table 05: Overall progress of the loan scheme

Type	Kernel based industries		Type	Non kernel based industries	
Coconut oil	02	3.0	Coir fiber	8	7.8
			Charcoal	1	1.0
Total	02	3.0	Total	9	8.8

Table 06: *As per the type of industry*

Year	Number of applicant	Amount of loan Rs. Million	Settlement of loans		Non kernel based industries	
2012	17	11.99	16	9.99	1	2.00
2013	67	47.35	67	47.35	-	-
2014	40	19.67	38	18.74	2	0.93
2015	31	17.54	14	5.19	17	12.35
2016	06	5.50	03	2.75	03	2.75
2017	02	1.50	01	0.50	01	1.0
2018	08	7.66	-	-	08	7.66
2019	07	5.05	-	-	07	5.05
2020	01	1.0	-	-	01	1.0
Total	179	117.26	139	81.34	40	32.74

Table 07: *Particulars of the settlement of Kapruka Nipayum Diriya loan of the People's Bank*

Description	2019			2020		
	Number of the persons, who received loans	Amount (Rs. M)		Number of the persons, who received loans	Amount (Rs. M)	
12.31 to Date	46	35.25	17.32	01	-	-

Table 08: *Particulars of the persons, who received Kapruka Nipayum Diriya Loan of People's Bank*

Year	Recommendation of the Bank						Recommended by the Authority			
	Number of concessions for interest		Loan amount Rs. M.				Number of concessions for interest		Loan amount Rs. M.	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
1st quarter	61	30	51.7	22.41	0.46	0.24	37	17	0.42	0.19
2nd quarter	46	03	38.17	4.5	0.28	0.11	20	01	0.26	0.005
3rd quarter	40	13	31.54	8.9	0.24	0.12	22	05	0.23	0.058
4th quarter	44	-	35.25	-	0.36	-	23	-	0.25	-
Total			156.66	35.81	1.34	0.47			1.16	0.253

Table 09: *Payment of interest concessions in 2019 and 2020*

Year	2019	2020
Interest recommended by the Bank	1.34	0.47
Payment by the Authority	1.16	0.253
Payments made on the recommendation of the Bank as a percentage	86.6%	53.8%

Table 10: *Summary of the payments made to the People's Bank by the Authority as concessions in year 2019 and 2020*

Number of the applications received by the Authority as at 31.12.2020.	65
Number of applications to which loans have been issued in year 2020	19
Amount of loans relevant to the applications	23,100,000.00

Table 11: *Progress of the Kapruka Jaya Isura loan scheme in year 2020*

Workshops have been conducted in Mathale, Kandy, Anuradhapura, Polonnaruwa and Northern Province on these loan schemes, the services rendered by the Authority for the upliftment of the industry and the avenues to enter the industry by way of commencing coconut shell and coconut husk based businesses at domestic level.

District level progress review meetings were conducted in four districts in order to review the progress of these loan schemes and the issues arisen in its implementation from the part of Banks

In addition to the above, the registration under the Authority is also considered as a basic qualification for the implementation of these loan schemes. Since the registration at the Authority is treated as a basic qualification for obtaining loans under these loan schemes, enhancement is observed among industrialists in the registration in order to apply for loans. Accordingly these loan schemes as well as other subsidiaries have indirectly made an influence among industrialists to register at the Authority.

7. Formulation of methodologies in order to ensure the production of coconut oil and introduction of coconut oil with higher standards to the consumer and directing industrialists to follow such methodologies.

8. Providing assistance for the investment in infrastructure facilities of coir fibre industries.

It has been identified at the audit supervisions that the unavailability of drying yards has served as the main cause for the coir fibre industrialists for their inability to obtain certificate of Good Manufacturing Practices.

Therefore, with a view to provide assistance in the investments to the coconut fibre industrialists, who have no drying yards, a project was launched from year 2017. Accordingly investment assistance was provided to 04 industrialists and 20 industrialists, who have been selected in

year 2019, from the allocations made in year 2020. Further investment assistances have been provided during year 2020 for closed drying yards in order to formalize further the drying methodology. Therefore it could grant investment assistance to 32 industrialists in coir fibre industry for drying yards in year 2020. Further development assistances have been given even for year 2020 subject to a maximum limit of Rs. four hundred thousands. (Rs. 400,000.)



Photo 1 : Drying yards for which investment assistance was provided

With a view to enhance the quality of coconut fibre based productions and ensure stable market for productions, certification method on Good Manufacturing Practices has been introduced to coconut fibre industry. Accordingly factories have been renovated under the supervision of the Authority.

Under this process, the money, which has been spent by industrialists for obtaining the certificate on Good Manufacturing Practices for the first time with the rectification of the weakness revealed at the audit, was reimbursed to 07 industries, which obtained the relevant certificate, subject to a maximum of Rs. 30,000 and further the transport facilities for the certification were also provided by the Authority

9. Skill development of officers in order to ensure that they are employed in an efficient and productive manner.

Plans have been made even in year 2020 also for implementing human resources development programmes as per the action plan to get the duties of staff of the division performed at optimum level depending on the requirement of fulfilling the role entrusted to Process Development Division in productive and effective manner and accordingly those programmes have been carried out.

Under this requirement, the staff of the Process Development Division have been directed to participate in workshops connecting to ISO, HACCP and GMP certification and other management courses mainly considering the training needs and exigency of service.

Even though nearly 32 training programmes have been planned for year 2020, only 04 programmes could be conducted during the year due to the threat of COVID 19 pandemic.

10. Taking action to obtain ISO 17020:2012 conformity/ accreditation certificate for the inspections conducted by Processes Development Division.

Rectifications have been duly made in respect of the non conformities and observations made by the Sri Lanka Accreditation Board for Conformity Assessment at the evaluation conducted on 19, 20 and 23. 09. 2019. On rectification of the weaknesses pointed out at the evaluation, Sri Lanka Accreditation Board for Conformity Assessment has offered ISO 17020:2012 Accreditation Certificate on 01.03.2020 for inspection and sampling of desiccated coconut.

Further approval has been obtained to make rectifications for the non conformities pointed out in 1st surveillance audit conducted on 24. 09.2020 and 30. 09. 2020 and to carry out this accreditation continuously.

Preparation of the basic documents have been commenced to obtain accreditation certificate also for coconut water, and coconut substrate based productions after obtaining accreditation certificate. However these works have to face certain obstacles due to the COVID 19 pandemic in year 2020 but it is expected to continue these tasks also in year 2021.

11. Introducing value added productions for the informal industries, implementing technology transfer programs , providing equipment and ensuring investment assistance

A new project unit has been established under Coconut Development Act No 46 of 1971 with a view to develop and strengthen the non formal coconut industry , which is not covered directly under Coconut Development Act.

The coconut and coconut related small scale non ormal industries are carried out in various fields in the country and certain industries present their products also to local and foreign markets. Most of the industries out of those makes their productions aiming at the exportation. They are spread all over the Island and mainly maintained as domestic industries with teamwork.

Making brooms using coir fiber under training programmes cinducted by the Authority Accordingly training programmes have been conducted all over the Island on the production of floor mats., door mats, Thavashi brushes, coir twine and coconut based ornaments. As a result of it could enhance income generating capacity of low encome people with the commencement of self employements whilst minimizing the wastage.

In addition to the above, the Coconut Development Authority organizes training programmes for coconut related industries on the request of the Office of the Commissioner General of Rehabilitation as one event under the process for socilizing the persons , who became victims of drug addiction. These programmes are organized at Senapura, Vavuniya and Kandakadu centres on the requests the Office of the Commissioner General of Rehabilitation. The cost of the programme has been rimbursed by the Office of the Commissioner General of Rehabilitation and a training programme for making ekel brooms and brooms has been conducted for the inmates of the Tertiary and Vocational Education Center at Senapura as the first programme.

Having taken in to consideration the requests made by voluntary organizations, public and private sectors, following programmes have been conducted concurrently to International Coconut Day at Rehabilitation Centers centering the areas ,where enough resourses are available, in order to develop coconut based small scale domestic industries.

Date	Training programme	Venue	Number of the participants
02/03/2020-04/03/2020	Training programme for making ekel brooms and brooms	Senapura	75
27/08/2020-28/08/2020	Training programme for making brushes for members of Kapruka Societies	Wellawaya	25
20/08/2020-22/08/2020	Training programme for coconut shell related ornaments	Panwila	20
10/09/2020-12/09/2020	Training programme for making brushes	Anamaduwa	30
3-5/09/2020	Training programme for making brushes	Ipalogama	25

Table 12: Training programmes conducted in year 2020



Photo 02 : Training programmes

Three awareness programmes have been conducted regarding the collection of raw materials through the members of Kapruka Societies, which are required for large scale industries, at Kalutara, Hikkadiwa and Kegall areas with the participation of the officers of Kapruka Societies and officers of the Board of the Kapruka Fund.

Members of Kapruka Societies extended their consent to provide coconut related raw materials, which are wasting, to the industrialists. In addition to the above following awareness programmes and exhibitions have been conducted at regional level concurrently to International Coconut Day.

Date	Awareness programme	Venue	Number of the beneficiaries
24/08/2020	Making the industrialists aware of the production of coconut charcoal correctly with proper standards and obtaining the environment certificate.	Gampaha	30
08/09/2020	Awareness of the production of pure coconut oil	Divisional Secretariat, Anamaduwa	15
03/09/2020	Making the industrialists aware of a new machine, which can be operated easily, in order to uplift the bristle coir industry, which is falling down due to the lack of operators for 'Petti Kuttama'.	Coir factory, Boyawalana	26

Table 13: Awareness programmes

Awareness programmes



Photo 03 : Awareness programmes



Photo 04 : Exhibitions

The Coconut Development Authority participated in the exhibition organized within the premises of Parakrama Samudra by the Coconut Cultivation Board concurrently to the International Coconut Day. A clarification has been made at this exhibition to the coconut cultivators regarding the possibilities for launching industries using the resources of the area . Further an exhibition stall has also been opened at the exhibition ground by the Authority.

Provision of equipment and investment assistance

Coconut and coconut related small scale informal industries are maintained representing various fields and most of these industries are maintained as export oriented industries. These industries have spread all over the Island and they are maintained mainly as domestic industries with considerable number of employments.

Action has been taken to grant equipment and tools to the low income people with a view to popularize high quality products. The awareness programme for granting 200 manual coir yarn spinning machines to the low income members of Kapruka Societies has been conducted at Divisional Secretariat, Hikkaduwa as a joint programme with the patronage of the Ministry of Plantation Industries and with the participation of Coconut Development Authority, Agriculture Modification Project, Coconut Cultivation Board and Kapruka Fund. Further at present action has been taken to grant 100 manual machines to the members of the aforesaid Kapruka Society.



Photo 05 : Provision of equipment and investment assistants

Equipment , which have been granted

1. Ipalogama Kapruka Production Society- 15 machines for the production of Thavashi brushes
2. Mrs. W. G. Leelawathi, No 825, Dutuwewa- A tools set for coconut shell related productions (Bench grinders, bench drills, pendant motors)
3. Mr. A.G.Udaya Kumara Priyadarshana, 404/2/29, Kothlepura, Thambutthhegama- A tools set for coconut shell related productions (Bench grinders, bench drills, pendant motors)
4. Divisional Secretariat, Thihagoda- 02 Trimers
5. Mrs. C.P.Janaki Nayana Kumari, Alankare, Moragane- 01 Trimer
12. Provision of the investment assistance to the industrialists of informal sector for making eco friendly coconut shell burners and provision of investment assistance for bristle coir producing machines

Investment assistance has been granted to 08 industrialists for obtaining appropriate technology with a view to encourage industrialists who produce high quality coconut shell charcoal.

Under this programme action has been taken to enhance the social and economic level of the entrepreneurs, who are ready to establish units for production of coconut shell charcoal and related charcoal and further to encourage high quality and eco friendly productions.

Since there is a decline in the production of bristle coir production, the brush making industry, of which the main raw material is bristle coir, have to face various difficulties. Therefore as a remedial measure, investment assistance has been granted to obtain 02 machines with safety measures for extracting bristle coir from coconut husks.

02. Quality Control and Quality Assurance Division

The major responsibility of the Quality Control and Quality Assurance Division is to certify the quality of stocks which are scheduled to be exported through the implementation of programmes pertaining to Quality Control provision of testing facilities as per the requirements of different applicants, issuance or certificates subsequent to testing the coconut based product at the point of forwarding them to the local markets and provision of consultancy services for the maintenance of high quality coconut based products.

The function of the Division

1. Testing of coconut products which are scheduled for exportation and certification of their quality.

- Conducting of Microbiological and Physico-chemical tests for desiccated coconut

The Desiccated Coconut Industry which is the prominent Coconut kernel based product industry of the coconut manufacturing field is mainly subjected to a proper quality controlling procedure and all the daily production of Desiccated Coconut is tested daily at the Quality Control and Quality Assurance Division. These tests are very helpful for the issuance of the quality assurance certificates pertaining to the products which are to be exported.

- Testing of coir fibre pith products

2. Conducting of the laboratory testing services as a service rendered for the coconut based manufactures, exporters and consumers under a concessionary charging system.

The Quality Control and Quality Assurance Division is equipped with the facilities for conducting the Microbiological and Physico Chemical Tests as stipulated in the standards for the Coconut based products issued by the Sri Lanka Standards Institution and the accelerated testing services are carried out by the division at a concessionary charging system for the benefit of the entrepreneurs engaged in the Coconut Industry.

3. Conducting of Microbiological and Physico-chemical testing with the Objective of Enhancing the Manufacturing Process of the Desiccated Coconut.

In addition to tests conducted at the Laboratory of the Authority, Microbiological and Chemical tests are carried out by the Mobile Laboratory Services of the Authority in order to improve the manufacturing process of coconut and to maintain higher quality products.

4. Performance of functions for obtaining accreditation in relation to the ISO 17025 Quality Assurance Certification for Chemical and Microbiological Laboratories of the Quality Control and Quality Assurance Division.

5. Examination of the hygienic condition of Coconut Oil manufacturing mills with the objective of maintaining and uplifting the Coconut Oil industry in a hygienic condition and to test whether copra the raw material used in the manufacture of Coconut Oil, Coconut Oil the product and poonac its by product are in conformity with the Sri Lanka standards.

6. While testing the quality of coconut oil products available in the local market, provision of services for preventing the consumers from consuming adulterated coconut oil by providing the details on the coconut oil dealers who adulterate coconut oil to the Consumer Affairs Authority which is the controlling body in relation to consumer affairs and to the Food Controlling Unit of the Ministry of Health which is the Controlling Authority in relation to food items in collaboration with the said institutions.

7. Conducting tests on products as investigations conducted over local and foreign complaints that are lodged in relation to coconut based products.

8. Participating in programmes and exhibitions conducted with a view to providing awareness on the significance of coconut based products.

9. Continuation of testing Services for other food products.
10. Updating the currently existing Standards of Sri Lanka and implementation of programmes in collaboration with Sri Lanka Standards Institution with the objective of preparing standards for coconut based products which have not yet been standardized.
11. Conducting training programmes for the staff employed in laboratories, maintained at the factories which manufacture coconut based products.

Accordingly, Quality Control and Quality Assurance Division of the Coconut Development Authority produce testing services, growth in the local and foreign markets with high quality coconut products. Functions are being conducted for obtaining the ISO 17025 Accreditation for Laboratories in order to provide this service in a much standardized way. All these functions are performed according to the Annual Action plan and the annual progress for the year 2018 has been mentioned below.

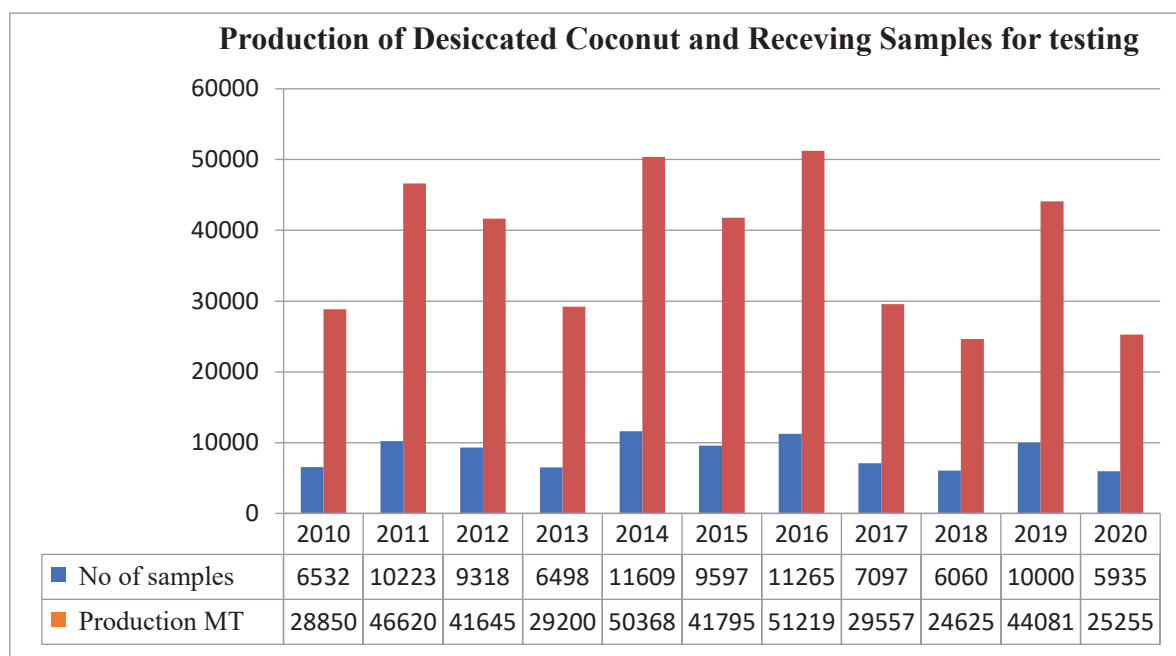
1. Certification of the Quality of the Coconut Products which are for Exportation and for Local Consumption.

1.1 Conducting Pre- Export Microbiological Analysis and Certification of Coconut Products.

Desiccated Coconuts mainly undergo tests which are specified for coconut kernel based products. Salmonella Tests are conducted for daily products of manufactures of the desiccated coconut in the Microbiological Laboratory of the Quality Control and Quality Assurance Division. Accordingly all the export oriented Desiccated Coconut products are subjected to testing at the laboratories.

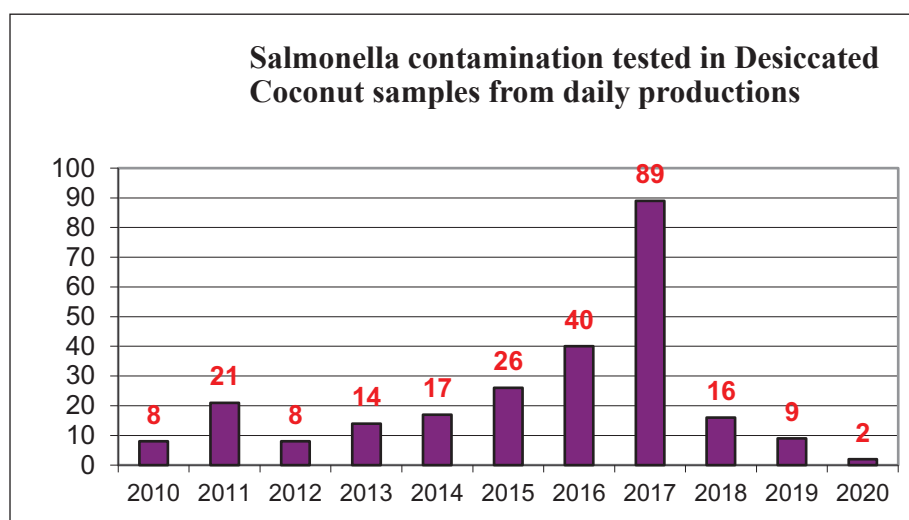
A target of 7000 daily desiccated coconut samples were set in the year 2020. 5935 samples were tested for Salmonella Contamination and 85% progress has been achieved in relation to these tests in the year 2020.

The inclination towards testing desiccated coconut depends on the manufacturing capacity.



Graph 03: Production of Desiccated Coconut and Receiving Samples for testing

Salmonella contaminations were reported in 09 samples out of the samples obtained from Desiccated Coconut products and tested in the year 2019. Salmonella contaminations were reported as a percentage of 0.09%. 02 samples from among the samples tested in the year 2020 were reported to have been contaminated with Salmonella and the contaminated percentage was 0.03% out of the samples tested.

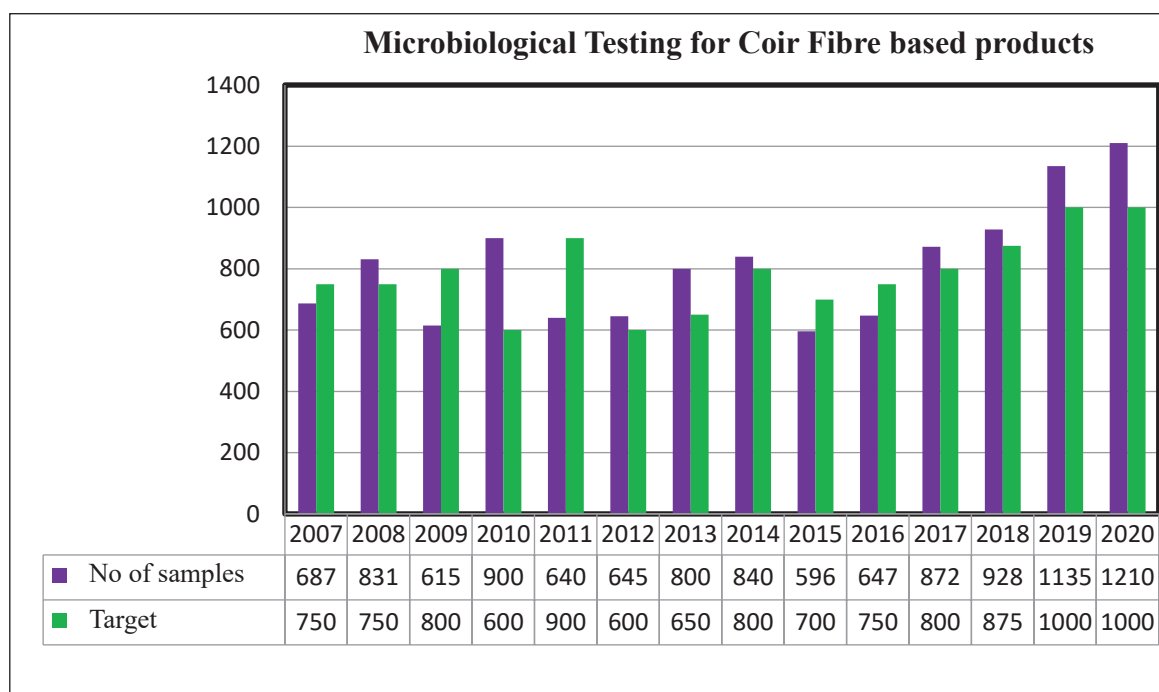


Graph 04: *Salmonella contamination tested in Desiccated Coconut samples from daily productions*

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Percentage contamination (%)	0.12	0.2	0.08	0.14	0.15	0.27	0.4	1.2	0.26	0.09	0.03

Table 14: *Percentage contamination*

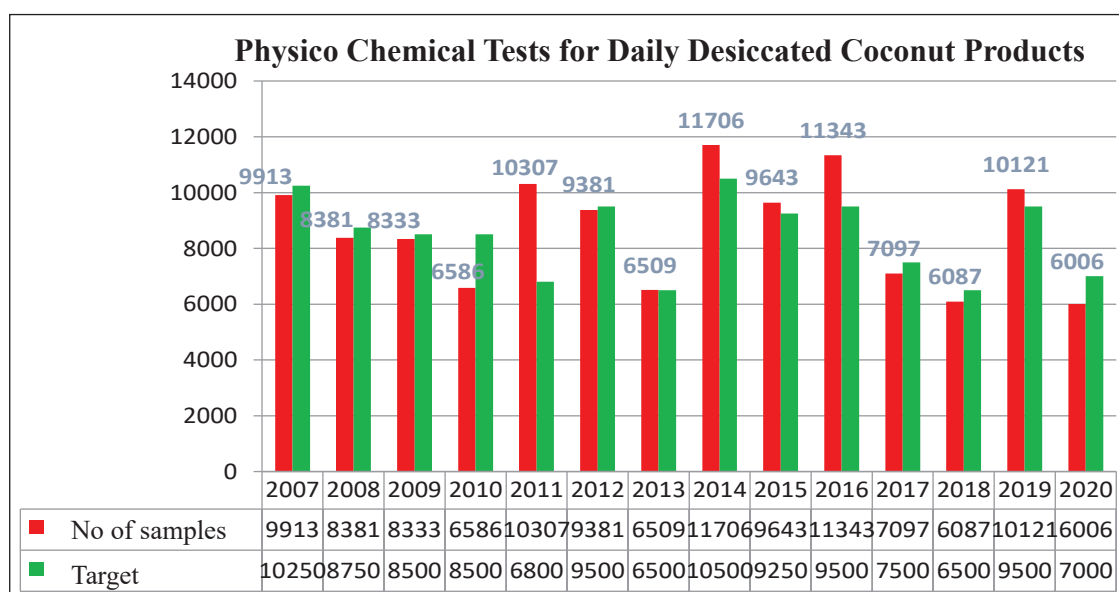
Coir fibre pith products takes the priority over the non-kernel products in the pre-export analysis of micro-organisms in non-kernel products. 1135 samples were tested in the year 2019 while 1210 samples were tested in the year 2020 as per the parameters requested by clients. 1472 tests had been carried out for the 1210 samples. Coir fibre pith based products had been undergone higher amount of testing when compared with the annual target set for the year 2020 had been tested and the progress reported was 121%. Salmonella and E.coli tests were performed for these samples. Only one sample was reported as Salmonella contaminations. One sample had exceeded the limits in the standards specified for E-coli bacteria.



Graph 05: *Microbiological Testing for Coir Fibre based products*

1.2 Conducting Pre-export Physico-chemical tests and certification of desiccated coconut products.

Tests for colour, grading, Moisture, taste & smell, Extraneous substances, parings and oiliness of desiccated coconuts had been carried out as major tests. Accordingly, 10121 and 6006 samples had been tested in the year 2019 and 2020 respectively. The total number of tests carried out for these 6006 samples were 48,048. However, the progress achieved in relation to



Graph 06: the target set in the year 2020 was 86%.

1072 samples (11%) out of 10,121 Desiccated Coconut samples tested during the year 2019 found to have some defects in their physical characters and further, 641 samples (11%) out of 6,006 samples tested during the year 2020 found to have such defects. Accordingly, non-conformity with standards specified for physical characters has not considerable increase or decrease in the year 2020. Likely, it has been depicted that 57%, the highest percentage out of the samples that are not in conformity with the Sri Lankan standard in this way is a non-conformity with the standards for Colour. The quality defected have been mentioned below:

Parameter	Samples not in conformity with parameters	
	Number	%
Grading	265	41
Colour	365	57
Rancidity	02	0.3
Moisture	43	6.7
Charred pieces	301	47
Roasted smell	34	5.3
Smoky smell	0	0
Extraneous matters	15	2.3
Paring	116	18
Oil separation	2	0.3
Oiliness	2	0.3
Roasted taste	15	2.3
Stale smell	0	0

Table 15: Certain samples had not been in conformity with the standards in several parameters)

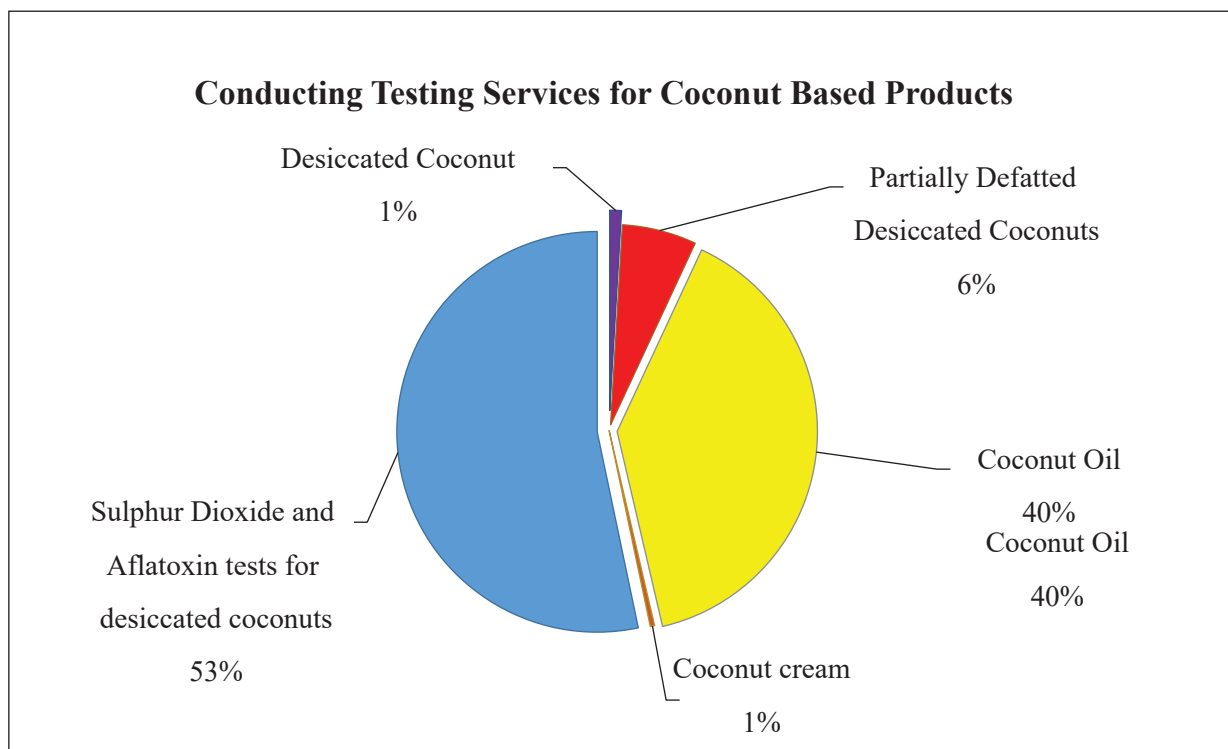
2. Maintenance of testing services for coconut based products

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

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

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

Coconut kernel based products are mainly submitted for testing and 988 samples had been tested in the 2019. 867 samples had been analyzed during the year 2020. The relative progress achieved for the targeted 900 samples were 96%. The total number of tests done for these 867 samples were 1521. In the year 2020, 453 samples of Desiccated coconut out of the total coconut kernel based products had been analyzed only for sulphur dioxide tests and aflatoxin compositions. The testing of coconut oil samples has increased considerably when it is compared with the year 2019. All types of samples tested under this were mentioned below:



Graph 7: Conducting Testing Services for Coconut Based Products

Year	Desiccated Coconut (Samples)	Poonac (samples)	Coconut Oil (samples)	Copra (Samples)	Partially Defatted Desiccated Coconut (samples)	Coconut spread (samples)	Coconut Cream (samples)	Coconut Milk Powder (samples)	Non Coconut (samples)	Coconut Milk	Sulphur dioxide and aflatoxin tests for desiccated coconuts (samples)	Row coconut flaks	King Coconut Water
2014	122	5	161	04	81	--	11	--	05	-	710	-	-
2015	35	10	158	03	105	01	11	01	01	-	214	-	-
2016	58	02	191	01	112	--	04	--	--	-	374	-	-
2017	42	-	332	-	121	-	07	-	-	-	366	-	-
2018	13	-	344	-	141	-	01	--	07	-	417	02	-
2019	18	01	213	01	66	--	05	--	15	02	667	-	-
2020	08	03	335	--	51	--	03	02	04	03	452	-	05

Table 16: Conducting Testing Service for Coconut Based Products

3. Functions for obtaining ISO accreditation

- 3.1 Functions in relation to obtaining the ISO 17025 accreditation for achieving the international recognition for tests carried out by the Quality Control and Quality Assurance Division of the Coconut Development Authority and for conducting accurate, formal and systematic tests. The laboratory has been accredited as a testing laboratory under the field of chemical testing and biological testing having being found to be complied with the accreditation criteria for testing laboratories. The laboratory has participated inter, intra and international and local PT programmes in 2020 obtained satisfactions results.

The chemical laboratory of the Quality Control and Quality Assurance Division was able to achieve the accreditation for the ISO 17025 accreditation on the methodologies used in coconut oil testing, awarded by the Sri Lanka Accreditation Board in the year 2012 and the status of accreditation was extended to 29th June 2023 subsequent to being qualified in the accreditation in the field of Chemical testing conducted in the year 2020.

The Microbiological Laboratory was able to achieve the ISO 17025 accreditation on the methodologies used for testing of Salmonella, Total Plate Count, Yeast and Mould Count, Coliform Count, E.coli and the status of accreditation was extended from 29th June 2023



Photo 6: SLAB Certificate

As an accredited laboratory, this laboratory is entitled to use the following accreditation symbol.

SLAB
Valid from 30 June 2020 to 29 June 2023
Issued on 30 June 2020

SLAB
ISO/IEC 17025
TL 030-01

Schedule of Accreditation
Accreditation Scheme for Testing Laboratories
Sri Lanka Accreditation Board for Conformity Assessment
Accreditation Number: TL 030-01

Chemical & Microbiology Laboratory
Quality Control and Quality Assurance Division
Coconut Development Authority
No. 54, Nawala Road
Colombo 05

Scope of Accreditation: Performing Chemical and Biological testing on Food and Agricultural Products and Potable water as per SLS and ISO methods.

The laboratory is accredited for the following tests.

Sl No.	Product(s) / Material of test	Specific tests performed	Test method / Standard against which tests are performed	Range of testing / Limits of detection
Biological Testing				
1.1	Food and Agricultural Products (Coconut Oil)	Enumeration of Yeast and Moulds	SLS 516 Part 02 section 02.2013 ISO 21527:2008	10 ⁻¹⁰
1.2	Food and Agricultural Products (Coconut Oil)	Enumeration of microorganisms colony count technique at 30°C (Aerobic plate count)	SLS 516 Part 01 section 01.2013 ISO 4833:2013	10 ⁻¹⁰
2.1	Food and Agricultural Products (Desiccated coconut, Coconut milk, Coconut milk powder, Coconut water, Coir fibre, pith substrate, Copra, Partially defatted desiccated coconut, Fresh coconut kernel)	Detection of <i>Salmonella</i> sp.	SLS 516 Part 05.2013 ISO 6579:2002	Present/Absent
2.2	Food and Agricultural Products (Desiccated coconut, Coconut milk, Coconut milk powder, Coconut water, Coir fibre, pith substrate, Copra, Partially defatted desiccated coconut, Fresh coconut kernel)	Detection and enumeration of Coliforms	SLS 516 Part 03 section 01.2013 ISO 4833:2006	MPN 3 - 1100
2.3	Food and Agricultural Products (Desiccated coconut, Coconut milk, Coconut milk powder, Coconut water, Coir fibre, pith substrate, Copra, Partially defatted desiccated coconut, Fresh coconut kernel)	Detection and enumeration of <i>Escherichia Coli</i>	SLS 516 Part 12.2013 ISO 7251:2005	MPN 3 - 1100
2.4	Food and Agricultural Products (Desiccated coconut, Coconut milk, Coconut milk powder, Coconut water, Coir fibre, pith substrate, Copra, Partially defatted desiccated coconut, Fresh coconut kernel)	Enumeration of microorganisms colony count technique at 30°C (Aerobic plate count)	SLS 516 Part 01 section 01.2013 ISO 4833:2013	10 ⁻¹⁰
2.5	Food and Agricultural Products (Desiccated coconut, Coconut milk, Coconut milk powder, Coconut water, Coir fibre, pith substrate, Copra, Partially defatted desiccated coconut, Fresh coconut kernel)	Enumeration of Yeast and Moulds	SLS 516 Part 02 section 02.2013 ISO 21527:2008	10 ⁻¹⁰
3.1	Potable Water	Detection and enumeration of <i>E. coli</i> & Coliform Bacteria	SLS 1461: Part 1: Section 3: 2013	MPN 0 - 1800

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Sl No.	Product(s) / Material of test	Specific tests performed	Test method / Standard against which tests are performed	Range of testing / Limits of detection
4.1	Food and Agricultural Products (Aqueous coconut products - Milk Cream & Paste)	Enumeration of Yeast and Moulds	SLS 516 Part 02 section 02.2013 ISO 21527:2008	10 ⁻¹⁰
4.2	Food and Agricultural Products (Aqueous coconut products - Milk Cream & Paste)	Detection of <i>Salmonella</i> sp.	SLS 516 Part 05.2013 ISO 6579:2002	Present/Absent
4.3	Food and Agricultural Products (Aqueous coconut products - Milk Cream & Paste)	Detection and enumeration of Coliforms	SLS 516 Part 03 section 01.2013 ISO 4833:2006	MPN 3 - 1100
4.4	Food and Agricultural Products (Aqueous coconut products - Milk Cream & Paste)	Detection and enumeration of <i>Escherichia Coli</i>	SLS 516 Part 12.2013 ISO 7251:2005	MPN 3 - 1100
Chemical Testing				
1.1	Food and Agricultural Products (Vegetable Oil)	Determination of saponification value	SLS 313: Part 2, Section 1: 2014 ISO 3657:2013	150 - 300
1.2	Food and Agricultural Products (Vegetable Oil)	Determination of Iodine value	SLS 313: Part 2, Section 2: 2014 ISO 3661:2013	5 - 200
2.1	Food and Agricultural Products (Vegetable Oil)	Determination of Free Fatty Acid (Acidity)	SLS 313: Part 2, Section 1: 2009 ISO 660:2009	0.1 - 20.0
2.2	Potable Water	Chloride as Cl	APHA 4500 - Cl - B	1 - 400 (mg/L)
2.3	Potable Water	Total hardness as CaCO ₃	APHA 2340 C	>1 mg/L
2.4	Potable Water	Calcium (as Ca)	APHA 3500 Ca. A	0.8-200 mg/L
3.1	Potable Water	Magnesium	APHA 3500 Mg B	0.5-50 mg/L

C. M. V. S.
Director / CEO
Sri Lanka Accreditation Board for Conformity Assessment

Photo 7: SLAB Certificate

During year 2019 action has been initiated to obtain accreditation for microbiological parameters of coconut milk based productions and coconut oil and chemical parameters of water. The Accreditation is due to be granted by Sri Lanka Accreditation Board in this regard from 29th June 2023 after passing the supervision test.

3.2 Conducting Training Programmes

Training, which is required for the staff of the laboratory regarding the ISO accreditation process initiated in the Quality Control and Quality Assurance Division and the testing methodologies which have been revised on timely requirements regarding coconut based productions, has been granted and training programmes have been conducted by Quality Control and Quality Assurance Division for the staff of outside laboratories. Accordingly progress has been achieved as per annual plan in the following manner.

	Training Programme	No of employees participated	Institution where the training was conducted
1	Consultant development training programme on Chemicals Management and Safety	01	National Cleaner Production Centre
2	Internal Auditing of Laboratory Management System as per ISO/IEC/17025:2017	02	Sri Lanka Accreditation Board
3	Awareness Programme – Introduction of GLP principles to Research & Development laboratories	01	Sri Lanka Accreditation Board
4	Online workshop on HACCP/ISO 22000 standard and implementation of FSMS	02	Sri Lanka Standards Institute
5	Online Awareness Programme on GLP	05	Sri Lanka Accreditation Board
6	Latest microbiological Testing Solution	01	Analytical Instruments Pvt. Ltd.,
7	SLAB Forum for inspection Bodies & Inspectors	03	Sri Lanka Accreditation Board
8	Ensuring Food safety with the contribution of NQI partners	03	Sri Lanka Accreditation Board

Table 17 : Training Programmes

4. Securing the Quality of the Industries manufacturing Coconut Products for exportation

Conducting microbiological and Physico-chemical tests for uplifting the process of manufacturing Desiccated Coconut, investigation of factories of factories and provision of contribution through the consultation are the functions performed for securing the quality of the industries manufacturing coconut products for exportation.

134 field tests had been carried out for the year 2020. The progress achieved in comparison to the target set for the year 2020 was 100% as the testing activities performed over the requests made by manufactures had been increased.

411 and 67 samples had been undergone microbiological tests in the year 2019 and 2020 respectively for enhancing the quality of the Desiccated Coconut Products. 201 of total tests were carried out for the 67 samples. The progress in comparison to the target set for the year 2020 was 100%. Number of tests have been increased due to increase of desiccated coconut production at the end of the year.

Further, the water used in the manufacturing process of Desiccated Coconut is analyzed for microbiological and chemical parameters in order to check whether the water is in conformity with the proper standards. 60 samples had been microbiologically and chemically analyzed. Progress in comparison to the target set for the year 2020 was 100%. Number of tests have been increased due to increase of desiccated coconut production at the end of the year.

5. Analysis of coconut productions in relation to the activities of Processes Development Division

Samples of virgin coconut oil, coconut oil and coir pith have been collected on the basis of daily testing depending on the requirement of Processes Development Division. Accordingly 28 samples of virgin coconut have been tested and its progress is 56%. In the meantime 84 samples of coconut oil have also been tested and the progress is 84%. The number of coir pith substrates, which have been tested, is 191 and the progress of such testing is 80%.

Accordingly 14% and 8% have been reported, which were not conformed with the free fatty acid levels and the iodine value limits respectively out of the 84 samples of coconut oil.

Testing of coir fibre based productions was carried out under the facilities available in Dunkannawa laboratory and the progress of the process is 60% in the testing of 108 samples.

166 coconut milk and powdered coconut samples were tested and the progress was 128%. The progress of the three copra samples tested was 6%. Nine samples of coconut shell charcoal have been tested and the progress is 38%.

Other external activities

1. Contributing to awareness programmes

Programme	Venue	Date
1. District workshop on quality coconut oil production	Matara	2020/06/26
	Hambantota	2020/06/26
	Gampaha	2020/07/03
	Puttalam	2020/07/03
	Kurunegala	2020/07/13
	Kaluthara	2020/07/17
	Puttalam	2020/08/13
2. Technology Transfer Workshop on Manufacturing & Quality Assurance of Virgin Coconut oil	Industrial Development Board of Ceylon	2020/08/20
3. Good Manufacturing Practices (GMP) Awareness Program for Coir Fibers and Coir Fiber Related Products.	Coconut Development Training Center, Bandirippuwatta, Lunuwila	2020/09/10

Table 18 : *Contributing to awareness programmes*

2. Formulation of standards for coconut related products in collaboration with the Sri Lanka Standards Institution and revision of existing standards.
3. Preparation of Regulation for the entire Coconut Products in the Coconut Industry.
4. Participating in the “Jeewithayata Idadenna” Live Programm presented by Sirasa on 09/07/2020 to introduce the Role of the Coconut Development Authority and the intervention of the Coconut Development Authority in the Coconut Industry.
5. Participated in the Media Awareness Program on lunching the logo introduced by the Authority for standardized coconut oil held at the Health Promotional Bureau on 27/08/2020.
6. Participate in the investigation of the existing RBD system in the BCC institute on 12/10/2020.

Progress and Total Income of Quality Control and Quality Assurance Division

In the year 2020, 14,734 samples were analyzed and total number of tests carried out was 59,793. The annual income generated was Rs. 17.53 Mn.



03. Marketing Development and Research Division

Marketing Development and Research Division plays a major operational role in the Coconut Development Authority and continued to contribute to the implementation of marketing development activities in the coconut sector throughout the year 2020. The following key roles thus played contributed to the increase in productivity in the coconut sector. As a result, by the end of 2020, the export earnings of the entire Sri Lankan coconut industry were able to surpass the forecasts despite the threat of Covid pandemic. It is the highest export earnings ever recorded at Rs.123 billion or US \$ 661 million which is a significant achievement in the field of coconut related exports. In 2020 too, Marketing Development and Research Division played a significant role in providing efficient and effective market information and data, relevant services for finding buyers, marketers and information on new market trends and other services that contributed to the growth of various stakeholders in the coconut industry.

Main activities implemented in the year 2020 as per the action plan are as follows;

- Coconut Development Authority participated in an international market promotional programme by sponsoring exporters / manufacturers at the IPM International Trade Fair in Essen, Germany in the area of Coir Fiber with the aim of identifying new international markets and buyers to increase export earnings in the coconut industry. B2B discussions were also held to identify new opportunities for the export of related products.
- Supervision and facilitation of the coconut industry - Registration of Exporters, Traders, Coconut Estates and Intermediaries.
- Issuing permits to meet the international market requirements and high level of standards in relation to Coconut and King Coconut exports and issuing temporary permits for facilitating exports of entrepreneurs seeking to enter the field.
- Coconut related export and import monitoring activities
- Resolving trade disputes
- Conducting fresh coconut and copra auctions
- Providing daily market prices of coconut and coconut related products to the print media
- Issuing weekly reports, monthly reports and Sri Lanka Coconut Statistics Annual Report for the year 2019 including coconut related products, export / import quantities, auction prices, International market prices coconut related prices.
- Educating the public and school children about the coconut related industries and their importance by participating in local trade fairs including education related fairs.
- Participate in discussions on trade agreements with the Ministry of Plantation Industries, Department of Commerce, Ministry of Foreign Affairs, Consumer Affairs Authority, Export Development Board of Sri Lanka and other government agencies by providing necessary information.
- Providing foreign trade inquiries for exporters of coconut related products.
- Conducting Demonstrations and programs in print and electronic media to educate the public on the use of coconut milk and coconut milk powder as a substitute for Coconut.
- Conducting market surveys to identify usages of coconut and coconut related products domestically and internationally.

Following are the programs and services implemented by the Marketing Development and Research Division during the year 2020 and the progress made therefrom;

3.1 Participation in International Trade Fairs

Coconut Development Authority (CDA) has been able to earn more foreign exchange for value added coconut based products by involving exporters in selected foreign trade fairs every year. By participating in international trade fairs, exporters will be able to get more overseas orders, gain an understanding of competing products and be aware of the standards of products that are introduced day by day. Participation of exporters/ manufacturers in international trade fairs will further expand the international market for Sri Lanka, enable the coconut industry to increase its export earnings year on year and strengthen the national economy of Sri Lanka. The Coconut Development Authority liaised with the embassies of those countries to identify new buyers for Sri Lankan coconut related products.

Participating in international trade fairs with exporters / manufacturers provides an opportunity to attract more foreign orders and to protect existing markets, identify new buyers, gain an understanding of competing products used in other countries, future market acquisitions, and international standards. It also provides an insight into the level of quality of products that the society expects. The new orders received during the participation of exporters in international trade fairs as well as the establishment of trust with foreign buyers regarding existing orders have provided an opportunity to increase the export earnings of the coconut industry.

In January 2020, Coconut Development Authority participated in the “IPM-2020” International Trade Fair in Essen, Germany focusing on Horticulture and Gardening, and six (06) export companies in coconut sector were sponsored for participation in the said exhibition.

The exporters participated in this exhibition targeting value added coir products such as grow bags, coir flower pots, coir geotextiles, discs and coir briquettes. The orders received at the exhibition have already been exported and the participating exporters have



informed Coconut Development Authority that discussions are underway with buyers for further orders and the Marketing Development and Research Division is taking action to facilitate the necessary arrangements. At the exhibition, exporters received orders mainly from the United States, Italy, Germany, Canada, Israel, the Netherlands, Japan, France, Spain and South Korea. CDA has been informed by the exporters that further orders are going to be received by them.

Photo 08 : International Trade fairs

3.2.1 Registration of parties involved in Marketing of Coconut and Coconut based products and Coconut Estates

Registration of exporters of coconut and coconut based products has increased by 5% in 2020 as compared to 2019.

Registration Progress – 2019/2020

Registration	2019	2020
Exporters	614	643
Brokers	15	20
Traders	47	74
Coconut Estates	254	246

Table 19: Registration Progress

3.3 Conducting of coconut and copra auctions

3.3.1 Colombo Fresh Coconut Auction

Coconut Auction, which has been conducted for 26 years since 1994 without any disadvantage to both the grower and the buyer, was held in 2020 as well and Marketing Development and Research Division was able to hold 37 coconut auctions in Colombo in 2020. The coconut auction was also held using ZOOM technology during Covid epidemic.

Year	No. of Nuts		General price – (for 1000 nuts)
	No. of submission	No. of sales	
2019	113,294,492	40,321,738	27,549.69
2020	34,886,660	25,464,460	48,891.47

Table 20: Colombo Fresh Coconut Auction

Coconut production in 2020 was decreased by about 10% compared to 2019. Therefore, there was a decrease in the quantity of coconuts offered for auction and the average purchase price of coconuts at the auction had increased by about 77%.

3.3.2 Outstation Fresh Coconut Auction

The Kuliyaipitiya Regional Coconut Auction was held only on 07 occasions in the year 2020 and the auction was conducted enabling the small and medium scale coconut growers to obtain a fair price for their coconut parcels. The details are as follows;

Year	No. of Nuts		General price – (for 1000 nuts)
	No. of submission	No. of sales	
2019	2,266,284	1,304,150	30,264 [Rs. 47.75/Kg.]
2020	833,236	370,026	48,774 [Rs. 79.00-93.00/Kg.]

Table 21: Outstation Fresh Coconut Auction

3.3.3 Copra Auction in 2020

Marketing Development and Research Division conducted six Copra Auctions and their details are as follows;

Year	No. of submissions Kg.	No. of sales Kg.	No. of sales Kg.	
			Class No. 1	Class No. 2 &3
2019	86,133	68,446	41,121	39,547
2020	35,980	35,980	57,896	57,500

Table 22: Copra Auction in 2020

3.3.4 Matters relating to trade disputes

Marketing Development and Research Division also played a significant role in settling trade disputes between sellers and buyers at the Coconut Auction and Copra Auctions in 2020. Marketing Development and Research Division also contributed to the resolution of trade disputes during the export and re-importation of containers in relation to Coconut and Coconut related products under questionable conditions.

3.4 Organizing market promotion activities with the participation of Private Sector

3.4.1 Domestic trade fairs

With the aim of Educating the public and school children about the diversity of Coconut products, quality, how to utilize them at different times, how prices fluctuate, the importance of coconut sector to the national economy and the Sri Lankan community, and the role and services of the Coconut Development Authority awareness programmes were carried out through domestic exhibitions. Marketing Development and Research Division participated in 03 Trade, Agriculture and Education Exhibitions island-wide in the year 2020. Awareness programs on coconut related industries, local and foreign markets were conducted for the public and school children who visited the exhibitions.



Photo 9: Domestic Trade Fairs

Due to the spread of Covid 19 epidemic in 2020, a small number of domestic exhibitions were attended as domestic exhibitions were not organized as in other years.

The Marketing Development and Research Division participated in the following domestic exhibitions;

Exhibition Name	Venue	Organized by
Jaffna International Trade fair	Jaffna Municipal Ground	Jaffna Municipal Ground
Piliyandala Central College	Piliyandala Central College	Piliyandala Central College – Technology Education Section
International Coconut Day	Polonnaruwa – Seed Garde	Coconut Cultivation Board

Table 23: Exhibitions

3.4.2 Conducting of Demonstrations

Demonstration programmes were conducted by the Marketing Development and Research Division to promote coconut milk and coconut milk powder products to the general public with the aim of minimizing wastage in coconut consumption and to educate the public on how to prepare tasty food using those products. Demonstrations were conducted with the participation of 2 private entrepreneurs to educate the general public about the importance of reducing coconut waste.

3.5 Conducting marketing surveys to identify the uses of coconut and coconut related product domestically and internationally

Research Activities – 2020

- Export Market for Desiccated Coconut of Sri Lanka: Current Market Situation, Identifying Barriers to Market Development
- Post-COVID Economic Recovery: Challenges and Opportunities - Impact on Exporters and Manufacturers of Coconut based Products.

Feasibility studies related to the coconut industry

- Impact of changes to Special Trade Tax (SCL)
- Feasibility study on restricting the export of coconut shell charcoal due to the shortage of raw material in the value added activated carbon industry
- Ability to expand coconut husk based substrate products and coir fiber based products to new international markets
- Importation of palm oil
- Variable analysis (relationship between coconut production, coconut kernel exports and land area)

3.6 Dissemination of information on coconut products, trade and exports of coconut and coconut related products

Using the information services of the Marketing Development & Research Division Manufacturers as well as Exporters of coconut and coconut based products were able to obtain accurate market information and data relevant to products and process to determine their industry and trade pattern through accurate analysis which facilitated their decision making. In this regard, Information Services Unit of the Marketing Development & Research Division Research Division performed the following in 2020 too;

- Collection of product information, export and import information and data of coconut related industries and providing such information and data to the needy parties when required.
- Obtaining daily prices of coconut and coconut related products and publishing them through print media in English and Sinhala media on daily basis.
- Publishing of 40 "Coco Market Focus" weekly reports in 2020 which included Coconut and Copra Auction Prices, Farm gate Prices for Local Coconut Products, Wholesale Prices and International Prices.
- Publishing of 12 monthly magazines of "Coco Market Focus" in 2020 as well.

Export volumes, prices of all coconut and coconut related products, exporting countries and import quantities and prices of imported edible oil, coconut oil, activated carbon etc. were included in this magazine which had gone a long way in helping stake holders in the coconut industry to make their own trade decisions.

- Sri Lanka Coconut Statistics - 2019, published by the Marketing Development and Research Division, was released in 2020. It is a comprehensive annual publication containing data, information and details on the coconut industry and the coconut export sector, which is in high demand domestically and internationally. This publication covers the export and import related prices of Coconut and all related products, Coconut Products in Exporting Countries, Sri Lankan Coconut Products, information on participants at Coconut Auction and information in relation to Representatives of International Coconut Community.
- Collection, tabulation and dissemination of information on current and forecast coconut and coconut related products
- Marketing Development and Research Division provided data in the year 2020 to the following domestic and international institutions enabling them to contribute to the formulation of policies related to the coconut and coconut based industries;
 - Central Bank of Sri Lanka
 - Department of Census and Statistics
 - Export Development Board
 - Various government and semi-government agencies
- In addition, Marketing Development and Research Division continued to play a significant role in providing information and data to the Sri Lankan Coconut Community on a regular basis in 2020 by liaising with foreign agencies such as the International Coconut Community, and institutions publishing Foreign Magazines (Cocommunity, Oil World, UCAP, Indian Coconut Journal).

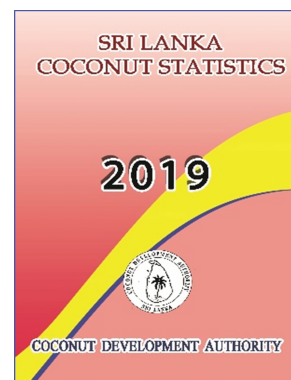
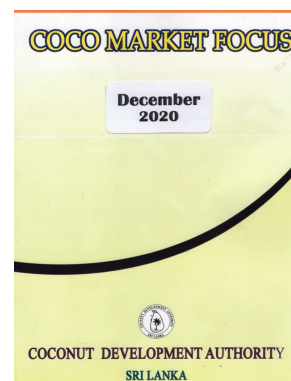


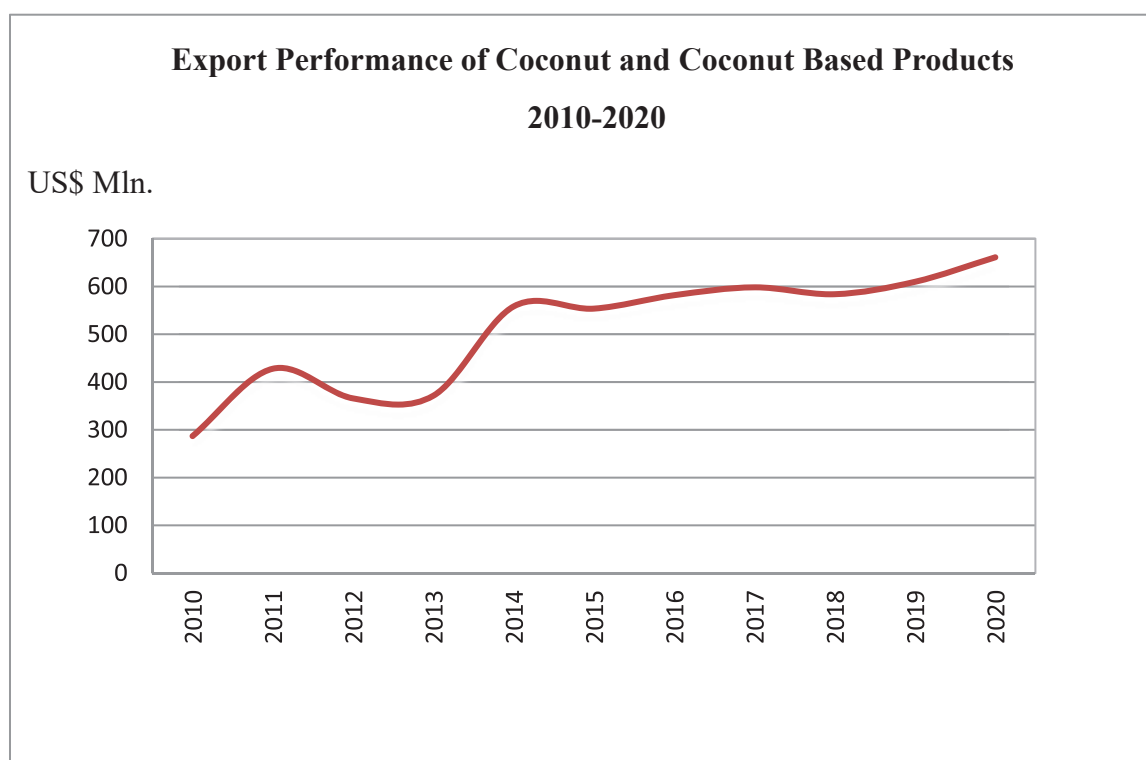
Photo 10: Magazines

3.7 Export earnings of the coconut industry

Export earnings of coconut and coconut related products for the last 11 years (2010-2020) are given below;

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

Table 24: *Export earnings of the coconut industry*



Graph 8: *Export Performance of Coconut and Coconut Based Products
2010-2020*



The highest export earnings ever recorded was US \$ 661 million in 2020, an increase of 8% over 2019.

Export earnings in terms of USD from coconut kernel products grew by 12%, from coconut shell products grew by 4%, from coir exports in raw material form grew by 8% and from value added coir products grew by 4%. Export earnings of the coconut and coconut related industry in the year 2021 will be USD. Export earnings from coconut based products are expected to exceed USD 700 million.

3.8 New Products, Value Additions, Market Promotion, and Enhancing Market Access

3.8.1 In 2020, Exports of Coconut Oil, Virgin Coconut Oil, Coconut Milk, Coconut Flour, Coconut Water, Coconut Milk Powder and Coconut Butter showed a significant increase compared to 2019 which is mainly due to the identification of new buyers in 2019.

3.8.2 Via Coconut Development Authority's website (www.cda.gov.lk) exchange of data was carried out systematically in 2020 as well.

3.8.3 Promotional services were also conducted in the year 2020 through print and electronic media with the objective of educating the public on the use of value added coconut products and eco-friendly coconut products.

3.9 Marketing Development Support Services

- Providing consultancy services on products / markets and various services, providing information on local and international trade orders to industrialists / exporters / buyers.
- Assisting the Ministry of Plantation Industries to formulate forecasts for products related to the field of coconut industry and to formulate trade policies.



Export Performance of Coconut & Coconut Based Products – 2019/2020

Product	Quantity (MT)			Value (US\$ '000)		
	2019	2020	% Change	2019	2020	% Change
1. Coconut Kernel Products						
1) Coconut Oil	4,056	5,180	28	10,647	14,231	34
2) Virgin Coconut Oil	12,344	14,584	18	50,185	64,435	28
3) Desiccated Coconut	49,667	29,591	-40	86,710	76,207	-12
4) Copra	3,915	1,082	-72	5,189	1,620	-69
5) Coconut (Nuts'000)	21,426	15,838	-26	8,260	6,633	-20
6) King Coconut (Nuts)	6,490,963	5,924,087	-9	3,900	3,235	-17
7) Poonac	26,425	8,935	-66	7,101	2,343	-67
8) Oil Cake	3,286	3,340	2	1,207	1,183	-2
9) Coconut Cream	10,987	15,048	37	23,369	33,116	42
10) Coconut Milk	36,396	46,626	28	61,670	83,111	35
11) Coconut Milk Powder	7,448	6,751	-9	30,631	31,277	2
12) Defatted Coconut	2,906	3,303	14	3,122	3,961	27
13) Coconut Water	10,851	17,910	65	8,975	15,028	67
14) Coconut Arrack (Lit)	18,499	13,325	-28	117	128	10
15) Vinegar (Lit)	25,294	42,691	69	77	175	127
16) Fatty Acid	108	268	148	70	200	188
17) Coconut Butter	82	127	55	312	468	50
18) Coconut Flour	1,962	3,630	85	2,345	4,219	80
Sub Total-Coconut Kernel Products				303,887	341,572	12
2. Coir Fibre Products						
19) Mattress Fibre	51,888	71,604	38	13,062	17,328	33
20) Bristle Fibre	1,433	1,231	-14	2,305	1,738	-25
21) Twisted Fibre	33,550	30,733	-8	11,229	9,555	-15
Sub Total-Coir Fibre Products	86,871	103,568	19	26,595	28,621	8
3. Coconut Shell Products						
22) Coconut Shell Charcoal	11,609	12,038	4	5,410	5,848	8
23) Coconut Shell Pieces & Flour	317	319	1	151	148	-3
24) Activated Carbon	42,373	45,306	7	101,483	105,514	4
Sub Total – Coconut Shell Products	54,299	57,663	6	107,044	111,509	4
4. Processed Products (Coir Fibre)						
25) Coir Yarn	1,181	992	-16	1,138	822	-28
26) Coir Twine	8,297	7,268	-12	10,474	9,597	-9
27) Tawashi Brushes (Nos)	27,363,751	24,878,841	-9	5,270	4,160	-21
28) Coir Brooms & Brushes (Except Tawashi Brushes)	13,744,748	15,610,825	14	9,011	7,321	-19
29) Rubberised Coir Pads & Mattresses (Nos.)	1,891,332	667,522	-65	1,568	1,199	-24
30) Coir Mats & Rugs (M ²)	504,106	325,122	-36	2,082	1,631	-22
31) Coir Mattresses (M ²)	4,121	2,913	-29	31	23	-27
32) Coir Fibre	35,250	38,526	9	9,369	9,609	3
33) Husk Chips	5,008	6,896	38	2,271	3,111	37
34) Geo-Textiles	4,475	4,273	-5	4,739	4,550	-4
35) Moulded Coir Products for Horticulture	243,980	272,520	12	124,268	135,529	9
Sub Total-Coir Fibre Processed Products				170,222	177,522	4
5. Other Coconut Products						
36) Coir Ekels	6,401	7,604	19	1,643	1,793	9
37) Coconut Wood/Handicrafts	1,475	6,000	307	4.57	26.50	480
Sub Total – Other Coconut Products	6,402	7,610	19	1,648	1,819	10
Total Export Earnings				609,396	661,042	8

Source- Department of customs of Sri Lanka

Table 25: Export Performance of Coconut & Coconut Based Products – 2019/2020

4. Administration Division

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

4.1 Cadre

The approved cadre of the Coconut Development Authority is 259 and the number of the staff engaged in service during year 2020 is 199. 34 out of the above number belongs to the Management Level. The cadre of the Authority consists of the following service categories.

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

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



Particulars of the staff as at 31.12.2020

Post	Approved cadre	Present cadre	Number of vacancies	New recruitments made during year 2019
Director General	1	1		
Director (Quality Control and Quality Assurance)	1	1		
Director (Admin)	1	-	1	
Director (Finance)	1	1		
Director (Processing Development)	1		1	
Director (Marketing Development and Research)	1	1		
Director Marketing (International)	1		1	
Assistant/ Deputy Director (Processing Development)	4	3	1	
Internal Auditor	1	1		
Assistant/ Deputy Director (Finance)	1	1		
Assistant Director (Quality Control and Quality Assurance)	2	2		
Assistant Director (Marketing Research and Development)	2	2		
Assistant Director (Admin)	1	1		
Chemist	1	1		
Engineer (Civil)	1	1		
Legal Officer	1		1	
Finance Officer	1	1		
Research Officer	1		1	
Marketing Officer	1		1	
Senior Inspector	9	7	2	
Administrative Officer	1		1	
Internal Auditor	1	1		
Information Officer	1	1		
Quality Control Officer	1	1		
Processings Development Officer	5	3	2	
Economic Research Officer	1	1		
Secretary of the Chairman	1	1		
Programme Assistant (Market Research)	3	3		
Programme Assistant (Quality Control)	7	6	1	
Programme Assistant (Internal Auditing)	2		2	
Programme Assistant (Information)	1	1		
Programme Assistant (Processing Development)	2		2	
Programme Assistant (Technological Services)	25	12	13	
Programme Assistant (Economic Research)	1	1		
Technical Assistant (Transport)	1		1	
Technical Assistant (Electrical)	1		1	
Book Keeper	2		2	
Inspector	30	19	11	
Laboratory Technician	11	3	8	
Secretary of the Director General	1	1		
Management Assistant	58	51	7	
Laboratory Field Assistant	2	1	1	
Field Assistant	2	2		
Driver	20	19	1	
Lab Attendent	13	11	2	
Office Aide	18	16	2	
Field Aide	15	13	2	

Table 26-Particulars of the staff as at 31.12.2020

4.2 Human Resources Development Programmes

Action has been taken during year 2020 to organize local training and development programmes under various fields in order to enhance the efficiency and productivity of the employees of the Authority so as to engage human resources for the achievement of the mission and vision of the Authority in more productive and effective way. For this purpose priority has been given to the public institutions, which conduct such training and development programmes. Main objective of the authority in the organization of such programmes in 2020 to conduct courses, are highly essential for the staff and could not be conducted in previous years.

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

Accordingly the money spent for the training and development activities are considered as an investment made for the future and employees have been directed for training identifying correctly the real training requirements.

	Name of the course	Institute, which conducted training	Number of participants	Duration
01	Proper filing methods	Prag Institute	1	1
02	Transport Management	SDFL	2	2
03	Office systems applied at present	SDFL	1	2
04	Role and Response of leave officer	SDFL	1	1
05	Workshop on board of survey	Milodra Financial Education Institute	1	2
06	46 th ARTDO conference	CFLTD	3	2
07	Store Management and public Assets procedure	SDFL	1	2
08	Tamil Language	National Youth Council	3	2
09	Post Graduate Degree Programme at Faculty of Agriculture	University of Wayamba	1	1 year
10	Introduction to waste water Treatment	CHPB	1	1
11	Diploma in food quality management	SLSI	1	1 year
12	Mesurement Assurance and Interpretation of test report	SLSI	3	1
13	Laboratory cleaning & GLP	ITI	4	5
14	Information System Audit	Prag Institute	4	1
15	Workshop for Drivers	NIPM	All the Drivers	2
16	Computer Training Programme	An external lecturer conducted the training at Coconut Development Authority	All Management Assistants engaged in finance	

Table 27 : Human Resources Development Programmes



Other functions of the Administration Division

- Maintenance of assets registers for the fixed assets of the institute and performance of all activities pertaining to the board of survey.
- In addition to all the local purchases (capital item, stationers), performing all the functions in relation to the importation of laboratory equipment and chemicals required for the Primary Laboratories such as Microbiology Division of , Chemical analysis Division and Sensory Laboratories and Quality Control Units such as Media Preparation Unit, Sensory Equipment Division and Washing Unit which are the affiliated Divisions to the primary laboratories established in the Quality Control and Quality Assurance Division.
- Execution of all the procedures required for the disciplinary control of the Authority including instances where Employees do not comply with administrative rules and regulations of the institution and conducting legal procedures in Labour Tribunals and in Industrial Courts.
- All activities of transport management
- All activities of Construction, maintenance services

05. Finance Division

The Finance Division of the Coconut Development Authority is responsible for the provision of financial facilities required by different Divisions of the Authority. Accordingly, the Finance Division holds the responsibility of providing financial facilities for the approved Programmes and Projects which are in conformity with the Budget and the Financial Action Plans. The maintenance of the Financial Reports including the provision of Financial Reports and Progress Reports from time to time has also been assigned to the Finance Division and it also functions as the custodian of its funds inclusive of the Investment Management activities of the Coconut Development Authority.

Record keeping in relation to the controlling of the total income of Rs. 436,276 million including a sum of Rs. 148 million received as government grants in the year 2019 and the total assets to the amount of Rs. 1468 is another major responsibility assigned to the Finance Division. Finance Division provides financial facilities for activities that are necessary for the accomplishment of the performance of every Division of the Authority.

5.1 General Operational Activities

- 2020 Government Recurrent Grant of Rs. 165 million and a capital grant of Rs. 49.25 million and Rs. 191 million in internal revenue.
- Rs.213.51 million and Rs.37.183 million have been incurred for the general operational activities in the means of recurrent expenditure and capital expenditure respectively. In the meantime Rs. 3.6 million has also been spent for the purchase of fixed assets.

5.2 Capital Development Programme

The income earned from the Cess, which prevailed as a direct income of the Coconut Development Authority has been declared as a Government income with effect from 01.01.2007 through the General Treasury Circular No. FP/06/77/07/04 dated 24th April 2007. Total Government grants/income under the Capital Development/Capital Programme in the year 2019 is Rs.33.5 Million.

The Finance Division of the Authority was capable of finalizing the following activities during the year 2019 too.

- Provision of financial reports on the Programmes such as management of funds and developmental projects..
- Crediting money to Individual Accounts on Security bonds deposits maintained in favour of the owners of Desiccated Coconut Mill in the Mills Development Fund.
- Assisting in the execution of “Kapruka Nipayum Diriya Loan Scheme” in association with the People’s Bank and execution of “Kapruka Jaya Isura” in association with Divisional Development Bank for the provision of financial facilities for the entrepreneurs involved in the Coconut Industry using the Coconut Oil Price Stabilizing Fund.
- Proper management of the moneys of the Employees’ Provident Fund of the Coconut Development Authority, paying loans to members of the Employees’ Provident Fund and releasing of membership fees subject to the limit of 75% as per the request made by the employees, who are over 55 years of age.

Investing moneys of the funds in Treasury bills and in Securities with a proper management and maintenance of the moneys in the Mills Development Fund by properly managing the individual savings accounts opened in favour of names of the each owner of mills in the National Savings Bank.

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



2020 වසරේ ආදායම් විස්තර

රජය විසින් ලබාදෙන ලද පුනරාවර්තන ප්‍රධාන		165,000
රජය විසින් ලබාදෙන ලද ප්‍රාග්ධන ප්‍රධාන		49,250
		214,250
පොළී ආදායම	53,983	
රසායනාගාර ආදායම	16,085	
ලියාපදිංචි ගාස්තු	25,607	
තැඹිලි අපනයන සැකසුම් ගාස්තු	35,052	
ගෙඩි අපනයන සැකසුම් ගාස්තු	49,637	
විවිධ ආදායම්	4,667	
බී.සී.සී ලංකා ණය මත පොළී ආදායම	4,012	
අපනයන ආපසු එවීම මත අය කිරීම	1,177	
බදු කුලී ආදායම	168	
පොල් වෙන්දේසි ආදායම	631	
		189,797

වගුව 28 : 2020 වසරේ ආදායම් විස්තර

2020 වසරේ වියදම් විස්තරය

පුද්ගල පඩිනඩි	137,555
කොන්ත්‍රාත් සේවා ගාස්තු	26,484
සැපයුම් සහ වෙනත්	27,537
අළුත්වැඩියා සහ නඩත්තු	12,132
ගමන් වියදම් සහ යැපීම් දීමනා	3,412
රජයේ බදු මුදල්	6,387
අලෙවි සංවර්ධන අංශය-ව්‍යාපෘති වියදම්	9,436
සැකසුම් සංවර්ධන අංශය- ව්‍යාපෘති වියදම්	27,307
රසායනාගාරය- ව්‍යාපෘති වියදම්	415
බැංකු ගාස්තු	19
ක්ෂය ප්‍රතිපාදන / පාරිතෝෂික දීමනා ප්‍රතිපාදන / බොල් ණය වෙන් කිරීම	43,063
ඒකාබද්ධ අරමුදලට සෘජුවම පවරා ගන්නා ලද තැන්පතු	93,229
ප්‍රාග්ධන භාණ්ඩ මිලදී ගැනීම	3,596

වගුව 29 : 2020 වසරේ වියදම් විස්තරය

2020-12-31 දිනට වත්කම් හා වගකීම්

වත්කම්

ස්ථාවර වත්කම්	511,661
ජංගම නොවන වත්කම්	201,997
ජංගම වත්කම්	1,066,320
	1,779,978
ජංගම නොවන වගකීම්	41,521
ජංගම වගකීම්	261,034
	302,555
ප්‍රාග්ධනය හා හිමිකම්	1,477,423

වගුව 30 : 2020-12-31 දිනට වත්කම් හා වගකීම්

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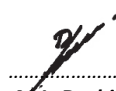
COCONUT DEVELOPMENT AUTHORITY
Statement of Consolidated Financial Position as at 31.12.2020

	Note No.	2020.12.31 RS.	2019.12.31 RS.
FIXED ASSETS			
Fixed Assets	1	738,046,612	710,865,063
LESS : Accumulated Depreciation		(226,385,555)	(190,865,085)
		511,661,057	519,999,978
NON CURRENT ASSETS			
Working progress		-	30,103,486
Boundary Wall & Drainage Line system		1,565,935.72	2,003,628
Staff Debtors	5	22,558,635	22,175,825
Loans granted to BCC Lanka limited	6	58,265,037	58,265,037
Interest Receivable from BCC Lanka Limited		52,150,917	48,139,308
Provision for Doubtful Debtors		(52,150,917)	(48,139,308)
Loan Granted to Kapruka Nipayum Diriya	7	119,607,210	119,762,679
		201,996,817	232,310,654
CURRENT ASSETS			
Inventories / Stocks			
Stocks	2	26,351,915	21,174,507
		26,351,915	21,174,507
Trade & Other Receivables			
Welfare Loan Fund	3	2,007,438	2,007,438
Sundry Debtors	4	21,429,247	18,461,804
Staff Debtors	5	5,766,816	5,392,064
Loans granted to Hiriyala Govijana Sangamaya	6	-	600,000
Sundry Advance	8	553,200	302,040
Sundry Deposits	9	2,066,708	1,892,591
Bank Deposits	10	734,928,453	574,979,313
Treasury Bills	10	22,140,348	109,246,856
		788,892,210	712,882,107
Prepayments	11	2,729,142	8,347,440
Cash & Cash Equivalent			
Cash at Bank	12	23,548,970	39,185,432
Petty Cash	12	55,000	16,608
Stamp Franking Machine		31,976	22,852
		23,635,946	39,224,892
Inter Current Account/Loan Scheme		224,711,009	140,647,030
Total Current Assets		1,066,320,222	919,364,721
		1,779,978,097	1,671,675,353
NON CURRENT LIABILITIES			
Provision for Gratuity		(41,521,436)	(46,484,346)
CURRENT LIABILITIES			
Payables			
Sundry Creditors	13	(23,226,071)	(5,408,738)
Refundable Deposits	14	(888,820)	(470,037)
Receipts in Advance	15	(1,642,340)	(1,954,046)
Accrued Expenses	16	10,566,095	(8,171,613)
Inter Current Account/Loan Scheme		(224,711,009)	(140,647,030)
Total Current Liabilities		261,034,335	(156,651,465)
		1,477,422,325	1,468,539,543
FINANCED BY			
Revaluation Reserve for Land		268,897,540	268,897,540
Revaluation Reserve for Building		129,425,116	129,425,116
Revaluation Reserve for Motor Vehicles		64,975,000	64,975,000
		463,297,656	463,297,656
Grants & Contributions		88,943,221	88,943,221
Grant from Capital Deve. Fund	17	77,652,767	77,652,767
Accumulated Fund	18	847,528,682	838,645,899
		1,477,422,325	1,468,539,543

The accounting policies on page 08-09 and Notes on pages 10-29 are form an integral part of the Financial Statement.
The Board of Directors is responsible for the preparation and presentation of the Financial Statements.


M.P. Sandya Kanthi
Director Finance


Jayantha Wickramasinghe
Chairman


M.L. Dashitha Niroshana
Director General


N.S. Wanasinghe
Board Director



COCONUT DEVELOPMENT AUTHORITY

Statement of Financial Position as at 31.12.2020 (Analysed by Funds)

	Note No.	GENERAL BOARD OPERATIONS (rec RS.)	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MILL DEV. FUND RS.	TOTAL RS.
FIXED ASSETS						
Fixed Assets	1	672,613,702	65,432,910	-	-	738,046,612
LESS : Accumulated Depreciation		(225,050,982)	(1,334,573)	-	-	(226,385,555)
		447,562,720	64,098,337	-	-	511,661,057
NON CURRENT ASSETS						
Boundry Wall & Drainage Line system		1,565,936	-	-	-	1,565,936
Staff Debtors		22,558,635	-	-	-	22,558,635
Loans granted to BCC	6	-	31,550,000	26,715,037	-	58,265,037
Loan Interest Receivable from BCC		-	-	52,150,917	-	52,150,917
Provision for Doubtful Debtors(Loan Interest)		-	-	(52,150,917)	-	(52,150,917)
Loan Fund	7	-	-	2,799,441	116,807,768	119,607,210
		24,124,570	31,550,000	29,514,479	116,807,768	201,996,817
CURRENT ASSETS						
Inventories / Stocks						
Stocks	2	26,351,915	-	-	-	26,351,915
Trade & Other Receivables						
Welfare Loan Fund	3	2,007,438	-	-	-	2,007,438
Sundry Debtors	4	7,517,579	7,610,552	2,152,466	4,148,650	21,429,247
Staff Debtors	5	5,766,816	-	-	-	5,766,816
Loans granted to Hiriyala	6	-	-	-	-	-
Sundry Advance	8	553,200	-	-	-	553,200
Sundry Deposits	9	1,916,708	150,000	-	-	2,066,708
Treasury Bills	10	2,877,081	-	19,263,268	-	22,140,348
Bank Deposits	10	325,727,574	47,456,308	200,908,616	160,835,956	734,928,454
		346,366,395	55,216,860	222,324,349	164,984,606	788,892,211
Prepayments	11	2,729,142	-	-	-	2,729,142
Cash & Cash Equivalent						
Petty Cash		55,000	-	-	-	55,000
Cash at Bank	12	16,420,824	7,128,146	-	-	23,548,970
Stamp Franking Machine		31,976	-	-	-	31,976
		16,507,800	7,128,146	-	-	23,635,946
Advance given to Kapruka & Jaya Isur Loan scheme		123,000,000	4,070,000	76,277,972	-	203,347,972
Inter Current Account (Capital Dev Fund/GBD)		19,670,754	-	-	1,692,283	21,363,037
Total Current Assets		534,626,006	66,415,006	298,602,321	166,676,890	1,066,320,222
		1,006,313,296	162,063,343	328,116,799	283,484,658	1,779,978,096
NON CURRENT LIABILITIES						
Provision for Gratuity Payment		(41,521,436)	-	-	-	(41,521,436)
						-
CURRENT LIABILITIES						
Payables						
Sundry Creditors	13	(22,537,474)	(688,597)	-	-	(23,226,071)
Refundable Deposits	14	(369,001)	(519,820)	-	-	(888,820)
Receipts in Advance	15	(1,642,340)	-	-	-	(1,642,340)
Accrued Expenses	16	(9,791,370)	(774,725)	-	-	(10,566,095)
Advance given to Kapruka & Jaya Isur Loan scheme		-	-	(4,070,000)	(199,277,972)	(203,347,972)
Inter Current Account		-	(21,363,037)	-	-	(21,363,037)
Total Current liabilities		(34,340,184)	(22,657,582)	(4,070,000)	(199,277,972)	(261,034,335)
		930,451,676	139,405,762	324,046,799	84,206,686	1,477,422,326
FINANCED BY						
Revaluation Reserve for Land		216,455,830	52,441,710	-	-	268,897,540
Revaluation Reserve for Building		129,425,116	-	-	-	129,425,116
Revaluation Reserve for Motor Vehicles		64,975,000	-	-	-	64,975,000
Grants & Contributions		88,943,221	-	-	-	88,943,221
Grant from Capital Deve. Fund	17	77,652,767	-	-	-	77,652,767
Accumulated Fund / Surplus	18	352,999,742	86,275,454	324,046,799	84,206,686	847,528,681
		930,451,676	138,717,164	324,046,799	84,206,686	1,477,422,325

The accounting policies on page 08-09 and Notes on pages 10-29 are form an integral part of the Financial Statement. The Board of Directors is responsible for the preparation and presentation of the Financial Statements.

M.P. Sandya Kanthi
Director Finance

Jayantha Wickramasinghe
Chairman

M.L. Dashitha Niroshana
Director General

N.S. Wanasinghe
Board Director



COCONUT DEVELOPMENT AUTHORITY
Statement of Consolidated Financial Performance

	2020	2019
	RS.	RS.
INCOME		
Government Grant (Recurrent)	165,000,000	148,500,000
Government Grant (Capital)	49,250,000	33,500,000
Total Treasury Grant	214,250,000	182,000,000
OTHER INCOME	-	
Interest Income	53,982,834	57,514,986
Rental Income	168,000	223,285
Registration Fees	25,607,725	23,131,869
Auction Proceeds	631,492	1,565,159
Laboratory Income	16,085,831	23,233,533
Miscellaneous Income	4,498,971	4,738,769
Inspection & Processing Charges - Fresh Coconut	49,637,514	72,423,439
Inspection & Processing Charges-King Coconut	35,052,305	58,584,519
Charges on Return Export/Teep Charges/Exhibition hall charges	1,177,500	7,949,321
Fire Insurance Claim received	-	873,493
Interest on B.C.C. Loan	4,011,609	4,011,609
DunkannawaCoconut Estate & Modern Mill	99,965	-
Sale of Scrap items/ Machinery Equipment	-	26,452
Total other Income	190,953,745	254,276,434
Total Income	405,203,745	436,276,434
EXPENDITURE		
Personal Emoluments	(137,555,593)	(134,346,352)
Travelling Expenses	(3,412,211)	(3,509,131)
Supplies & Requisites	(27,537,702)	(25,757,894)
Repairs & Maintenance	(12,132,699)	(11,727,642)
Contractual Service & Other	(26,484,212)	(34,268,169)
Taxes and Other	(6,387,629)	(6,332,435)
Financial charges	(23,218)	(18,905)
Sale of Scrap items/ Machinery Equipment	(23,588)	-
DunkannawaCoconut Estate & Modern Mill	-	(2,295,963)
Processing Dev. - Capital Development Programme	(27,307,750)	(36,809,500)
Marketing Development - Capital Development Programme	(12,132,699)	(58,371,842)
Quality Control & Quality Assurance- Capital Dev. Programme	(26,484,212)	(2,564,933)
	(250,717,051)	(316,002,765)
Operating Profit	154,486,695	120,273,669
Depreciation for the year	(41,201,537)	(40,179,019)
Write off Sewerline Project cost	-	(2,000,000)
Write off construction cost of boundary wall and renovation cost of drainage line system	(437,692)	(1,935,599)
Amortization to Grant	-	2,376,684
Institutions Temporary Surplus Trust Fund Transferd to Consolidated Fund	(93,228,592)	-
Over Provision - Gratuity	2,586,764	(11,300,634)
Provision for doubtful Interest on loan granted to B.C.C. Lanka Ltd.	(4,011,609)	(4,011,609)
Surplus/Deficit	18,194,029	63,223,491

M.P. Sandya Kanthi
Director Finance

M.L. Dashitha Niroshana
Director General

Jayantha Wickramasinghe
Chairman

N.S. Wanasinghe
Board Director



COCONUT DEVELOPMENT AUTHORITY
Statement of Financial Performance for the year ended 31.12.2020

	Note No	GENERAL BOARD OPERATIONS(Re current) RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MDF FUND RS.	TOTAL RS.
INCOME						
Government Grant (Recurrent)		165,000,000	-	-	-	165,000,000
Government Grant (Capital)		49,250,000	-	-	-	49,250,000
Transfer to Government Grant (Capital)		(40,250,000)	40,250,000	-	-	-
						-
OTHER INCOME						
Interest Income	1	27,013,800	3,462,254	17,531,802	5,974,978	53,982,834
Rental Income	2	168,000	-	-	-	168,000
Registration Fees	3	25,607,725	-	-	-	25,607,725
Auction Proceeds	4	631,492	-	-	-	631,492
Laboratory Income	5	16,085,831	-	-	-	16,085,831
Miscellaneous Income	6	4,339,426	159,545	-	-	4,498,971
Inspection & Processing Charges - Fresh Coconut		49,637,514	-	-	-	49,637,514
Inspection & Processing Charges-King Coconut		35,052,305	-	-	-	35,052,305
Charges on Return Export/Teep Charges/Exhibition stall charges		127,500	1,050,000	-	-	1,177,500
Interest on B.C.C. Loan		-	-	4,011,609	-	4,011,609
DunkannawaCoconut Estate & Modern Mill	7	99,965	-	-	-	99,965
Total other Income		158,763,558	4,671,799	21,543,411	5,974,978	190,953,746
Total Income		332,763,558	44,921,799	21,543,411	5,974,978	405,203,746
Total Net income		332,763,558	44,921,799	21,543,411	5,974,978	405,203,746
EXPENDITURE						
Personal Emoluments	Page 22	(137,555,593)	-	-	-	(137,555,593)
Travelling Expenses		(3,412,211)	-	-	-	(3,412,211)
Supplies & Requisites		(27,537,702)	-	-	-	(27,537,702)
Repairs & Maintenance		(12,132,699)	-	-	-	(12,132,699)
Contractual Service & Other		(26,484,212)	-	-	-	(26,484,212)
Taxes and Other		(6,387,629)	-	-	-	(6,387,629)
Financial charges		-	(23,218)	-	-	(23,218)
Sale of Scrap items/ Machinery Equipment		(23,588)	-	-	-	(23,588)
Processing Dev. - Capital Development Programme	8	-	(27,307,750)	-	-	(27,307,750)
Marketing Development - Capital Development Programme	9	-	(9,436,712)	-	-	(9,436,712)
Quality Control & Quality Assurance- Capital Dev. Programme	10	-	(415,736)	-	-	(415,736)
		(213,533,635)	(37,183,416)	-	-	(250,717,051)
Operating Profit		119,229,922	7,738,383	21,543,411	5,974,978	154,486,695
Depreciation for the yer		(40,815,715)	(385,823)	-	-	(41,201,537)
Write off construction costof boundry wall and renovation cost of drainage line system		(437,692)	-	-	-	(437,692)
Institutions Temporary Surplus Trust Fund Transferd to Consolidated Fund		-	-	(93,228,592)	-	(93,228,592)
Over Provision - Gratuity		2,586,764	-	-	-	2,586,764
Provision for doubtful Interest on loan granted to B.C.C. Lanka Ltd.		-	-	(4,011,609)	-	(4,011,609)
		80,563,280	7,352,560	(75,696,789)	5,974,978	18,194,029

M.P. Saldya Kanthi
Director Finance

Jayantha Wickramasinghe
Chairman

M.L. Dashitha Niroshana
Director General

N.S. Wanasinghe
Board Director

Coconut Development Authority

**Consolidated Cash Flow Statement for
Year ended 31st December 2020**

<u>2019</u>		<u>2020</u>	
<u>RS.</u>		<u>RS.</u>	<u>RS.</u>
	Cash Flows from Operating Activities		
63,223,492	Surplus/(Deficit) from ordinary activities		18,194,029
	Adjustment to reconcile operating income		
40,179,019	Provision for Depreciation	41,201,537	
3,935,599	Write off Sewerline project cost/Broundry Wall Cost	437,692	
(2,376,685)	Amortization	-	
5,852,592	Prior Year Adjustment	(17,359,616)	
(49,959,808)	Interest on Investment	(53,982,834)	
	Institutions Temporary Surplus Trust Fund Transferd to Consolidated Fund	93,228,592	
	NRI Fund transfer to GBO	(154,893)	
(873,493)	Fire Insurance Claim received	-	
(51,261,990)	Increased Kapruka Loan Fund	155,469	
11,300,634	Provision for Gratuity	(2,586,764)	
(3,210,012)	Gratuity Payment	(2,376,146)	
(26,452)	Loss on sale of Fixed Assets	23,588	58,586,625
16,782,896	Operating Profit / Loss before Working Capital Changes		76,780,654
	Working Capital Changes		
5,946,471	Increase in Stocks	(5,177,408)	
23,491	Increase in Lady Loachor Loan/Welfare Loan fund	-	
10,175,098	Increase in Sundry Debtors	(3,748,886)	
(2,775,594)	Increase in Staff Debtors	(757,561)	
(150,500)	Increase in Advances	(251,160)	
(1,050,692)	Increase in Sundry Deposits	(174,117)	
2,911,255	Decrease in Prepayment	5,618,298	
(31,816,778)	Increase in Bank Deposits	(159,949,140)	
(6,901,783)	Decrease in Treasury Bills	87,106,508	
(7,487,649)	Increase Sundry Creditors	17,817,333	
83,340	Increase Refundable Deposit	418,783	
1,011,096	Decrease Receipts in Advance	(311,706)	
(3,634,785)	Increase in Accrued Expenses	(18,737,708)	
(33,667,030)	Net cash flows from operating activities		(78,146,764)
	CASH FLOW FROM INVESTING ACTIVITIES		
49,959,808	Interest on Investment	54,764,279	
(16,445,481)	Purchase of Fixed Assets	(3,276,221)	
(7,045,482)	Decrease in working progress		
26,452	Sale of Fixed Assets	82,247	
575,000	Decrease Loan Granted to Hiriyaala	600,000	
27,070,297	NET CASH FLOW FROM INVESTING ACTIVITIES		52,170,305
	CASH FLOWS FROM FINANCING ACTIVITIES		
873,493	Fire Insurance Claim received	-	
	Institutions Temporary Surplus Trust Fund Transferd to Mill Development Fund	(93,228,592)	
8,582,775		5,703,262	
19,642,432	Net Cash Flows from Financing Activities		(87,525,330)
-	Net increase/(decrease) in cash and cash equivalents		(36,721,135)
19,582,460	Cash and cash equivalents at beginning of period		39,224,892
39,224,892	Cash and cash equivalents at end of period		2,503,757
	Cash and cash equivalents as at		
	01.01.2020		31.12.2020
	Cash at Bank	39,185,432	23,548,970
	Stamp Franking Machine	22,852	31,976
	Petty cash	16,608	55,000
		39,224,892	23,635,946



COCONUT DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2020

	Grant & Contribution	Grant from Capital Dev. Fund	Revaluation Surplus	Accumulated Fund	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01/01/2018	88,943,221	77,652,767	463,297,655	838,645,899	1,468,539,543
Revaluation Surplus	-	-	-	-	-
Project Contributions	-	-	-	-	-
Prior year adjustment	-	-	-	(17,359,616)	(17,359,616)
Income & Expenditure	-	-	-	18,194,029	18,194,029
NRI fund opening balance transferred to GBO	-	-	-	(154,893)	(154,893)
Millers Development Fund Movement	-	-	-	8,203,262	8,203,262
Total	88,943,221	77,652,767	463,297,655	847,528,681	1,477,422,325

ACCOUNTING POLICIES

(1) ACCOUNTING CONVENTION

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

(2) GENERAL ACCOUNTING POLICIES

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

(3) VALUATION OF ASSETS

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

<i>Building & Structures</i>	<i>2 1/2 %</i>
<i>Vehicles</i>	<i>20 %</i>
<i>Furniture & Equipment</i>	<i>10 %</i>
<i>Book Periodicals</i>	<i>10 %</i>
<i>Computers</i>	<i>20 %</i>
<i>Machinery</i>	<i>20 %</i>

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

Revaluation of Assets Land & Building at Duke Street

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

Date of Revaluation	Type of Assets	Revalued Amount
		RS
2017.02.08	Land- Dunkannawa	50,000,000
2017.02.08	Building- Dunkannwa	12,650,000
2017.09.08	Land - Duke Street	218,500,000
2017.09.08	Building - Duke Street	84,000,000



Date of Revaluation 2017.02.15			
<u>Vehicle Number</u>		<u>VehicleType</u>	<u>Revalued Amount</u>
			RS
1	GB-5117	Toyota Cab	3,500,000
2	GB-5118	Toyota Cab	3,600,000
3	GB-5119	Toyota Cab	3,600,000
4	GB-5121	Toyota Cab	3,600,000
5	GB-5123	Toyota Cab	3,500,000
6	GB-5124	Toyota Cab	3,600,000
7	GB-5126	Toyota Cab	3,600,000
8	GB-5136	Toyota Cab	3,600,000
9	GB-5138	Toyota Cab	3,600,000
10	GB-5167	Toyota Cab	3,600,000
11	253-8141	MITSUBISHI Cab	2,400,000
12	253-8147	MITSUBISHI Cab	2,800,000
13	253-8184	MITSUBISHI Cab	2,800,000
14	254-1964	MITSUBISHI Cab	2,800,000
15	PB-6733	MITSUBISHI Van	3,200,000
16	48-8880	Toyota Lorry	1,400,000
17	KI-2376	Toyota Car	3,900,000
18	KI-2378	Toyota Car	3,800,000
19	PG-9865	MITSUBISHI Cab	6,000,000
20	VE-9814	Bajaj M.Bicycle	75,000

Renovation cost of boundry wall and construction cost of temporary shed for discared item was Rs.2,879,011. This constructions' expected life time would not be expected to be more than ten years. As per the Board of directors decision 563.13 dated 2018.05.31 ,it should be written off within ten years commencing from 2018.

3.1 INVESTMENTS

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

Kapruka Nipayum Diriya loan scheme had been initiated in 2012 by utilising PSS Oil fund and Kapruka Jaya Isura loan scheme had been initiated in 2014 by using MDF Fund which are not operating at present.

3.2 DEBTORS

Debtors are stated at the amounts that they have to be realized. Provision has been made only for interest receivable from BCC Lanka Ltd .

3.3 STOCKS

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

(4) PROVISION FOR RETIREMENT BENEFITS

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

Assumptions made to calculate provisions for Gratuity as at 31.12.2020

- Discounted factor -5% Tresury bill average interest rate as at 31.12.2020
- Maximum age of a employee -60 Years

Gratuity provision as at 31.12.2020 has been disclosed in page No. 25-29

NOTES TO THE FINANCIAL POSITION AS AT 31.12.2020
Note 01

FIXED ASSET AS AT 31.12.2020-- NARAHENPITA & DUKE STREET

	COST AS AT 01.01.2020 RS	ADDITION RS	ADJUSTMENT & DISPOSAL RS	COST AS AT 31.12.2020 RS	ACCUMULATED DEPRECIATION AS AT 01.01.2020 RS	ADJUSTMENT & DISPOSAL RS	DEPRECIATION N 2020 RS	ACCUMULATED DEPRECIATION AS AT 31.12.2020 RS	W.D.V. AS AT 31.12.2020 RS
BUILDING	178,050,477	10,820,844		188,871,321	13,279,478		4,721,783	18,001,261	170,870,060
LAND	218,500,000			218,500,000	-			-	218,500,000
LABORATORY EQUIPMENT	118,014,775	16,330,590	(5,363,432)	128,981,933	97,243,047	(5,299,164)	13,513,251	105,457,133	23,524,800
FURNITURE & FITTINGS	19,900,447	1,099,718	(193,896)	20,806,269	11,773,488	(169,267)	1,610,675	13,214,896	7,591,373
MACHINERY EQUIPMENT	18,797,521	1,573,300	(208,398)	20,162,423	12,525,165	(191,459)	2,791,584	15,125,291	5,037,132
Computer Accessories	16,069,689	361,100		16,430,789	9,947,793		2,602,656	12,550,448	3,880,341
BOOKS	743,014			743,014	738,308		766	739,074	3,940
MOTER VEHICLES	77,875,000			77,875,000	44,145,000		15,575,000	59,720,000	18,155,000
DUNKANNAWA ESTATE ASSETS	242,953			242,953	242,879			242,879	74
	648,193,876	30,185,552	(5,765,726)	672,613,702	189,895,158	(5,659,890)	40,815,715	225,050,982	447,562,720
3014 - Boundry Wall	2,003,628			2,003,628			437,692	437,692	1,565,936
TOTAL	650,197,503	30,185,552	(5,765,726)	674,617,329	189,895,158	(5,659,890)	41,253,406	225,488,674	449,128,656

FIXED ASSETS AS AT 31.12.2020 - DUNKANNAWA

	COST AS AT 01.01.2020 RS	ADDITION RS	ADJUSTMENT & DISPOSAL RS	COST AS AT 31.12.2020 RS	ACCUMULATED DEPRECIATION AS AT 01.01.2020 RS	ADJUSTMENT & DISPOSAL RS	DEPRECIATION N 2020 RS	ACCUMULATED DEPRECIATION AS AT 31.12.2020 RS	W.D.V. AS AT 31.12.2020 RS
LAND	50,000,000			50,000,000	-	-	-	-	50,000,000
BUILDINGS	12,650,000	2,782,910		15,432,910	948,750	-	385,823	1,334,573	14,098,337
TOTAL	62,650,000	2,782,910	-	65,432,910	948,750	-	385,823	1,334,573	64,098,337



COCONUT DEVELOPMENT AUTHORITY

Note

NOTES TO THE FINANCIAL POSITION AS AT 31.12.2020

No.				Rs.
2	<u>Stocks</u>			
	<u>G.B.O.</u>			
	Laboratory requisites		17,199,209	
	Motor Spare parts		170,646	
	Stationery		8,931,909	
	Uniform		50,151	26,351,915
3	<u>Welfare Loan fund</u>			
	Lady Lochor loan fund converted into " Welfare Loan Fund " w.e.f. from 13.05.2017 with the board approval of .546/F/1			2,007,438
4	<u>Sundry Debtors</u>			
	<u>GBO</u>			
	Debtors on Service rendered to D.C. Mills	Page-20	4,199,681	
	Debtors on Service rendered to Milk producers	Page-21	163,145	
	Debtors for Copra / Fresh Coconut Lot Fees	Page-21	616,490	
	Bank of Ceylon Treasury Division (Interest on Treasury Bills)		7,864	
	Bank of Ceylon (Interest on Fixed Deposits)		2,514,399	
	Rent Income receivable from Randeniya Oil Mills		16,000	
				7,517,579
	<u>Capital Development Fund</u>			
	Bank of Ceylon Interest Receivable on Fixed Deposits		550,520	
	Sri Lanka Rupawahini Corporation		7,060,032	
				7,610,552
	<u>P.S.S.Oil Fund</u>			
	Interest Receivable from Fixed Deposits		1,397,064	
	Interest Receivable from Bank Loan Interest		21,480	
	Interest Receivable from Treasury Bills		733,922	
				2,152,466
	<u>Mill Development Fund</u>			
	Mill Development saving accouts which are not operating at present and to be transferred to Loan Scheem			
	<u>Mill No./Name</u>	<u>A/C No.</u>		31-12-2020
			Rs.	
	M-68 - Dimbulwatta Mills	49429	1,627,950	
	M-81 - W.W.Fernando & Sons Mills	49385	141,984	
	M-128 - Sandalanka CPCS	49428	101,841	1,871,776
	Interest Receivable from Fixed Deposits			1,588,277
	<u>Capital Development Fund</u>			
	Loan granted to Jaya Isura loan Scheme			688,597
				4,148,650
		<u>Rec'ble in year 2020</u>	<u>Rec'ble after 2020</u>	<u>Total</u>
5	<u>Staff Debtors</u>	Rs.	Rs.	
	Distress Loan	4,247,172	19,296,038	23,543,210
	Festival Advance	-	65,000	65,000
	Motor Cycle Loan	897,864	2,586,777	3,484,641
	Motor Cycle Loan (Special)	231,780	610,820	842,600
	Special Salary Advance(I)	390,000	-	390,000
		5,766,816	22,558,635	28,325,451

6	<u>Loan</u>			<u>Rs.</u>
	<u>Capital Development Fund</u>			
	<u>B.C.C. Lanka Ltd.</u>			31,550,000
	<u>Hiriyala Govijana Samagama Loan</u>			
	Loan granted in 2006		2,000,000	
	Amount Settled during 2006		(500,000)	
	Amount settled during 2008		(50,000)	
	Amount settled during 2018		(275,000)	
	Amount settled during 2019		(575,000)	
	Amount settled during 2020		(600,000)	-
	<u>P.S.S.Oil Fund</u>			
	Loan granted to B.C.C. Lanka Ltd			26,715,037
7	<u>KAPRUKA NIPAUM DIRIYA LOAN SCHEME</u>			
			<u>Rs.</u>	
	Balance as at 2020/01/01		5,334,065	
	Loans given during the year		-	
	Repayment during the year		(2,534,623)	2,799,441
	<u>JAYAISURA LOAN SCHEME 2020</u>			
			<u>Rs.</u>	
	Balance as at 2020/01/01		114,428,614	
	Loans given during the year		24,700,000	
	Repayment during the year		(22,320,846)	116,807,768
8	<u>Sundry Advance -GBO</u>		<u>Rs.</u>	
	Sundry advance		5,000	
	Fuel Advance		1,200	
	Return Cheque		547,000	553,200
9	<u>Sundry Deposits - GBO</u>		<u>Rs.</u>	
	01. Auto Super Service Centre		450,000	
	02. Kammalpattuwa (C.P.C.S.) Ltd.		10,000	
	03 Rent Deposits-Reginal Office-G.A.D.T.H.C. Thilakarathne		5,526	
	04. Pushpakumara Edirisinghe		13,782	
	05. Mr. Y.K.C. Jayathilaka		1,120,000	
	06. Narahenpita-Electricity deposit		317,400	1,916,708
	<u>Sundry Deposits - Capital</u>			
	Rent Deposits Reginal Office -M.M.A.D.Herath			150,000



10

Fixed Deposits				Rs.
GBD Fixed Deposits			Investment	
F/D Receipt No		Deposit period	Value Rs.	Value
FD A/C NO 76074390 BOC		3 MONTH	2,843,177	
FD A/C NO 78406784 BOC		3 MONTH	45,493,513	
FD A/C NO 79187659 BOC		3 MONTH	1,057,219	
FD A/C NO 80028927 BOC		1 YEAR	2,761,366	
FD A/C NO 80029042 BOC		1 YEAR	21,089,515	
FD A/C NO 80028959 BOC		1 YEAR	3,265,615	
FD A/C NO 119-60-01-00006575-6 PEOPLE'S BANK		3 MONTH	25,000,000	
FD A/C NO 001-60-01-00009127-4 PEOPLE'S BANK		1 YEAR	54,617,732	
FD A/C NO 001-60-01-00009129-2 PEOPLE'S BANK		1 YEAR	41,377,070	
FD A/C NO 001-60-01-00009128-3 PEOPLE'S BANK		1 YEAR	41,377,070	
FD A/C NO 119-60-01-00007106-2 PEOPLE'S BANK		1 YEAR	740,120	
FD A/C NO 119-60-01-00007108-0 PEOPLE'S BANK		1 YEAR	15,832,606	
FD A/C NO 119-60-01-00007107-1 PEOPLE'S BANK		1 YEAR	7,916,303	
FD A/C NO 119-60-01-00007109-9 PEOPLE'S BANK		1 YEAR	7,916,303	
FD A/C NO 204-60-01-00013314-4 PEOPLE'S BANK		1 YEAR	3,807,135	
FD A/C NO 119-60-01-00007450-4 PEOPLE'S BANK		3 MONTH	34,800,225	
FD A/C NO 119-60-01-00007110-6 PEOPLE'S BANK		1 YEAR	15,832,606	325,727,574
Capital Development Fund Fixed Deposits			Amount Invested	
			Value Rs.	Value
FD A/C NO 78406761 BOC			30,329,009	
FD A/C NO 79187653 BOC			528,609	
FD A/C NO 79885488 BOC			6,843,374	
FD A/C NO 79885633 BOC			9,755,316	
				47,456,308
P.S.S. Oil Fund				
Kapruka Loan Fixed Deposit				
F/D Receipt No	F/D No		F/D value as at 2020/12/31	
			Rs.	
204-60-01-00013213-6	A 779255		38,191,072	
204-60-01-00013171-6	A 779218		8,848,955	
204-60-01-00013168-1	A 779215		8,848,955	
204-60-01-00013175-2	A 779222		17,692,524	
204-60-01-00013309-1	A 779345		51,160,986	
204-60-01-00010508-6	A 549681		42,368,288	
204-60-01-00016629-7	B359981		13,478,412	
204-60-01-00017482-1	B 518612		5,335,626	
119-60-01-00008619-0	B886893		2,301,373	
			188,226,189	188,226,189
Kapruka Nipeumdiriya Saving Account Balance as at 31.12.2020				12,682,427



COCONUT DEVELOPMENT AUTHORITY
Annual Report 2020

<u>MDF Fund</u>				Rs.
<u>Jayaaisura Loan Fixed Deposit</u>				
<u>F/D Receipt No</u>	<u>F/D No</u>		2020/12/31	
135030100031			10,163,836	
135030100032			10,163,836	
135030100033			10,163,836	
135030100034			10,163,836	
135030100035			10,163,836	
135030300081			25,000,000	
(BOC)85092573			2,652,520	
(BOC)86426912			25,311,644	
				103,783,342
Saving Account Balance as at 31.12.2020				
MDF Saving Accounts				42,635,412
Jayaaisura Saving Account Balance as at 31.12.2020				14,417,202
Total				734,928,454
<u>Treasury Bills</u>				
<u>G.B.O</u>				
Investment	Maturity		Investment	
2020.12.11	2021.03.12		2,714,049	2,714,049
<u>Date of Investment</u>	<u>Period</u>	<u>Date of Maturity</u>		<u>Amount Invested</u>
2020.01.31	91 Days	2020.01.31		132,217
2020.01.31	91 Days	2020.01.31		30,815
				163,032
<u>PSS Oil Fund Treasury Bill</u>				
<u>Date of Investment</u>	<u>Maturity</u>	<u>Interest Rate</u>		<u>Amount Invested</u>
2020.09.11	2021.09.11	0		262,061
2020.05.15	2021.05.14	0		4,351,954
2020.04.10	2021.04.09	0		483,389
2020.10.30	2021.01.29	0		3,399,483
2020.10.30	2021.01.29	0		598,163
2020.02.28	2021.01.08	0		960,287
2020.10.30	2021.01.29	0		3,846,239
2020.02.07	2021.02.05	0		5,361,692
				19,263,268
<u>Pre Payments</u>				
<u>GB.O.</u>				
Insurance-Fire			131,922	
Insurnce - Cash in transit			9,619	
Insurance-Medical Insurance Policy			1,916,198	
Rates & Tax			432,000	
Service charges - Office equipment			239,402	2,729,142
Cash at Bank				Rs.
<u>GB.O.</u>				
BOC -Nugegoda-A/C No -228042			9,191,098	
Peoples' Bank-Narahenpita- A/C No-119100160007416			7,229,725	16,420,824
Petty cash - Narahenpita			25,000	
Petty cash - Dunkannawa			30,000	55,000
<u>Capital Development Fund</u>				
BOC -Nugegoda-A/C No -228043				7,128,146

13	<u>Sundry Creditors</u>				<u>Rs.</u>
	<u>GB.O.</u>				
	40% Of King coconut export inspection charges payable to Coconut Cultivation Board				21,802,011
	Central Engineering Construction Bureau				463,942
	University of Moratuwa				213,180
	Boomi Tech (Pvt) Ltd				43,400
	Lot fee overpaid				14,942
					22,537,474
	<u>Mill Development Fund</u>				
	PSS Oil Fund Kapruka Diriya Loan Fund				76,277,972
14	<u>Refundable Deposits</u>				
	<u>GB.O.</u>				
	<u>Quality Certificates</u>				
	C.W. Mackie & Company				37,923
	<u>Refundable Deposits</u>				
	Randeniya Oil Mills		80,000		
	L.R.Contruction		70,000		
	W.A.D.R.B.Kumara		15,500		
					165,500
	<u>Security Deposits</u>				
	01. Pushpakumara Edirisinghe		5,526		
	02. Mr. Y.K.C. Jayathilaka		13,782		
					19,308
	<u>Tender Deposits</u>				
	Qualikem International (Pvt) Ltd.				45,000
	<u>Refundable Bid Bond</u>				
	Busines Machines Company Pvt Ltd		1,400		
	Leema Creations		2,940		
	Infocrat (pvt) ltd		3,590		
	T & R Pojer Eng. Pvt Ltd		10,940		
	S.J.Y.Construction		75,000		
	BASE HP		820		
	Chamikara Engineering Service Co.		6,580		101,270
					369,001
	<u>Capital Development Fund</u>				
	Loan given to Jaya Isura loan Scheme				688,597
	<u>Refundable Deposits</u>				
	Prashans Contruction				427,636
	L.R. Constructions				92,184
					519,820
15	<u>Receipt In Advance-GB0</u>				
	Registration of Minor Kernal Products		21,500		
	Registration of Major Kernal Products		110,500		
	Registration of fiber Products		256,530		
	Registration of King Coconut		163,300		
	Registration of Suppliers		137,000		
	Registration of Coconut oil millers		245,000		
	Registration of Coconut Estate		500		
	Registration of DC Millers		238,000		
	Registration of Milk Products		242,500		
	Un Classified Deposits		57,950		
	Registration of Activated Carbon manufacturers		31,000		
	Registration of Coconut multi production Dealer		138,560		1,642,340

16	<u>Accrued Expenses</u>			<u>Rs.</u>
	<u>G.B.O.</u>			
	E.T.F. Payables		254,903	
	E.P.F. Payables		1,958,903	
	News Papers		57,520	
	Coin Payables		968	
	Water		43,249	
	Telecommunications		99,487	
	Domestic Travelling		194,511	
	Electricity		304,842	
	Stamp Duty		1,786,813	
	EST payable		367,224	
	Salary		181,363	
	Fuel and Lubricant		246,625	
	Transport		65,950	
	Security Services		348,300	
	Cleaning Services		276,510	
	Overtime		741,708	
	Audit Fee		684,528	
	Repair & Maintenance		2,177,967	9,791,370
17	<u>Capital Development Grant</u>			<u>Rs.</u>
	Balance as at 31-12-2020			77,652,767
18	<u>Accumulated Income over Expenses</u>			
	<u>GBO</u>			
	Balance as at 01-01-2020			298,433,586
	Prior year adjustment			(25,997,124)
	Surplus/Deficit			80,563,280
	Balance as at 31-12-2020			352,999,742
	<u>Capital Development fund</u>			
	Balance as at 01-01-2020			73,139,490
	Surplus/Deficit-2020			7,352,560
	Adjustment			5,783,404
	Balance as at 31-12-2020			86,275,454
	<u>PSS Oil Fund</u>			
	Accumulated Fund at 01-01-2020			396,889,485
	Prior year adjustment			2,854,103
	Surplus/Deficit 2019			(75,696,789)
	Accumulated Fund at 31-12-2020			324,046,799
	<u>NRI Fund</u>			
	Balance as at 01-01-2020			154,893
	Interest			9,367
	Balance as at 31-12-2020 transferred to GBO			164,259



				Rs.
<u>MDF</u>		<u>Jaya Isura Fund</u>	<u>Mill</u>	<u>Total</u>
		<u>Rs.</u>	<u>Rs.</u>	
Savings Account	Page -27		31,625,386	
Un operating MDF account			1,871,776	
R'ble from Capital Development Fund			7,029,942	
Jaya insure Loan granted		114,428,614		
Saving Account		13,662,102	-	
P'ble to Pss Oil Fund (Loan)		(76,277,972)	-	
P'ble to GBO Oil Fund (Loan)		(23,000,000)	-	
Capital Development Fund		688,597	-	
TB Interest R'ble		-	-	
Balance as at 01-01-2020		29,501,342	40,527,104	70,028,446
Savings Account	Page -27		42,635,412	
Un operating MDF account			1,871,776	
R'ble from Capital Development Fund			1,692,283	
Jaya insure Loan granted		116,807,768	-	
Saving Account		14,417,202	-	
Fixed Deposit		103,783,342		
P'ble to Pss Oil Fund (Loan)		(76,277,972)	-	
P'ble to GBO Oil Fund (Loan)		(123,000,000)		
Interest Receivable		1,588,277		
Capital Development Fund		688,597	-	
Balance as at 31.12.2020		38,007,216	46,199,471	84,206,686
		8,505,874	5,672,367	
P.S.S.OIL FUND				
MDF C/Account				76,277,972
Discloses				
The investment of Rs.93,228,581.82 (including the interest accrued) made in State Institutions Temporary Surplus Trust Fund had been remitted to General Treasury as a result of winding up of this fund under the approval of Cabinet Ministers.				
Legal Cases				
An employee of Coconut Development Authority has filed a Fundamental Right case against Coconut Development Authority .This case is an ongoing case at Supreme Court.				

COCONUT DEVELOPMENT AUTHORITY
NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2020

1	Interest Income			<u>Rs.</u>
	G.B.O.			
	Interest on Staff Loans	1,025,849		
	Interest on Investment (Treasury Bills)	161,400		
	Interest on Fixed Deposits	25,826,551	27,013,800	
	Capital Development Fund			
	Interest on Fixed deposits	3,462,254		
			3,462,254	
	P.S.S.Oil Fund			
	Interest on Treasury Bills	3,062,103		
	Interest on Bank loans	110,285		
	Interest on Fixed Deposits	13,944,067		
	Interest on Servings Accounts	415,347	17,531,802	
	MDF Fund			
	Interest on Fixed Deposits	2,840,724		
	Interest on Bank loan	2,782,697		
	Interest on Servings Accounts	351,557	5,974,978	
2	Rental Income			
	Isurusala - GBO			168,000
3	Registration Fees			
	G.B.O.			
	Exporters of Major Kernel Products	2,742,712		
	Exporters of Minor Kernel Products	4,699,810		
	Exporters of Fibre & Fibre Products	1,395,800		
	Registration of Copra Dealers	57,000		
	Registration of Auctioneers & Brokers	39,000		
	Registration of D.C. Millers	1,101,505		
	Registration of Coconut Oil Millers	1,872,168		
	Registration of Fibre Millers	280,500		
	Registration of Copra Manufacture	130,500		
	Registration of charcoal Manufacture	165,836		
	Registration of Suppliers	338,164		
	Registration of Coconut Estates Owners	127,600		
	Registration of Coconut Milk Process	826,000		
	Registration of Activated Carbon	145,000		
	Surcharges Charges on late Registration	348,256		
	Registration of Coconut Multy Products	1,459,375		
	Registration of Fresh Coconut	8,950,000		
	Registration of king Coconut	620,000		
	NOL Certificate Charges	308,500	25,607,725	
4	Auction Proceeds			<u>Rs.</u>
	Lot Fees Income -Copra & fresh Coconut			1,397,167
	Less :Hall Charges	(26,000)		
	Action Fee	(660,533)		
	Other	(79,142)	(765,675)	
			631,492	



5	Laboratory Income			<u>Rs.</u>
	Quality Certificates		1,666,927	
	DC sampling & Testing Charges- DC		8,996,305	
	Testing Charges- Coir Fiber Products		2,850,095	
	Testing Charges- Coconut Milk Products		356,432	
	Testing Charges- Coconut Oil		2,004,883	
	Water Sampling charges		211,189	16,085,831
				16,085,831
6	Miscellaneous Income			
	G.B.O.			
	Tender Deposits			
	Sale of Bulletins		82,984	
	Training Income		663,890	
	Vehicle Hire Charges		35,744	
	Charge on Return Exports		368,204	
	Sundry Income		742,016	
	NRI Fund trf		188,197	
	Lable Books & Stickers Charges		2,258,392	4,339,426
7	Dunkannawa Modern Mill			
	Sale of Coir and fiber			
	Less :Expenses			512,196
	Salaries & Wages,	881,075		
	EPF & ETF	274,112		
	Insurance	5,468		
	Telephone charges	22,295		
	Electricity	126,627		
	Other expenses	14,331	(1,323,908)	(1,323,908)
	Dunkannawa Coconut Estate			
	Sale of Coconut Nuts			2,936,344
	Less : Expenses			
	Salaries & Wages,	1,181,449		
	EPF & ETF	367,562		
	Coconut Plucking & Fertilizer Expenses	467,915		
	Electricity	7,741	(2,024,667)	(2,024,667)
				99,965
				<u>Rs.</u>
8	Processing Development Programmes			27,307,750
9	Marketing Development & Research Programmes			9,436,712
10	Quality Control & Quality Assurance			415,736



COCONUT DEVELOPMENT AUTHORITY
Annual Report 2020

SERVICES RENDERED TO D.C. MILLERS AS AT 31.12.2020

MILL NO.		2018/2019	2020	2020	TOTAL
			DC TESTING	WATER SAMPAL	
		RS.	RS.	RS.	RS.
M 62	Desico Lanka (pvt) Ltd Ganewatte mills, Ganewatte, Nikadalupotha		72,500.00		72,500.00
M 64	Rathkarawwa DC & Oil Mills, Maspotha	31,852.50	86,250.00	12,320.00	130,422.50
M 67	Marawila CPCS Society, Marawila		57,500.00		57,500.00
M 69	Baduwatta DC mills Pvt Ltd		142,500.00		142,500.00
M 71	Madampe Mills (Pvt) Ltd, Thambagalla, Kakkapalliya	61,250.00			61,250.00
M 72	St Joseph DC Manufacturers (Pvt) Ltd, Colombo Road, Watinapaha		40,000.00		40,000.00
M 75	Siriyangani DC & Fibre Mills, Giriulla Road, Katana		216,250.00	11,164.00	227,414.00
M 76	S.A.silva & sons Lanka (Pvt) Ltd, Loluwigoda Mills, Loluwigoda	16,250.00	35,000.00		51,250.00
M 77	St Annes Factory, Daluwa, Mampuri	32,500.00	82,500.00		115,000.00
M 79	Renuka Agri Organics (Pvt) Ltd - fatima		60,000.00		60,000.00
M 80	Dunagaha CPCS, Kehelalle Mills, Badalgama		10,000.00		10,000.00
M 84	Pottewela DC & Oil Mills, Mirigama Road, Banduragoda		55,000.00		55,000.00
M 85	Wichy plantation (Pvt) Ltd	15,000.00	96,250.00		111,250.00
M 86	J.P.M. Pinto & Company (Pvt) Ltd, New Road Wennappuwa		35,000.00		35,000.00
M 87	St. Valentine D.C. Factory		12,500.00		12,500.00
M 88	Sonic Expo (Pvt) Ltd	110,162.00	78,750.00		188,912.00
M 89	Kudawewa Mills, Kudawewa	23,384.00	53,750.00		77,134.00
M 90	Nadungamuwa Mills, Nadungamuwa		22,500.00		22,500.00
M 91	Sandalanka DC Mills		111,250.00		111,250.00
M 93	Green Palm Mills, Kaluarippuwa, Katana	54,658.15	72,500.00		127,158.15
M 94	Sirikatha DC Mills, Kochchikade		33,750.00		33,750.00
M 95	CBL Cocos Pvt Ltd, Colombo Road, Alawa	37,500.00	56,250.00		93,750.00
M 98	Serandib Super Food (pvt) Ltd	18,414	152,500		170,914
M 102	N M K Coco Land (Pvt) Ltd	66,250			66,250
M 102	Nara Coco lands	5,435	-		5,435
M 103	St Theresa DC Mills, Katana		198,750		198,750
M 105	D.Y.& D.U.Rajapaksa Pvt Ltd, Henegama DC Mills		78,750		78,750
M 107	Chandra DC Mills, Kandawala, Katana		16,250		16,250
M 110	Renuka Agri Organics (Pvt) Ltd - Unagahadeniya		133,750		133,750
M 111	Kudiyiruppu Coconut Producers (Pvt) Ltd		51,250		51,250
M 113	Balummahara DC Mills, Balummahara, Mudungoda		110,000		110,000
M 114	Nattandiya Mills	21,250	71,250		92,500
M 115	Bogamuwa DC Mills, Aluthgama, Bogamuwa, Aluthgama	8,474			8,474
M 119	Mathammana DC Mills, Minuwangoda		96,250		96,250
M 120	Fatima DC & Oil Mills, Nainamadama		80,000		80,000
M 122	St Josephs DC & Fibre Mills, Katana		65,000		65,000
M 126	Lakshmi DC Mills, Bata Kanda, Badalgama	14,962	181,250		196,212
M130	Boyagane DC Mills Pvt Ltd, Boyagane, Kurunegala	46,250	21,250	12,088	79,588
M 131	Jayakody Mills (Pvt) Ltd, Nattandiya Rd, Dankotuwa	14,503	26,250		40,753
M 132	Asian Agro Products Pvt Ltd	6,250	88,750	11,214	106,214
M 133	Upali DC Mills, Thalawila, Marawila	6,250			6,250
M 134	Gunawardena DC Mills, Galawatta, Katana	4,254	42,500		46,754
M 136	Welwin DC Mills, Minuwangoda	38,600	31,250		69,850
M 139	Sanhida DC Mills (Pvt) Ltd		55,000		55,000
M 144	Swanee DC Mills, Negambo		80,000		80,000
M 145	Dunagaha CPCS, Dunagaha	5,000	23,750		28,750
M 148	R.M.P. Coconut Products (Pvt) Ltd.			11,146	11,146
M 149	Maviksel International com(pvt)Ltd		203,750	13,560	217,310
M 150	NDC exports (Pvt) Ltd.		21,250		21,250
M 151	Wayamba D.C. & Oil Mills(pvt)Ltd		62,500		62,500
M 152	Sanmik food (pvt)Ltd	17,240	75,000		92,240
M 153	Navik Mills (Pvt) Ltd		65,000		65,000
M 156	V.S.S Product (pvt)ltd		11,250		11,250
		655,689	3,472,500	71,492	4,199,681



**DEBTORS-FRESH COCONUT & COPRA LOT FEE & MILK PRODUCTS
AS AT 31.12.2020**

<u>Copra</u>	<u>Amount (Rs.)</u>	COCONUT MILK PRODUCTD	
<u>Copra Lot Fees</u>		<u>Name</u>	<u>Amount (Rs.)</u>
G & J Matew & Co (Pvt) Ltd.	39,919	Bio Foods (Pvt)Ltd	-
L.S.T. De S.Wijeratne & Co.	8,995	CBL Global Food Limited	6,000
		Consolidated Bussiness System	18,000
<u>Fresh Coconut Auction Fees</u>		Jaindi Export (PVT)Ltd	6,000
National Livestock Dev. Board	182,958	Kandekatiya Agro Products	6,000
Chilaw Plantation Ltd.	12,377	Manchiee De Coco Products	18,000
Coconut Research Institute	10,878	MAS Tropical Food Processing (PVT)L	18,000
Coconut Cultivation Board	113,694	Nara Coco Land (pvt)ltd	18,000
Mrs. P.P. Gunasekera	(3,612)	NDC Exports (pvt)ltd	18,000
Lalan Rubber (Pvt) Ltd.	39,542	Nexpo Conversion (pvt)ltd	6,000
Kurunegala Plantation Ltd.	47,558	Renuka Agri Foods Plc	18,000
Elkaduwa Plantation Ltd,	111,989	Silver Mill Natural Beverages	6,573
H.L. De Mel & Co. (Pvt) Ltd.	46,748	Sunmik Foods (pvt)Ltd	18,000
Mr. C. Deepal Mathew	1,398	Waguruwela Oil Mills	6,000
Polkanatte Watte	252	Wichy Pantation Company	573
Dicklanda Estate	2,340		163,145
Ygro (Pvt) Limited	289		
Medagampola Estate	389		
Delhena Estate	778		
Total	616,490		
<u>Lot fee overpaid</u>			
R.M.Mel	(2,652)		
Ganekanda Estate (JEDB)	(102)		
The Mililewana Estate	(9,961)		
The Ragedara Mines Co	(1,209)		
Marsndawila Estate	(218)		
Raddegoda Estate	(800)		
Total	(14,942)		



Coconut Development Authority Recurrent Expenditure

2,019	2020 ESTIMATE	DESCRIPTION	SUB TOTAL	2,020
Rs.				TOTAL Rs.
		PERSONAL EMOLUMENTS		
81,245,300	87,000,000	Salaries & Wages	84,192,276	
16,682,830	21,240,000	E.P.F. & E.T.F.	18,343,954	
18,714,418	19,200,000	Cost of Living & Other allowances	18,172,889	
406,748	500,000	Holiday Payment	188,367	
1,210,000		Matching Allowance	-	
1,389,013	4,000,000	Fuel Allowance	646,408	
1,090,222	7,000,000	Special allowance	1,334,698	
8,129,428	6,000,000	Overtime	7,376,178	
3,885,330	4,500,000	Welfare Expenditure	2,025,820	
1,593,063	2,000,000	Training & Seminars	353,141	
5,980,366	6,000,000	Insurance medical	4,921,861	
140,326,718				137,555,593
		TRAVELLING EXPENSES		
3,118,731	6,000,000	Travelling Expenses (Local)	3,124,211	
390,400		Parking Fee	288,000	
3,509,131				3,412,211
		SUPPLIES & REQUISITES		
8,529,999	6,000,000	Stationery & Other Requisites	7,082,726	
		Labal Book & Stickers Printing		
		Monthly Bulleting Printing		
4,326,818	8,924,000	Fuel & Lubricants	4,396,084	
434,986	900,000	Uniforms	537,870	
10,384,779	7,250,000	Laboratory Chemicals Other Consumables	13,927,699	
		Glass ware	-	
2,081,312		Other requirements	1,593,323	
		Member Fees (Subscription)	-	
25,757,894				27,537,702
		REPAIRS & MAINTENANCE		
2,539,470	3,000,000	Structures / Buildings	2,987,871	
		Duke street	1,375,749	
3,014,270	3,000,000	Machinery Office Equipment & Furniture	2,429,599	
6,173,902	5,000,000	Vehicles	5,339,481	
11,727,642				12,132,699
		TRANSPORTATION , COMMUNICATION , UTILITY & OTHER SERVICES		
3,465,015	5,100,000	Communication	2,530,591	
2,006,592	2,500,000	Transport	1,209,382	
2,474,575	3,600,000	Security Services	3,718,960	
3,220,629	3,650,000	Cleaning Services	2,919,946	
8,038,992	8,760,000	Vehicle Lease rent	8,711,062	
6,409,029	5,200,000	Electricity	4,727,531	
	800,000	Water	547,531	
1,570,329	2,000,000	Rates & Taxes	1,340,138	
112,212	600,000	Legal Fees	-	
337,440	300,000	Postal Charges & Stamp Fee	245,876	
600,000	900,000	Audit Fees	500,000	
52,990	66,000	Bank Charges	33,196	
28,287,802				26,484,212
		Taxes and other Levies		
1,027,977		Economic Service Charges	966,454	
2,140,099		VAT	411,212	
-		Stamp Duty	6,625	
3,168,076				1,384,290
		Other		
	3,250,000	Insurance	710,179	
456,623	100,000	Chairman's Entertainment	100,000	
1,432,291	2,050,000	Board members Allowance & Board Meeting exp	956,980	
1,275,445	400,000	Market Promotion	2,655,331	
		Covid Prevention expenses	560,848	
3,164,359		Other Expenses	20,001	5,003,339
215,941,622	236,790,000	TOTAL EXPENDITURE		213,510,047



6. Internal Audit Division

The Internal Audit Plan related to the year 2020 was prepared and implemented to cover the Action Plan of the Processing Development Division, Marketing Development and Economic Research Division and quality Controlling and quality Assurance Division and in addition to that, the Audit Report was also prepared to cover the activities of the Administrative Division and the Finance Division following the instructions issued by the Auditor General's Department and the Treasury Representative.

Accordingly, 12 reports were submitted by conducting audit investigations as per the approved Audit Plan. In addition to the above, special audit investigations assigned by the Management of the Authority were conducted and submitted to Management.

6.1 Report of the Audit and Management Committee

6.1.1 Composition and the Quorum

The Audit and Management Committees of the Coconut Development Authority were established as per the Chapter 4.7.1 of the Public Administration Circular No. PED/12 dated 02.06.2003, which is called the Guidelines Manual pertaining to the Good Governance of the Public Institutions and Public Enterprises Circular No. PED/55 dated 04.12.2010 and the functions of the Committee are carried out according to the Provisions of such Circulars. The Audit and Management Committee consists of three non-executive grade Directors. The following Directors functioned as the members of the Committee during the year under review.

Audit and management Committee Meeting 2020/01 held on 02.06.2020.

1. Mr N.S Wanasinghe (Representative of the Ministry) Chairman of the Board
2. Mrs I.T Nimesha Mendis(Representative of the General Treasury)-board member
3. Mr Priyalath Kibiyahethrige-board member
4. Mr Upali Dammika De Silva-board member

Audit and management Committee Meeting 2020/02 held on 26.08.2020

1. Mr N.S Wanasinghe (Representative of the Ministry) Chairman of the Board
2. Mrs I.T Nimesha Mendis(Representative of the General Treasury)-board member
3. Mr Priyalath Kibiyahethrige-board member
4. Mr Upali Dammika De Silva-board member

Audit and management Committee Meeting 2020/03 held on 26.10.2020
(use Zomm Technology)

1. Mr N.S Wanasinghe (Representative of the Ministry) Chairman of the Board
2. Mrs I.T Nimesha Mendis(Representative of the General Treasury)-board member
3. Mr Priyalath Kibiyahethrige-board member
4. Mr Upali Dammika De Silva-board member

Audit and management Committee Meeting 2020/04 held on 10.12.2020

- 1.Mr N.S Wanasinghe (Representative of the Ministry) Chairman of the Board
- 2.Mrs I.T Nimesha Mendis(Representative of the General Treasury)-board member
- 3.Mr Priyalath Kibiyahethtuge-board member
- 4.Mr Upali Dammika De Silva-board member

A representative of the Auditor General and the Chief Internal Auditor participated in the meetings. There are no members in the Committee representing the Management. Director General participates in the meetings whenever he is invited to do so. When the participation of the other members of the Management is required by the Committee, they are invited to participate in the Committee meetings. The Quorum of the Committee is 03 members.

6.2 Role of the Committee

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

6.3 Meetings and Activities

The Committee met for three times (04) during the year under review. The attendance of the members of the Committee for the committee meetings are mentioned below.

Name of the Director	Number of meeting participated
Mr N.S Wanasinghe	04
Mrs I.T Nimesha Mendis	04
Mr Priyalath Kibiyahethtuge	04
Mr Upali Dammika De Silva	04

Table 28- Attendance of the members for committee meetings

The following functions were executed by the Committee during the year under review.

7.3.1.1 Internal Audit

- The Internal Audit Programme and Audit Plan were prepared by taking in to consideration the recommendations of the Auditor General's Department for the year 2020 pertaining to the functions of the Internal Audit Division and they were discussed and instructions were issued on the fields that were to be further audited and recommendations were made pertaining to the Audit Programme and the audit plan in order to get the approval of the Board..

- The effectiveness in the implementation of the Internal Audit Plan for the year 2020 was monitored.
- The progress in making answers to internal audit queries was evaluated.
- Specific Internal Audit revelations and the responses for them by the Management were reviewed with the objective of adopting accurate and timely measures for avoiding the repetition of such incidents in the future.

6.3.2 External Audit

- The answers provided by the Management in relation to the Audit queries submitted by the Auditor General's Department pertaining to the Coconut Development Board for the year ended 31.12.2020 were reviewed and the procedures that were adopted by the Management for the avoidance of the reoccurrence of the issues that had been specifically pointed out were followed up. In the meantime the Committee has paid attention to the matters pointed out by the report as per section 12 of National Audit Act No 19 of 2018 regarding the financial statements for the year ended 31.12.2020 and further follow up action has also been taken regarding the action made pertaining to those matters.

6.3.3 Financial Reporting

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

6.3.4 Minutes of the Meetings/Reporting to the Board

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



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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



මගේ අංකය } PLA/DCDA/01/20/19
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The Chairman

Coconut Development Authority

Report of the Auditor General on the Financial Statements of the Coconut Development Authority for the year ended 31 December 2020 and other legal and regulatory requirements in terms of the Section 12 of National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Coconut Development Authority for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, statement of changes in equity/ statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka 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 Authority as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.





1.2 Basis for Qualified Opinion

- (a) As per the Paragraph 24 (a) of Sri Lanka Public Sector Accounting Standards No. 01, even though the financial statements required preparing so as to present the budget figures and actual figures separately in the financial statements, but the budget figures were not included in the financial statements presented for the year under review.
- (b) Although 65 Nos. of totally depreciated machinery cost at Rs. 1,337,550 were already in use, the estimate error on the effective life period of such assets has not been revised and adjusted in the Financial Statements in terms of Sri Lanka Public Sector Accounting Standards No. 03.
- (c) Machinery including the double box machine fixed in the Coir Development and Training Centre, Dunkannawa in 2019 spending Rs. 1,008,348 and Computer and Furniture had been written off as current expenditure in the respective years without capitalizing such expenditure. As a result, the value of Plant Machinery and Equipment were demonstrated less by such value in the Financial Statements.
- (d) An annual interest income of Rs.4,011,609 calculated for a loan amount of Rs. 26,715,037 outstanding from the B.B.C. Lanka Company for 35 years and such amount had been reserved as Doubtful Debt as there was no possibility of recover.
- (e) Although the facts have been submitted to the audit that 39 machinery included in the Fixed Assets Register cost at Rs. 3,369,300 which have been purchased in the years 2005 and 2006 and totally depreciated its value had been given for a pilot project, physical existence of such assets could not been verified due to unavailability of details of such projects. Moreover, no action had been taken to survey the assets and to remove or revalue as appropriate.
- (f) Physical stock verification as at 31 December, 2020 had not been conducted and instead of such physical book value, the stock book balance amounted to Rs. 21,351,915 had been entered in the Financial Statements. Accuracy of the stock included in the Financial Statements could not be validated due to existence of a deficit of 101 stock units of lab instruments worth Rs. 852,754 and an excess of 49 units worth Rs. 375,412 revealed at the sample check and existence of 1834 stock units which had not been calculated the value as well as not entered in the stock register.



- (g) Accuracy of the debtors receivable at the end of the year under review and recorded as Rs. 4,199,681 in accounts, as well as applicable income identified during the year under review and recorded as Rs. 8,996,305 were unable to validate due to the facts such as failure to duly issue invoices for services rendered to the desiccated coconut mill owners, unavailability of proper method of recovering money and identifying direct deposits to the bank.

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 Contained in the Annual Report 2020 of the Coconut Development Authority

Other information means the information included in the Annual report 2020 of the Coconut Development Authority obtained by me prior to the date of this audit report but not included in my audit report in that regard. The management is responsible for such other information.

Other information is not covered by my opinion on the Financial Statements and I do not declare any assurance or opinion on that regard.

My responsibility regarding my audit on the Financial Statements is to read, if it is able to obtain the other information identified above, and consider them whether quantitatively inappropriate with the financial Statements or according to my knowledge acquired during the audit, or in a separate way.

If I conclude that the other information is indicated with quantitative errors, based on the other information obtained by me prior to the date of this audit report and on the basis of functions performed by me, such matters are required to report by me. I have nothing to report in this regard.



1.4. Responsibility of Management and Other Related Parties for the Financial Statements

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

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

Responsibility, control with regard to finance reporting process supervision of Authority is borne by parties concerned.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on Other Legal and Regulatory Requirements

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

- 2.1.1 Subject to the observations described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Authority as per the requirement of the section 12 (a) of the National Audit Act, No. 19 of 2018.



2.1.2 The Financial Statements presented by the Authority are consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The Financial Statements presented include the recommendations made by me in the previous year, except the observation indicated in the paragraphs 1.2 (a) and (e) in this 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 was limited to matters that are material, nothing has come to my attention;

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

2.2.3 to state that the Authority has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018 other than the below mentioned observations.

(a) Even though, having exported 5,516 MT out of the average annual production of coconut oil during the period 2016-2019 amounted to 29,287 MT, the average amount of coconut oil left for domestic consumption was only 23,771 MT. Therefore out of the shortage of 69,332 MT, 5,044 MT was procured from imported coconut oil while the rest 69% from imported palm oil and the average import amount of palm oil during previous 4 years was 199,433 MT. Accordingly, it was observed that a mass portion of domestic need for consumption of coconut oil has been fulfilled with palm oil and imported coconut oil without taking actions to increase the production of standard coconut oil was inconsistent with the objectives of the Authority.

(b) Even though the Authority is responsible for stipulating and maintaining the quality standards of coconut production produced in Sri Lanka or exported from Sri Lanka in terms of paragraph 3 in Schedule one of the Gazette Extra Ordinary bearing No. 69/4 and date 31 December 1979 published under Section 51 of the Coconut Development Act No. 46 of 1971 as amended by the Act No 24 of 1975, it was observed that 72 percent of the entire consumption of coconut oil in Sri Lanka had not been undergone standard tests. Furthermore, there were only 7

coconut mills which had obtained the 5-star logo for the production quality of coconut oil in 2019.

(c) With the objective of development of desiccated coconut industry and in terms of the Coconut Development Act No. 46 of 1971, money from the Cess fund received 20 cents per each exported 1 Kg of desiccated coconut had been deposited in saving Accounts in the name of the respective mill owners but no any function was performed in the year under review with the mill development fund established in 1980 with the objective of mill development and there were no planned measures to upgrade the industry. The balance of the Cumulative Fund Account was Rs. 84,206,686 including the Cess fund amounted to Rs. 5,916,064 received in the year under review and the amount of Bank Deposit was Rs. 160,835,956 at the end of the year.

(d) According to the powers vested in through the Coconut Development Act No. 46 of 1971, although the coconut oil price stabilization Fund was established with the objective of price control through purchase in large stocks of coconut oil and release them to the market according to the fluctuation of price, such measures had been abandoned by the Authority and the tanks reserved in the harbor for this purpose had been assigned to other businesses. Nevertheless, Financial Statements of the Fund have been continuously prepared up to the year under review with a total outstanding loan balance of Rs. 157,943,367 including the loan balances which arrears from 1985 and amounted to Rs. 78,865,954, an investment balance of Rs. 220,171,884 and a Cumulative Fund balance of Rs. 324,046,799.


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

The Coir Development and Training Centre at Dunkannawa, inaugurated in year 2006 with the objective of training relevant parties for the development of coir industry, had ceased its functions from February 2020 due to shortage of workers and failure to repair machinery. Hence machinery including the capital assets purchased incurring Rs. 1,586,383 in years 2019 and 2020, Level pits to fill with coconut husks, buildings and furniture were at risk of decay being inoperative.



3.Other Materials

- (a) Effective actions have not been taken to recover the total amount of loan balance Rs. 58,265,037 comprised with loan amount of Rs. 26,715,037 with interest granted from the Coconut oil Price Stabilization Fund in 1985 and an amount of interest free loan Rs. 31,550,000 along with interest calculated to Rs. 52,150,917.
- (b)As no action has been taken by the end of July 2021 to operate the Atomic Absorption Spectrophotometer (AAS):a heavy metal detection device in waterworth Rs. 4,984,973 and has removed since 2015, relevant service could not be provided and no income was earned. There was no any remark in the annual stock verification report that the device has certain defects.
- (c)No action has been taken to settle the total loan balance of Rs. 199,277,972, comprised with Rs. 76,277,972 obtained from the Coconut Oil Price Stabilization Fund and Rs. 123,000,000 from the government for the mill Development Fund during the period from 2015 to 2020 for the purpose of granting 'Jaya Isura' loan.


W.G.C.Wickramarathna
Auditor General

