

# **Coconut Development Authority**



## **Annual Report 2013**

# Coconut Development Authority

## Vision

*“Coconut Industry to be the highest contributor to G.D.P. from Tree Crop Sector and Global Leader in Product - Market Diversification.”*

## Mission

*To facilitate the Coconut Industry towards long term commercial viability, sustainability and higher contribution to the national economy, by ensuring the availability of coconuts and coconut products for domestic consumption and for industry.*

# Introduction

The Coconut Development Authority is the major Statutory Institution established under the Coconut Development Act No. 46 of 1971 for the development of the entire Coconut Industry. The functions of the Authority as per the Provisions stipulated in the Coconut Development Act have been comprehensively indicated below.

- ✚ Assisting the Minister in the determination of priorities in the Policy formulation and Policy implementation with a view to developing the Coconut Industry.
- ✚ Assisting in designing the Projects and Schemes that are in conformity with the developmental priorities that have been so determined and the preparation of such Projects and Schemes.
- ✚ Assisting in the implementation of such Projects and Schemes that have been prepared and the implementation of such Projects and Schemes.
- ✚ Consolidation of the activities of the Boards that would be established by the Minister under the Coconut Development Act.

In addition to the above functions, the following functions stipulated in Section 20 of the Coconut Development Act by Order published in the Gazette assigning the responsibility of the development and the supervision of Industrial Processing and all the functions in relation to the local and export marketing of Coconut and Coconut based products have also been assigned to the Coconut Development Authority.

- Assisting in the formalization and the promotion of Coconut based products and the methodologies of manufacturing the Coconut based products.
- Promotion of novel techniques required in the processing of Coconut products.

- Promotion and modernization, direction and assisting in the enhancement of the efficiency in the factories / institutions where Coconut Products are manufactured.
- Maintenance and stipulation of Standards in relation to the quality of the Coconut products manufactured in Sri Lanka or exported from Sri Lanka.
- Purchase and sale of Coconut Products and regulation of the purchase and sale of such products and provision of the assistance in the preparation or implementation of a minimum and maximum price system generally for Coconut Products and especially for Coconut Products of Coconut small holders.
- Importation and exportation of Coconut Products and regulation of import and export prices.
- Creation of a demand for Coconut products within and outside the Sri Lankan territory and promotion and maintenance of products through Organization of exhibitions and fairs, assisting and participating in such exhibitions and fairs and adopting other required methods, establishment, maintenance, supervision and provision of assistance to Marketing Stalls and Agencies and conducting propaganda campaigns and initiating, financing and provision of assistance to promotional activities.
- Conducting Marketing Researches in relation to all the aspects of marketing and transportation of Coconut Products within and outside the Sri Lankan territory.
- Improving coordination with the Institutions that are engaged in the trade and manufacture of Coconut products and the Cooperative Establishments that are involved with the management and the ownership of the Coconut Plantations.
- Collection of Coconut and Coconut based raw materials and forward them to Industries under the 'Kapruka Purawara' Programme and introduction of Industries to areas where such Industries have not yet been developed and promotion of such industries.

Subsequent to the liberalization of limitations imposed on the trade of Coconut at the end of the decade, 1980, the attention of the Authority has been focused on the major activities of designing and implementation of Policies and the Programmes for the development and promotion of Processing and Marketing Sectors having an emphasis on the Coconut Export Sector.

Administration activities have been limited only to the functions regarding the maintenance of the standards of the quality of the Products.

The Board of Directors is the Controlling body of the Authority and the Board of Directors is consisted of eleven (11) Members as per the Provisions of the Coconut Development Act and Amendments made to the Act. All the Members of the Board are appointed by the Minister in charge of the subject and a Member of the Board of Directors is appointed as the Chairman of the Authority. The Official Term of Office of these Members is 03 years and they are entitled to be re-appointed.

The Coconut Development Authority is comprised of 05 operational Divisions viz, Processing Development Division, Quality Control and Quality Assurance Division, Marketing Development and Research Division, Financial Division and Administration Division as operational Divisions with a view to implementing the operational role in the development and supervision of the Processing and Marketing Sectors of the Coconut Industry, in addition to the performance of functions in the provision of assistance to the Ministry in the identification and design of major Policies for the development of the Coconut Industry. A Director is in charge of each Division of the Authority. The Engineering Division and the Internal Control Division provide their assistance for the aforesaid Divisions in the performance of these functions.

The Director General functions as the Chief Executive Officer of the Authority and he is responsible for the direction and supervision of activities of the Authority and for the implementation of Policies and Programmes designed by the Board of Directors.

A total of 133 Employees had been employed as the Staff of the Authority at the end of the year 2013 and 17 of them were in the capacity of Managers.

## **Review of the Chairman – 2013**

The Coconut Plantation has succeeded in Sri Lanka by inhabiting over generations and today it has covered an area of 394,836 hectares of the Country. 56% of the Coconut Plantation has spread in the Kurunegala, Puttalam and Gampaha Districts which belong to the Coconut triangle and a majority of Coconut and Coconut based Industries have been established in this area. Coconut has developed close linkages with human beings when the socio – economic factors are taken into consideration and Products that are obtained from the Coconut tree is utilized for various purposes. The Coconut yield in Sri Lanka is in between 2500 to 2900 million nuts and 65% of the Coconut yield is utilized for local consumption as fresh Coconuts. Another 15% to 20% is used in the local Coconut Oil industry and the balance is utilized in the Coconut kernel based export Industry (Desiccated Coconut, Copra, Coconut milk, Coconut milk powder, Coconut Cream and export of Fresh Coconuts).

Approximately Rs. 48 billion had been earned by Sri Lanka as foreign exchange earnings in the year 2013 and the annual contribution from the Coconut and Coconut based Industries for the Gross Domestic Product is about 1.1%. Likewise, it is evident that an immense number of direct and indirect Employees are engaged in the Coconut and Coconut based industries.

Coconut has become a major food component of the daily diet of the Sri Lankans and 15% of Calorie requirement, 5% of Protein requirement and 70% of Lipid requirement of the diet is satisfied by the intake of Coconuts. 150 Coconut and Coconut based Products are manufactured locally and about 35 major products are exported annually to 125 Countries of the World.

The Ministry of Coconut Development and Janatha Estate Development was established as a separate Cabinet Ministry by His Excellency the President in the year 2010 for the advancement of the Coconut Cultivation and Coconut Industry and Hon. Jagath Pushpakumara, the Minister of Coconut Development and Janatha Estate Development is consistently making arrangements to open up new avenues for the improvement of the Coconut Industry through the new Ministry and the Coconut Development Authority is being directed by the Minister in order to achieve the National Objectives.

The Coconut yield of Sri Lanka in the year 2013 was 2513 million nuts owing to the unfavourable weather conditions prevailed in the year 2012 and the ability of increasing the export income earned from the Coconut Industry up to Rs. 48 billion which was a 3% growth achieved by the due maintenance of Coconut and Coconut based Industries amidst such unfavourable weather conditions was a specific victory achieved by the Coconut Industry.

An Island wide Programme on utilizing fresh Coconuts in Coconut kernel based Industries including the Desiccated Coconut Industry by saving them through minimizing the wastage of Coconuts that takes place in the household consumption and the process of the systematic collection and direction of waste Coconut shells and Coconut husks which are not been used at present for the respective Industries has been initiated by the Coconut Development Authority. Likewise, the required initiatives are being executed for future exportation activities by using brand names with the intention of safeguarding the identity of our Products in the process of exporting Coconut and Coconut based products. With the implementation of such initiatives, Sri Lanka will be able to export high quality Coconut products for the foreign market and Coconut Development is consistently functioning for safeguarding the goodwill of Sri Lanka that exists in the foreign markets and to expand the market share prevailing in the foreign markets for our Coconut products. The Authority has also adopted the process of participating in foreign exhibitions and fairs and the proper acceptance of foreign trade contracts and expanding the accessibility to new foreign markets through export diversification. The fundamental objective of the Authority is to double the income earned from exporting Coconut and Coconut based products obtained by the Coconut Industry within the next few years. I take this opportunity to thank Hon. Jagath Pushpakumara, the Minister of Coconut Development and Janatha Estate Development and Hon. Victor B. Anthony, the Deputy Minister and Mr. Nihal Somaweera, the Secretary to the Ministry who always guide me with the intention of accomplishing this Objective and the Staff of the Ministry and the Industrialists who engage in the manufacture of Coconut and Coconut based products and the Director General of the Coconut Development Authority, the Board of Directors including the Staff who assist me in various ways to accomplish the objectives.

My ambition is to make the Coconut Industry the largest contributor in the National Economy from among the other Plantation Industries by expanding the Coconut and Coconut based Products locally and internationally with the intention of providing a highly formalized service to the Coconut Industrialists.



**Aruna Gunawardene**  
**Chairman**  
**Coconut Development Authority**

## **Review of the Director General – 2013**

Coconut is a crop which has developed very close links with the life styles of the Sri Lankans and presently it has really become a ‘celestial tree in the heaven which gives every thing desired’ throughout the country. Coconut has achieved a competitive and a specific position even among Industrialists in connection with the household consumption and in connection with manufacture of different products for earning an immense proportions of foreign currency.

The Coconut Development Authority had performed a specific role also in the year 2013, the year under review, with the direction of the Hon. Jagath Pushpakumara, the Minister of Coconut Development and Janatha Estate Development and the Secretary to the Ministry having obtained the state sponsorship for the development of the Coconut Industry as a strongly and formally administered Industry based on the National Development Plan, ‘Kapruka Nawodawa’ for the duration of 2011- 2016. The Programmes such as the maintenance of ‘Kapruka Nimawum Piyasa’ under the Developmental Programme of ‘Kapruka Purawara’, a concept of the Hon. Jagath Pushpakumara, the Minister of Coconut Development and Janatha Estate Development, identification and maintenance of novel centres for collecting waste Coconut shells and Coconut husks and the creation of employment opportunities through training and developmental activities were comparatively significant among the other Programmes.

Likewise, technical training and awareness programmes were conducted for local Industrialists who are willing to engage in the field of exportation of Coconut and Coconut based Products with a view to exporting the Coconut Products in a formalized way and the Coconut Development Authority got the opportunity of participating in foreign exhibitions and the Authority sponsored the participation of some exporters in foreign exhibitions also in the year 2013. Further, I would like to mention that a growth of about 67% had been reported in the export of king Coconuts during the year under review owing to our ability of developing relationships with new buyers in 2013 than that of in the year 2012. The invaluable support extended by the Peoples’ Bank for the implementation of ‘Kapruka Nipayum Diriya’ loan scheme for the year 2013 as in the previous year and the cooperation provided by the Sri Lanka Standards Institution for the continuation of the Certification Programme of Good Manufacturing

Practices (GMP) is highly appreciated. Further, the viewers who watched the 'Isuru Dora', the series of Rupavahini documentary which was telecast with a view to popularizing the Coconut Industry in the year 2013 had made favourable responses in relation to the Programme and it is a pleasure to mention that new Entrepreneurs were also introduced into the Coconut Industry through this Programme.

Arrangements have been made to conduct the Coconut auction of the Coconut Development Authority through the internet using the novel technology in the year 2014 and I expect that it would be a novel turning point in the field of marketing. Various programmes are anticipated to be implemented in the year 2014 for minimizing the wastage that may take place in the household consumption of Coconuts and thereby it is further expected to utilize the saved Coconut yield of the industry in a larger extent and to achieve a considerable increase in the foreign currency that is being earned at present.

I would like to remember with gratitude the guidance provided by the Hon. Jagath Pushpakumara, the Minister of Coconut Development and Janatha Estate Development and the Secretary to the Ministry for the accomplishment of the tasks of the Coconut Development Authority during this year as well as in the preceding years. We firmly believe that we would be able to have a new renaissance in the Coconut Industry for uplifting the Local Coconut Industry in Sri Lanka as well as for improving the foreign marketing opportunities with the intention of conquering the Export Sector which is very competitive.



**M.P.N.M. Wickremasinghe**  
**Director General**  
**Coconut Development Authority**

## **Members of the Board of Directors from January to April 2013**

1. Mr. Sugath Handunge - Chairman
2. Mr. G. Nandasena
3. Mr. L.P.K.W. Weliwatte
4. Mr. Upali Hettige
5. Mr. Y.M.Jagath Manjula Yapa
6. Mr. Sanjeewa Dharmendra Coorey
7. Mr. R.S. Weeraman
8. Dr. H.P.M.Gunasena ( Member – Observation)
9. Mrs. S.M.Rajapakse (Representative of the General Treasury)
10. D.M.L. Bandaranayake (Representative of the Ministry)

## **Members of the Board of Directors**

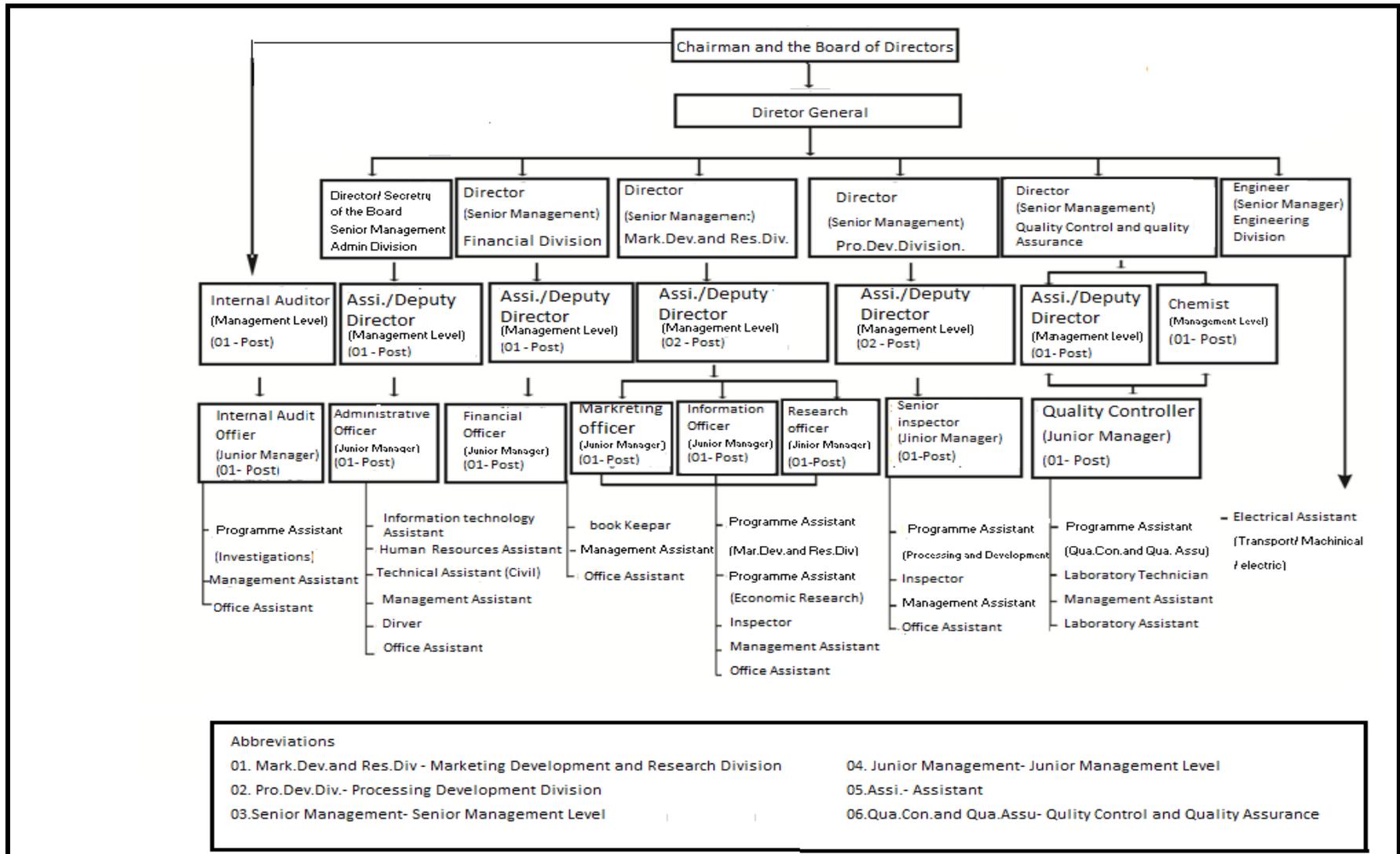
### **From September to December 2013**

1. Mr. Aruna Gunawardene - Chairman
2. Mr. G. Dananjaya Nandasiri
3. Ms. Dilrukshi Mahanama
4. Mr. E.S.D. Dayarathne
5. Mr. K.N. Gunasekera
6. Mr. A.M. Lalith Jeewananda
7. Mrs. A.P.M. de Alwis
8. Mr. N. Udayanga
9. Mr. Alex Nishantha
10. Mr. M.P. Hewawitharana (Representative of the General Treasury) – From October 2013
11. Mr. R. Semasinghe (Representative of the General Treasury) – From November 2013
12. Mr. N. Wanasinghe (Representative of the Ministry) – From October 2013

## The Chairman and the Heads of Divisions

1. Mr. Sugath Handunge - Chairman (up to 19.05.2013)  
Mr. Anura Gunawardhana - Chairman (from 22.08.2013)
2. Mrs.N.N.C.K.Bandara - Director General (up to 11.06.2013)  
Mr.M.P.N.M.Wickremasingha - Director General (from 08.11.2013)
3. Mr.A.T.Ranasinghe - Engineer
4. Mrs.S.S.Purasinghe - Directress (Quality Control and Quality Assurance)
5. Mr.R.J.A. Fonseka - Director (Marketing Development and Research)  
up to 27.04.2013  
  
Mr.A.S.Balasooriya - Director (Marketing Development and Research)  
From 14.11.2013
6. Mrs.S.S. Rajakaruna - Directress (Administration)/ Secretary of the Board  
of Directors
7. Mrs.M.P Sandya Kanthi - Directress (Finance)
8. Mr. W.L.W.K.Liyanage - Director/Acting-Processing Development (up to  
31.10.2013)  
  
Mr.R.J.A. Fonseka - Director - Processing Development (from  
01.11.2013)
9. Mr. W.M.T.S.Weerasooriya - Internal Auditor (from 21.03.2013)

## The Organizational Chart as at 31.12.2013



## **Highlights of the Year 2013**

- The entire export income earned from the Coconut Industry of Sri Lanka at the end of the year 2013 has been increased up to Rs. 48 Billion due to the promotion of value added Coconut based Products locally and internationally.
- A very valuable Programme along with a Practical Programme was conducted in six market stalls at “Sethsiripaya” for 3 days with the intention of creating awareness among the consumers on the minimization of wastages that occur in the household consumption of Coconuts. Thereby, the export income can be enhanced through the increase of Coconut Industrial Products with the minimization of wastages through making the Public familiarized on the use of Coconut Kernel based products.
- Taking initiatives that are required for designing the software for the implementation of the Coconut Auction through the Internet.
- Conduct of Coconut and Copra Auctions and Settlement of trade disputes that occur in such Auctions and intermediation in the process of arbitration.
- Exporters/ Manufactures were directed to participate in 02 foreign trade exhibitions and Coconut Development Authority participated in 17 local trade exhibitions in order to search for markets for the Coconut Kernel based Products and value added Coconut Coir based products.
- Provision of the contribution for the 37<sup>th</sup> International Fibre Conference of Inter Nations Team conducted in Sri Lanka.
- Collection and declaration of information on markets, exportation and importation and dissemination of such information to the relevant parties who require information.
- Launching the initiatives for the introduction of the use of brand names for Coconut based Products.
- Registration of Exporters, Coconut Estates, Merchants, Auctioneers and Brokers.
- Identification, making decisions and proposals, implementation and feeding back regarding Marketing Development and Research processes in relation to the advancement of Coconut Industrial Sector.
- Coconut Development Authority participated in the Conference conducted to mark the Golden Jubilee (50<sup>th</sup> Anniversary) of the Indian Coconut Board.

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# 1. Processing Development Division

Provision of the assistance, encouragement and awareness required in the identification of materials and Industries having the potential of developing Coconut based Industries, in registration and development of Coconut based Industries, in the provision of technical services for modernization and provision of guidance for the development of processing units, in designing and implementation of developmental programmes, minimizing the production cost through the introduction of appropriate technology, maintenance and uplifting the quality of products, development and modernization of Industries and provision of technology and financial assistance (loan facilities by state banks) required for the initiation of novel Industries, direction of Industrialists to manufacture value added / novel products, expansion of Industries and generation of employment opportunities, facilitation for the manufacture of products to meet the requirements of the markets, provision of technological knowhow required for uplifting the Cottage Industries based on Coconut and generation of self employment and granting the approval for quality assurance certification and issuance of them are the major functions performed by the Processing Development Division.

The functions executed as per the Action Plan of the year 2013 have been mentioned below.

- 1.1 Registration and supervision of Processing Units.
- 1.2 Issuance of Microbiological and Physical quality assurance certificates and encouraging the Manufacturing Institutions to adopt quality assurance activities.
- 1.3 Uplifting the productivity of Coconut and Coconut based local Industries through the adoption of 'Kapruka Nawodawa' strategies.
  - a) Maintenance and improvement of 'Kapruka Nimawum Piyasa' that has been established in an effective manner.
  - b) Introduction and implementation of Good Manufacturing Practices (GMP) for the Coconut based Industries with the objective of manufacturing quality products.

- c) Initiation of Coconut based Industries and the provision of required knowhow for the development of the existing Industries.
  - d) Collection of Coconut shells and Coconut husks and directing them for the Industry.
  - e) Implementation of ‘Kapruka Nipayum Diriya’ subsidized loan scheme.
- 1.4 Provision of the money in the Mills Development Fund for the developmental activities.
- 1.5 Minimization of wastages taken place in the household consumption of Coconut and introduction of novel products and creating awareness among all the stake holders on Coconut products.
- 1.6 Development of Industries through the introduction of the modern technology.
- 1.7 Contributory services through the Coir Research and Development Centre.
- 1.8 Contribution towards the promotion of Industries through the ‘Deyata Kirula’ and ‘Divineguma’ National Programmes.

## **1.1 Registration and Supervision of Processing Units**

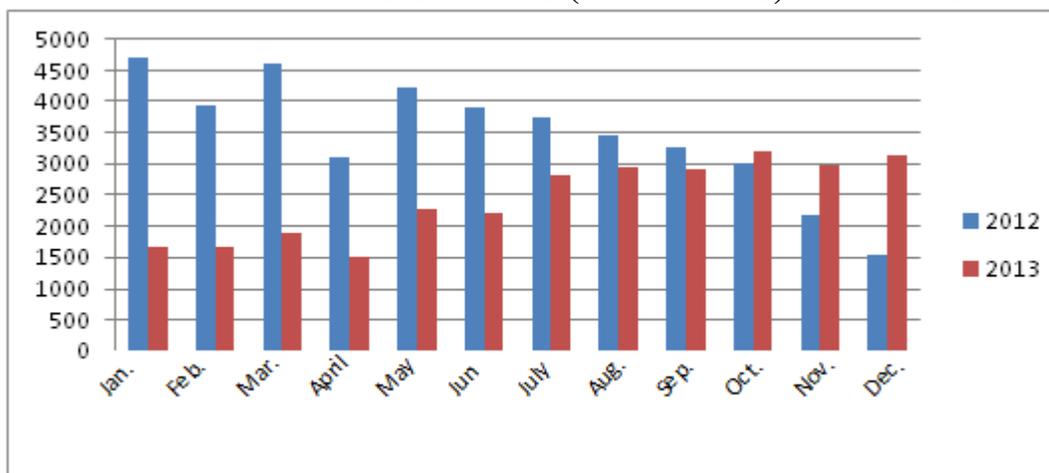
313 Industrial Institutions such as Desiccated Coconut, Partially Defatted Desiccated Coconut (PDDC), Coconut Milk and related products, Coconut Oil, Copra, Products related to Coconut Juice, Coir and Coir Fibre related Finished Products, Coconut Shell Charcoal, Active Carbon Products and Ornamental Handicrafts based on Coconut Shells have been registered in the Authority in the year 2013.

Product	No. of Manufacturing Institutions registered in the year 2012	No. of Manufacturing Institutions registered in the year 2013		
		Newly registered Institutions	previously registered Institutions	Total registered Institutions
Desiccated Coconut Products	51	-	45	45
Partially Defatted Desiccated Coconut	4	3	5	8
Coconut Milk Products	5	4	5	9
Coconut Oil Products	44	11	38	49
Copra Products	20	7	14	21
Virgin Coconut Oil	-	1	2	3
Coir Fibre Products	130	13	104	117
Finished Products based on Coir Fibres	35	10	38	48
Coconut Shell Charcoal Products	2	-	2	2
Active Carbon Products	7	-	7	7
Ornamental Handicraft Products based on Coconut shells	7		2	2
Coconut Juice related Products	2	-	2	2
<b>Total</b>	<b>307</b>	<b>49</b>	<b>264</b>	<b>313</b>

*Table No. 1- Manufacturing Institutions registered in the years 2012 and 2013.*

29,200,162 Metric tons of Desiccated Coconuts had been produced in the year and 45 Desiccated Coconut Mills had been utilized for the production. Specimens were obtained from the Products by the Processing Development Division and they were submitted for conducting Microbiological and Physical quality analysis and the factories were supervised.

## Production of Desiccated Coconuts (Metric Tons) – 2012 and 2013



10123 number of field visits, tests and collection of specimens were conducted at Manufacturing Industries of Coconut based products including Desiccated Coconut, Coconut Milk and related products, Copra, Coconut Oil, Coir Fibre and Finished Products based on Coir. 10 field visits had been conducted for the inspection of Shippers' Stores for the Microbiological and Physico Chemical quality assurance certification of Desiccated Coconut Products. Samples were taken again from among 307 Desiccated Coconut bags and the samples were sent to the Laboratory for analysis.

## 1.2 Issuing the Microbiological and Physical Quality Assurance Certificates.

- **Issuing Quality Assurance Certificates for Desiccated Coconuts.**

The Quality Assurance Certificates are issued on the results released subsequent to testing the samples that are collected by the Inspectors of the Authority from the daily production of all the Desiccated Coconut factories.

6512 daily samples/specimens and Microbiological, Physical and special specimens had been collected from 29,200,162 Metric Tons of Desiccated Coconuts manufactured in the year. 1,028 Quality Assurance Certificates had been issued for 10,554,135 Kg of Desiccated Coconuts.

Month	Issuing Quality Assurance Certificates				Total
	Salmone IIa	Physical quality	SO <sub>2</sub>	Aflatoxins	
January	30	30	3	2	65
February	28	28	7	5	68
March	36	36	4	4	80
April	31	31	2	2	66
May	38	38	4	4	84
June	26	26	7	6	65
July	35	35	7	6	83
August	45	45	3	3	96
September	45	45	3	3	96
October	60	60	3	3	126
November	51	51	3	3	108
December	41	41	4	5	91
<b>Total</b>	<b>466</b>	<b>466</b>	<b>50</b>	<b>46</b>	<b>1028</b>

*Table No. 2 – No. of Certificates issued in the year 2013.*

### • Issuing Analytical Certificates / Reports

As per the requests made by the buyers, Certificates / Reports were issued based on the results obtained from laboratory analysis of Partially Defatted Desiccated Coconuts (PDDC), Coconut Oil, Virgin Coconut Oil, Poonac, Coir Fibre and Coir Fibre Pith based products, Special specimens of Desiccated Coconuts, Heavy Metals, Total bacterial count in Desiccated Coconuts. 723 of Analytical Certificates / Reports were issued in the year. A detailed report has been given below.

<b>Items subjected to testing</b>	<b>Applications/ No. of samples obtained</b>	<b>No. Of Analytical Certificates / Reports issued</b>
Special specimens of Desiccated Coconuts	36	36
Partially Defatted Desiccated Coconuts	62	62
Products based on Coconut Shells	1	1
Coconut Oil	51	51
Virgin Coconut Oil	61	61
Coconut Milk / Coconut Milk Powder	9	9
Products based on Coir Fibre and Coir Fibre Pith	160	160
Poonac	4	4
Total bacterial count for Desiccated Coconuts	264	264
Heavy Metals in Water	75	75
<b>Total</b>	<b>723</b>	<b>723</b>

**Table No. 3 – No. of analytical certificates issued in the year 2013**

### **1.3 Uplifting of Coconut and Coconut Based Industries through the Strategies of ‘Kapruka Nawodawa’**

Various strategies were implemented with the intention of expanding the Coconut cultivation through out Sri Lanka with a target of achieving a maximum possible Coconut yield. The following Programmes were conducted in the year 2013 with the objective of implementing the functions such as the generation of Coconut and Coconut based Industries by utilizing the maximum harvest achieved, development of existing Industries, creating awareness among Entrepreneurs on the manufacture of value added products and providing assistance to initiate such industries, creating awareness among Entrepreneurs on the significance of manufacturing quality products and providing assistance to manufacture such products, assisting in the generation of Cottage Industries for uplifting the rural economy and creating awareness on the production of handicrafts and ornamental goods based on Coconut as a type of self employment.

- **Effective Maintenance and Improvement of the ‘Kapruka Nipayum Piyasa’ that had been Established.**

The establishment of Manufacturing Centres by identifying the areas where raw materials are found abundantly and by using raw materials such as Coconut based materials which have an economic value and which are removed as waste materials from the household consumption. Manufacture of the Coconut based Products for export purposes is done in these Centres by providing employment opportunities for the unemployed persons in the area. The Coconut Development Authority performs the activities in relation to vesting of buildings through the relevant Divisional Secretariats and provision of infrastructure facilities and developmental activities required for the manufacture of products. The details regarding the Manufacturing Centres operating at present have been mentioned below.



*Production activities at Manufacturing Centers are for the attention of the Honourable Minister.*

<b>Manufacturing Centres</b>	<b>No. of Employees engaged in manufacturing</b>	<b>Overall production in the year 2013</b>
• Kuligedara (Divulapitiya D.S.D.)	12	Thavashi Brushes (2 types – White Bristles and Brown Bristles) 156,700
• Waharaggoda (Beliatta D.S.D.)	10	Thavashi Brushes (Length of bristles is 34 mm) 77,761
• Mawathalanda (Godakawela D.S.D.)	22	Thavashi Brushes 153,900
• Nelliya (Ibbagamuwa D.S.D.)	90-105	Thavashi Brushes 541,944 (4 types 4-45Nu,40GTU,65GwetU,75GwetU)
• Pattiyawelagoda (Weeraketiya D.S.D.)	11	Rubber mixed Coir flower vases -413,550
• Nagahamada (Madulla D.S.D.)	7	Thavashi Brushes (Door mat type) 8,000
<b>Total</b>	<b>152-167</b>	

***Table No.4 - Information on the production at the Manufacturing Centres***

Further, Exhibition Stalls are being designed for marketing of Coconut and Coconut based products under the Pasikuda Watte Tourist Village Project which is belong to the Coconut Development Authority and arrangements are being made to construct a coir mill for manufacturing coir products.

- **Introduction and Implementation of Good Manufacturing Practices (GMP) for Coconut Based Industries with the Intention of Manufacturing Quality Products.**

The Coconut Development Authority has been functioning in collaboration with Sri Lanka Standards Institution from the year 2012 for the introduction and implementation of the Good Manufacturing Practices (GMP) within the Industrial Institutions which manufacture the appropriate Products for conquering the market

competition by maintaining the quality and the prescribed Standards of the Coconut based products. Accordingly, the progress in work achieved up to now has been mentioned below.

	<b>Product / Service</b>	<b>No. of applications received</b>	<b>1 Audit</b>	<b>11 Audit</b>	<b>No. of Certificates issued</b>
	DesiccatedCoconuts	47	40	30	26
2	Coconut Milk / Partially Defatted Desiccated Coconut	2	0	0	0
3	Coconut Oil / Copra	8	0	0	0
4	Coir Fibre/ Value added Coir Fibre Pith	11	1	1	0
	<b>Total</b>	<b>68</b>	<b>41</b>	<b>31</b>	<b>26</b>

*Table No. 5 - Introduction of GMP*

- **Initiation of Coconut Based Industries / Provision of the Technical Knowhow Required for the Development of the Existing Industries.**

The ‘Kapruka Societies have requested to provide them with the technical knowhow required for the manufacture of Coconut and Coconut based products and accordingly, the following Training Programmes were conducted based on such requests and considering the facts such as the abundance of raw materials in the area, the market demand for products and the marketability of products.



*Ekel Brooms and Brooms Training Programme conducted for the Detainees who are being rehabilitated at Vavuniya/ Welikanda Centres.*



*Training Programme conducted for the Detainees at Kuruwita Prison.*

<b>N o.</b>	<b>Training Programme</b>	<b>No. of Divisional Secretary's Divisions</b>	<b>No. of Training Programmes</b>	<b>No. of Beneficiaries</b>
1.	Production of Ekel brooms and brooms	28	30	838
2.	Production of Thavashi Brushes	15	16	437
3.	Production of Ornamental goods based on Ekels/Coconut leaves/Coconut shells	14	15	341
4.	Production of door mats	04	04	115
5.	Production of sweets	03	03	102
6.	Production of Coir yarn	03	03	69
7.	Products based on Coconut shell Charcoal	01	01	15
8.	Production of Coconut Oil	01	01	100
<b>Total</b>		<b>69</b>	<b>73</b>	<b>2017</b>

**Table No. 6 – Training Programmes**

- **Collection of Coconut Shells and Coir Husks and using Them in Industries.**

Arrangements were made to establish Collection Centres of Coconut shells and Coconut husks with the intention of using them in the Industries by identifying the Coconut based raw materials which are wasted without being utilized.

The number engaged in the collection of Coconut shells starting from the year 2012 up to the year 2013 was 74 and 30 persons of them engaged as new collectors of Coconut shells from the year 2013. Accordingly, 766,890 Kg of Coconut shells had been purchased from the Collecting Centres of Coconut shells and 132,555 Kg of Coconut shells and 164,535 Kg of Coconut shell charcoal had been produced for industries. 667,600 Kg of Coconut husks had been purchased from 14 Centres of collecting Coconut husks including 4 new Centres. 161,075 Kg of value added products were manufactured by using such Coconut husks.

- **Implementation of ‘Kapruka Nipayum Diriya’ subsidized Loan Scheme.**

The following action had been taken by the Coconut Development Authority in coordination with the People’s Bank to grant financial assistance subjected to a maximum of Rs. 2.0 Millions on the subsidized annual interest rate of 6% with the intention of assisting in financing the Capital required for the development/modernization and initiation of new Coconut and Coconut based Industries.

• **‘Kapruka Nipayum Diriya’ Bank Loan Scheme – 2013**

Month	Applications		Loans issued		Subsidized interests paid by the Authority	
	Received by the Authority	Directed to the Bank	No. of industries	Amount Rs.	No. of industries	Amount Rs.
January	23	17	08	6,350,000.00	-	-
February	23	15	08	6,500,000.00	-	-
March	22	05	08	5,725,000.00	-	-
April	07	28	10	9,575,000.00	-	-
May	11	31	05	5,500,000.00	15	100,015.75
June	07	08	06	3,850,000.00	-	-
July	34	11	07	5,200,000.00	-	-
August	19	18	09	9,050,000.00	-	-
September	27	12	09	4,840,000.00	-	-
October	17	24	10	8,500,000.00	20	524,974.56
November	19	12	08	6,750,000.00	-	-
December	07	09	06	7,070,000.00	01	94,055.11
<b>Total</b>	<b>216</b>	<b>190</b>	<b>94</b>	<b>78,910,000.00</b>	<b>36</b>	<b>719,045.42</b>

*Table No. 7 – ‘Kapruka Nipayum Diriya’*

## **1.4 Provision of Moneys of the Mills Development Fund for Developmental Activities.**

Industrialists were made aware on the quality certification through the Good Management Practices (GMP) for the improvement of Desiccated Coconut Industries and the ability of reimbursing the expenditure incurred for the development of Mills from the moneys of the Mills Development Fund.

Accordingly, an amount Rs. 5.418 million was paid to 6 Desiccated Mills which received the GMP Certification while an amount Rs. 2.683 million was paid to 2 Desiccated Mills in which Bio Fuel Boilers were installed.

## **1.5 Minimizing the Wastes that occur in the Household Consumption, Introduction of Novel Products and Making All the Parties Aware of Coconut Products.**

A series of a documentary on the theme of “Isuru Dora” with 15 episodes was produced and telecast in collaboration with Sri Lanka Rupavahini Corporation as a promotional programme for creating awareness among people on Coconut and Coconut based Industries, minimizing the waste that takes place in the household consumption, making Industrialists aware of the value addition that can be applied for Coconut and Coconut based products, creating awareness among people on “Kapruka Nawoda” Programme and for introducing strengths and investment opportunities that exist in the Coconut Industry.

## **1.6 Development of Industries Through the Introduction of New Technology.**

- A paper advertisement was published for identifying the Entrepreneurs who are willing to earn money through the production of Coconut shell charcoal in an environment friendly manner by the collection of Coconut shells which are being

wasted and more than 600 persons have responded the paper advertisement. More than 450 Entrepreneurs participated in the workshop conducted in that regard and 4 new technological methodologies of producing Coconut shell charcoal were introduced at the work shop. It was obvious that the participants were enthusiastic over the proceedings of the work shop.

Since it was obvious that the Entrepreneurs have a great interest regarding the technological methodologies, a field programme has been scheduled to be conducted at the beginning of the year 2014 to demonstrate the methodologies lively for the benefit of the entrepreneurs.

- Traditional ‘Petti Kuttama’ which is used to extract coir has mostly been adopted in the coir industry rather than using the other traditional methodologies that are generally practiced in the coir industry. The Authority aims at extending the improved and already identified ‘mechanical Petti Kuttama’, as its technology has proved to be appropriate for the extraction of coir. Accordingly, it has been planned to identify the Industrialists in the Districts of Hambantota, Ampara, Monaragala, Trincomalee and Batticaloa who are willing to adopt this technology. The future activities in this regard have been scheduled to be conducted in the year 2014.

## **1.7 Contributory Services Provided by the Coir Research and Development Institution.**

Arrangements were made to conduct researches on the process of soaking Coconut husks using salt mixed water in relation to research and developmental functions of the coir related Industries. Further, a work shop on the manufacture of Thavashi Brushes was conducted to the Employees of the ‘Nimavum Piyasa’. In addition, coir fibre was produced here and 44,883 Kg of coir fibre and 602,420 Kg of coir fibre pith were sold for an amount of Rs. 2.113 millions.

The Manager and one of the Employees (on contract basis) served in this place left the service at the beginning of the year and it had become a great hindrance for the accomplishment of the targetted functions. Eventhough a request had been made to appoint a permanent Staff for the Authority, approvals have not yet been granted to appoint the relevant Staff. However, the Coconut Research Institution which has been equipped with an adequate Staff for research activities has requested to assign the Coir Research and Development Centre situated in Dunkannawa to their Institution as per the instructions issued by the Ministry.

## **1.8 Contribution towards the Promotion of Industries in relation to ‘Deyata Kirula’ and ‘Divi Neguma’ National Programmes.**

- The Manufacturing processes of Coconut based products such as coir door mats production, Brat products, Coconut ekel based products, Coconut fibre necklace products, Coconut shell based products and ornamental products were demonstrated to people and they were made aware of the relevant Industries at the ‘Deyata Kirula’ National Exhibition conducted at the premises of Hardy Technical College, Ampara.

The Exhibition Stall which belonged to the Ministry of Coconut Development and Janatha Estate Development was able to get the First Place from among all the Exhibition Stalls at the premises of ‘Deyata Kirula’ National Exhibition and the Division provided the leadership to design the stall along with the contribution of the entire group of Industrialists.

The contribution of the Division was provided for the Mobile Programmes conducted in concurrence with the ‘Deyata Kirula’ National Exhibition scheduled to be conducted in Kuliypitiya Area in the following year. Solving the issues of the Coconut based Industrialists and further, they were made aware of the loan scheme, Good Manufacturing

Practices (GMP) and the services rendered by the Processing Development Division to the entire Coconut Industry.

111 Beneficiaries who are engaged in Coconut based Cottage Industries in the Districts of Kegalle, Galle, Badulla, Matale, Batticaloa and Jaffna under the Programme of 'Divineguma' National Programme have been identified for the provision of equipment and tools required for them and it has been scheduled to provide the relevant equipment to the beneficiaries who have successfully completed the training Programmes conducted in relation to the manufacture of Coconut Products in the year 2014.

## **2. 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 for the exportation through the implementation of Programmes on the activities of Quality Controlling, provision of testing facilities according to the requirements of various applicants, issuance of certificates subsequent to testing the Coconut based products before the products are marketed in the local markets and provision of consultancy services in order to maintain the Coconut based products in a higher Standard.

### **The Functions of the Division:-**

- **Testing of Desiccated Coconut Products which are for Export Purposes and Certification of Their Quality.**

The Desiccated Coconut Industry which is the prominent Coconut kernel based product industry in the Coconut manufacturing field is subjected to a proper and advanced quality controlling and the all the daily production of Desiccated Coconut products are tested daily at the Quality Control and Quality Assurance Division. These tests have been proved to be very useful in the issue of the quality Assurance Certificates for the products which are to be exported.

- **Conducting the Laboratory Testing Services under a Concessionary Charging System as a Service Rendered to the Coconut based Manufacturers, Exporters and Consumers.**

The Quality Control and Quality Assurance Division has been equipped with the facilities of conducting the Microbiological and Physico Chemical Tests as stipulated in the Standards issued by the Sri Lanka Standards Institution for the Coconut based Products and it consistently functions for conducting the accelerated testing services at a

concessionary charging system for the benefit of the Entrepreneurs engaged in the Coconut Industry.

- **Conducting of Microbiological and Physic Chemical Testing for the Enhancement of the Manufacturing Process of Desiccated Coconut.**

In addition to tests conducted at the Laboratory of the Authority, the Mobile Laboratory Services conduct Microbiological and Chemical tests in order to improve the manufacturing process and to maintain higher Standards in Coconut Products.

**In addition to that:**

- Provision of technical assistance to the factories where Coconut Products are manufactured and inspection of factories and provision of contribution through Consultancy services.
- Conduct of activities for obtaining accreditation in relation to the ISO 17025 Quality Assurance Certification for the Laboratories of Quality Control and Quality Assurance Division.
- Swab tests were conducted in factories where Coconut kernel based products are manufactured, in instances where Microbiological contaminations are reported and the provision of consultancy services subsequent to the examination of Laboratories.
- 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 Standards of Sri Lanka.
- While testing the quality of Coconut Oil products available in the local Market, providing the details regarding 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 and to provide services in Collaboration with the said Institutions to prevent the consumers from consuming the adulterated Coconut Oil.

- Conducting tests regarding Coconut based products when local and foreign complaints are lodged in relation to Coconut based products.
- Participating in Programmes and Exhibitions conducted with a view to providing awareness on the significance of Coconut based products.
- Continuation of testing Services for food products and other products.
- Conducting water analysis activities.
- Updating the Standards of Sri Lanka existing at present and implementation of Programmes in collaboration with Sri Lanka Standards Institution for the preparation of Standards for Coconut based products for which Standards have not yet been specified.
- 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 has acquired progresses in relation to the Action plan by implementing “Kapruka Novodawa”, the National Coconut Development Plan which has been introduced by the Ministry of Coconut Development and Janatha Estate Development. Manufacture of quality Coconut products in accordance with the said Plan and accordingly, testing of Coconut products has been conducted by the Quality Control and Quality Assurance Division anticipating a growth in local and foreign markets. Functions have been initiated for obtaining the accreditation in relation to the ISO 17025 quality Assurance Certification for Laboratories in order to provide this Service in a more standardized

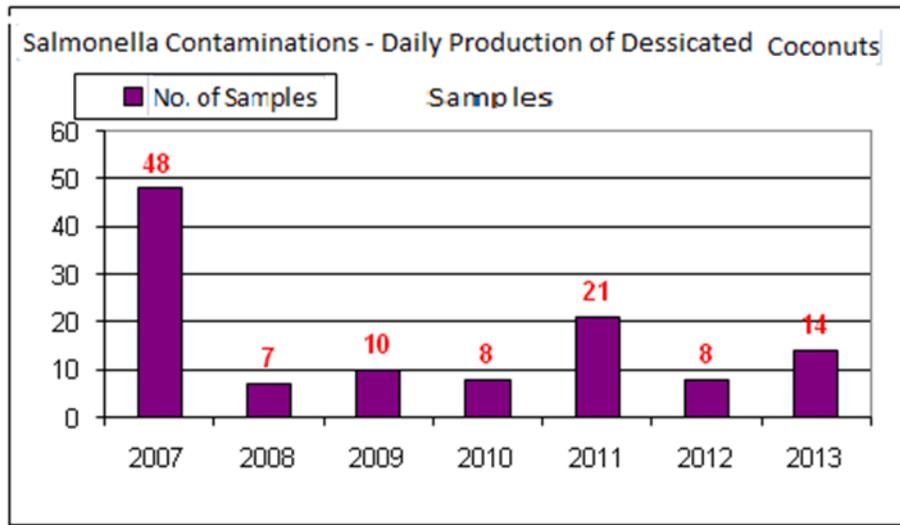
## **2.1 Certification of the Quality of Coconut Products Which are for the Exportation and for Local Consumption.**

### **(a) Conducting Microbiological Analysis for Coconut Products Prior to Exportation and Certification of Coconut Products.**

Desiccated Coconuts from among the Coconut kernel based products are mainly subjected to testings. Salmonella Tests for the daily production of the Desiccated Coconut Manufacturing Factories are conducted at the Microbiological Laboratory of the Quality Control and Quality Assurance Division. Accordingly, all the Desiccated Coconut Products exported are tested in the Laboratory of the Quality Control and Quality Assurance Division.

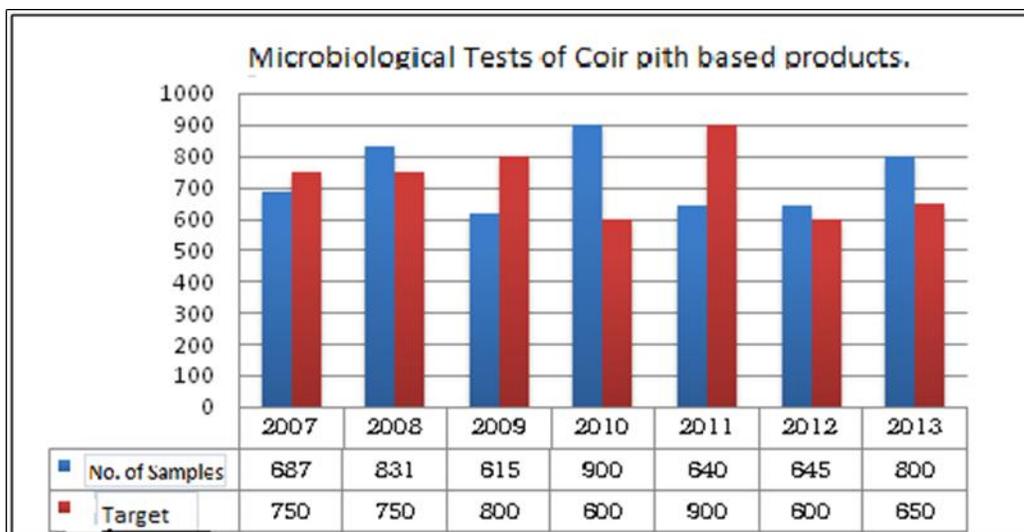
A target of 6500 specimens drawn from the daily production of Desiccated Coconut was set for the year 2013. 6498 specimens were tested and 100% progress has been achieved for these tests in the year 2013.

Salmonella Contaminations were reported in 08 specimens tested from among the Desiccated Coconut Products tested in the year 2012. The percentage of total Salmonella Contaminations was 0.08%. Salmonella Contaminations were reported in 09 specimens in the year 2013. The percentage of total Salmonella Contaminations was 0.14% in the year 2013.



Year	2007	2008	2009	2010	2011	2012	2013
Percentage of contaminations	0.50%	0.10%	0.12%	0.12%	0.2%	0.08%	0.14%

Coir Fiber Pith products takes the priority over the Non-kernel Products, in the analysis of Non - kernel Products prior to their exportation. 645 specimens had been tested in the year 2012 while 800 specimens had been tested in the year 2013. The progress of testing Coir Fiber Pith Products had been reported as 123% since more than the annual target set in the year 2013 had been undergone testing.

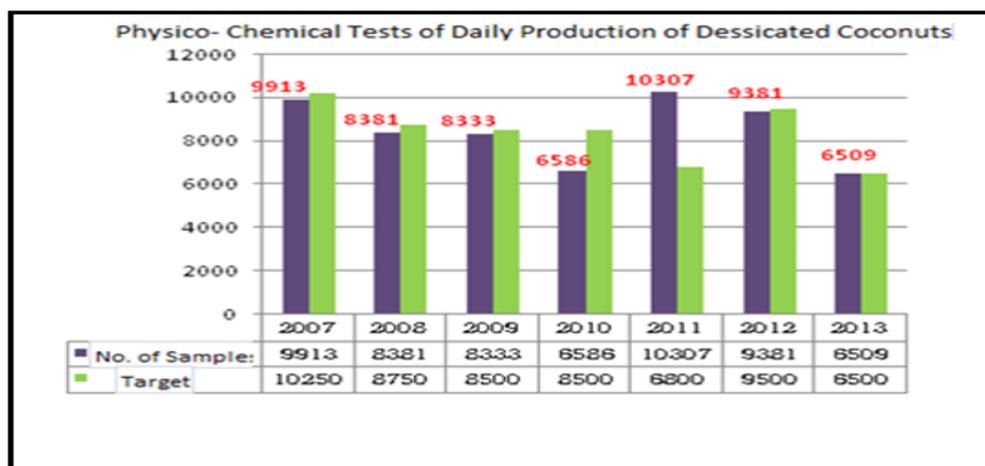


**(b) Conducting Physico Chemical Tests for Coconut Products before they are Exported and Certification of Them.**

Daily Desiccated Coconut specimens, Special Exportation tests, re-sampling of Desiccated Coconut, re-processed Desiccated Coconut specimens, Special daily specimens, sampling of old stocks are the specimens which had been analysed during the year.

**As Physical and Sensitive Tests.**

Tests for the colour of Desiccated Coconut, No. of Particles, Moisture, Taste, Smell, Parings, by products and oil content had been conducted as major tests. Accordingly, 9,381 and 6,509 specimens had been tested in the years 2012 and 2013 respectively. However, the progress in relation to the target set in the year 2013 was 100%.



180 specimens (1.9%) out of 9,381 Desiccated Coconut specimens tested in the year 2012 found to have some defects in the physical characters and Further, 254 specimens (3.9%) out of 6,509 specimens tested during the year 2013 found to have such defects. The prevalence of defects in physical characters has increased in the year 2013.

Marginal quality defects, the amount of Desiccated Coconut specimens within the maximum prescribed level, was 8.4% in the year 2013. This was 7.1% in the year 2012 and relatively higher marginal quality defects had been reported in the year 2013. If marginal defects occur for a product, production defects may occur and the product may not be in conformity with Standards. Therefore, reports are immediately issued for such specimens and action will be taken to inform the Manufacturers through the Processing Development Division for the rearrangement of the manufacturing process.

## **2.2 Maintenance of Testing Services for Coconut based Products.**

The Quality Control and Quality Assurance Division conducts the analysis of different Coconut Products of local Manufacturers as a service. Microbiological, Chemical, Physical and Sensitive tests are carried out under this service. The service is rendered at a reasonable price and reports are issued by testing parameters as per the requirement of the applicants.

The service of testing Coconut based products is provided to any category of Manufacturers of Coconut based products, Consumers, small, medium and large scale merchants and exporters.

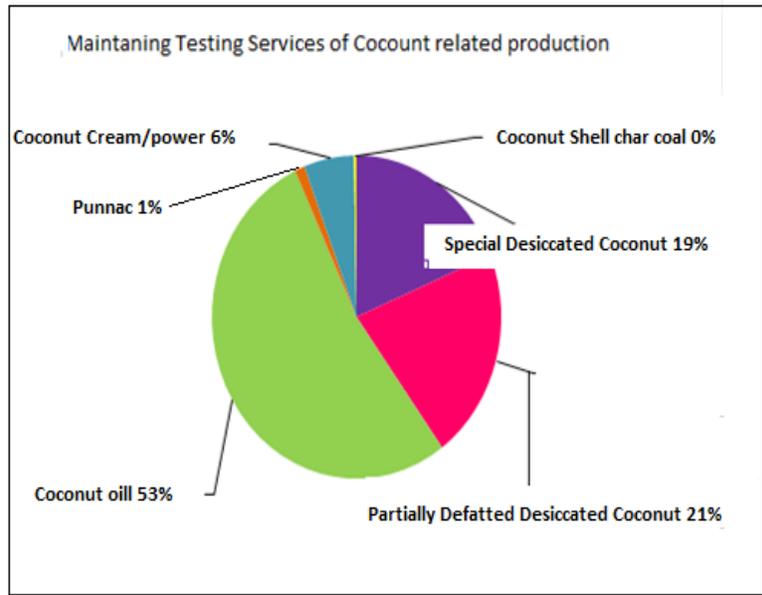
The Service of testing is carried out as tests for Desiccated Coconut on special requests of Exporters and for various Coconut based products such as Partially Defatted Desiccated Coconut, Copra, Coconut Fibers, Coconut Oil, Poonac, Coir Fibre Pith and other related products and Coconut Milk and products based on Coconut Milk to check whether they are in conformity with the Standards of Sri Lanka. Quality Control and Quality Assurance Division is equipped with the Sophisticated Laboratory equipment required for this purpose and results are immediately released by the Quality Control Division.

These tests are conducted and results are immediately released at a discounted Charge for the aforesaid categories registered in the Coconut Development Authority with the

intention of encouraging the Manufacturers to produce standardized Coconut related products and to have an understanding about the quality of Coconut based products subsequent to testing them and for encouraging the Exporters to produce higher quality Coconut products for foreign markets consistently safeguarding the Sri Lankan identity.

Coconut kernel products are mainly submitted for testing and 766 specimens had been tested in the year 2012.591 specimens had been analyzed as requested by applicants in the year 2013.02 Non Coconut products were analyzed and the total number of specimens analyzed was 593. The relative progress achieved for the targeted 550 specimens was 108%. Out of 591 specimens of Coconut Kernel related products in the year 2013, 233 specimens of Desiccated Coconut had been analyzed for Sulphurdioxide and aflatoxin. This was 42.6% out of the total specimens tested. The other tests have been mentioned below.

### **Maintenance of Testing Services of Coconut Based Products**



Year	Special Desiccated Coconuts (Specimens)	Poonac (Specimens)	Coconut Oil (Specimens)	Copra (Specimens)	Partially Defatted Desiccated Coconut (Specimens)	Fresh Coconuts	Coconut Cream/Coconut Powder	Coconut Shell Charcoal	Coconut food items	Non Coconut Specimens	Total No. of specimens (Specimens)
2012	82	33	86	15	95	01	02	--	02	14	330
2013	67	04	190	--	76	--	20	01	01	01	360

### **2.3 Functions for Obtaining Accreditation for ISO Quality Assurance Certification.**

Necessary arrangements have been made to obtain the accreditation in relation to ISO 17025 Quality Assurance Certification for the Laboratory in order to conduct tests accurately, regularly and systematically and to achieve the international recognition for tests carried out by the Quality Control and Quality Assurance Division of the Coconut Development Authority. Accordingly, Chemical Analytical Division of the Quality Control and Quality Assurance Division was able to obtain the accreditation in relation to the ISO 17025 Certificate which is awarded by the Sri Lanka Accreditation Board for the Coconut Oil testing methodologies.

Initial assessment activities for providing accreditation in relation to ISO 17025 for testing activities of the 2<sup>nd</sup> Surveillance for Coconut Oil and Salmonella, Total Plate Count, Yeast and Mould, Total Coli form Count, E-coli Count that are tested at the Microbiological Laboratory have been conducted by the Sri Lanka Accreditation Board in the year 2013. 100% of physical progress has been achieved for the year 2013.



**(a) Conducting Training Programmes.**

Training programmes required for conducting activities for obtaining accreditation in relation to the ISO Quality Assurance Certification initiated by the Administration Division and for testing the Coconut products which have been introduced currently under new projects have been provided to the Staff of the Laboratory and training programmes have been conducted for the Staffs of the other external Laboratories by the Quality control and Quality Assurance Division.

**Training Programmes Provided to the Staff of the Laboratory in the Quality Control and Quality Assurance Division.**

	Training Programme	No. of Employees participated
1.	Estimation of uncertainty (Testing Laboratories)	03
2.	Training on International Auditing of laboratory Management systems – Testing Laboratories (ISO 17025)	04
3.	Training programme on statistical process control (SPC) sampling techniques & inspection for ISO 9001 quality management system	02
4.	Certificate in Laboratory Technology	01
5.	Advance Certificate in Laboratory Technology	01
6.	Technician Training	02

**2.4. Securing the Quality of the Industries Manufacturing Coconut Products for Exportation.**

Conducting Microbiological and Physico Chemical tests for enhancing the process of manufacturing Desiccated Coconut, investigation of Factories and provision of contribution by consultancy activities are the functions performed for securing the quality of the Industries manufacturing Coconut Products for exportation.

The aforesaid Services are executed by using the Mobile Laboratory according to pre scheduled Programme Plan, covering all the Desiccated Coconut Mills within a period of one month in order to establish the fact that the Quality Assurance activities of the Desiccated Coconut Mills are properly maintained.

These tasks are being executed with a proper plan without hindering the daily testing activities of the Laboratory within the limitations of the existing Cadre and the limit of paying over time as approved by the Government. 419 and 405 field tests had been carried out in the year 2012 and 2013 respectively. The progress achieved in relation to the target of the year 2013 was 101%. 311 and 269 specimens had undergone Microbiological tests in the years 2012 and 2013 respectively for enhancing the quality of the Desiccated Coconut Products. The progress in relation to the target of the year 2013 was 90%.

Further, the water used in the manufacture of Desiccated Coconut was analyzed for Microbiological, Chemical and heavy metals in order to check whether the water is in conformity with the proper Standards. 196 specimens had been tested for Microbiological and chemical analysis. (Progress in relation to the target was 73%) and 83 specimens of water had been tested for heavy metal analysis. 581 tests had been carried out for 7 heavy metals for each specimen.

## **2.5. Uplifting the Coconut Oil Industry**

### **(a) Supervision of Market in relation to Adulterated Coconut Oil.**

Testing and surveying activities had been carried out by the Quality Control and Quality Assurance Division with the objective of safeguarding the healthfulness of the Coconut Oil as a food and the raw materials used in the manufacture of standardized Coconut Oil and to avoid adulteration of Coconut Oil at the point of marketing.

The Quality Control and Quality Assurance Division has contributed in the exercise of a certain level of control over the Sales Centres which are marketing adulterated Coconut Oil as Pure Coconut Oil by adopting legal procedures subsequent to forwarding the analytical results regarding the adulterated Coconut Oil to the Ministry of Health and Consumer Affairs Authority.

Conducting analysis subsequent to collecting the specimens of Coconut Oil available at markets in District wise covering the entire country to investigate whether they are adulterated Coconut Oil had also been continued in the year 2013 and the supervisory activities had been conducted systematically covering the entire set of small, medium and large scale Sales Centers. Likely, the Division had contributed in this task by functioning in collaboration with the Consumer Affairs Authority in the collection of specimens from the markets and such specimens of Coconut Oil had been tested and results had been forwarded to the Consumer Affairs Authority. 105 specimens were tested in the year 2013 and out of such specimens 51% were reported as adulterated Coconut Oil and 28% of such specimens tested in the year 2012 were found to be adulterated Coconut Oil. Accordingly, it was obvious that there was a high trend in adulterating Coconut Oil in the year 2013. This is quite unfavorable for the prevalence of the Coconut Oil Industry as well as for the health of the consumers. It had been reported according to results of the specimens tested that Coconut Oil which were not in conformity with the Standards could be found in Sales Centers even though such Coconut Oil were not being adulterated. Therefore, 33% of Coconut Oil had been reported as low quality Coconut Oil due to non conformity with the Standard of free fatty acids and 67% of Coconut Oil had been reported as low quality Coconut Oil due to non conformity with the Standard of the iodine value.

### **(b) Enhancement of the Quality of the Coconut Oil Industry**

Quality Controlling Programmes were executed in association with the Coconut Oil mills with a view to standardizing the manufacture of Coconut Oil. Accordingly, test results had been issued subsequent to collecting the specimens of Copra, Coconut Oil and Poonac respectively at the Coconut Oil mills for checking whether Copra, the raw material of the manufacture of Coconut Oil is in its proper Standard, whether Coconut Oil manufactured is in the proper Standard and whether Coconut Oil has been extracted efficiently. 124 samples of Coconut Oil, 82 samples of Copra and 101 samples of Poonac had been tested in the year 2013 and the progress of all of the said tests in relation to the

target had been reported as 100%. Accordingly, Coconut Oil Mills in the Districts of Galle, Matara, Puttalam, Kurunegala, Gampaha and Colombo had been investigated in this way and 73% of Coconut Oil, 52% of Copra and 85% of Poonac which were not in conformity with the Standards had been recorded. Arrangements had been made to notify the Manufacturers of Coconut based Products regarding the non conformity with Standards through the Processing Development Division.

### **Non-Conformity with the Standards of Sri Lanka**

Coconut Oil	Non conformity with Standards %	Sri Lankan Standard for Coconut Oil
Colour	29%	Minimum of 5
Iodine Value	18%	7.5 – 11.0
Amount of free fatty acids	18%	Maximum of 0.8

Copra	Non conformity with Standards %	Sri Lankan Standard for Copra
Amount of Oil	52%	minimum of 68%

Poonac	Not in conformity with standards %	Sri Lankan Standard for Poonac
Amount of Oil	85%	5.0 – 8.0 %

## Other Extra Activities

Participated in the “Deyata Kirula” Exhibition held in Ampara area in the year 2013 for making people aware of the contribution of Quality Control and Quality Assurance Division of the Coconut Development Authority in the fulfillment of the testing requirements predominantly in the Coconut Manufacturing Field and in the fulfillment of the other testing requirements. Further, Employees in the Division had participated for the Entrepreneurs engaged in the Active Carbon industry. Supervisory activities had been conducted for the Adulterated Coconut Oil available in Sales Centers located in Divisional Secretary’s Divisions covering the following Districts before the commencement of “Deyata Kirula” National Exhibition which is scheduled to be conducted in Kuliypitiya area in the year 2014.



<b>District</b>	<b>Divisional Secretary's Division</b>	<b>No. of specimens collected</b>
Puttalam	Wanathawilluwa, Karuwalagaswewa, Kalpitiya, Puttalam, Nawagaththegama, Mundalama, Anamaduwa, Mahathudukadawala, Pallama, Arachchikattuwa, Madampe, Mahawewa, Nattandiya, Wennappuwa and Dankotuwa	32
Kurunegala	Giribawa, Galgamuwa, Abanpola, Kotawehera, Mahawa, Polpitigama, Nikaweratiya, Pasnayakapura, Kobegane, Wariyapola, Ganewatta, Ibbagamuwa, Maspota, Paduwasnuwara, Bingiriya, Katupota, Bamunakotuwa, Ridigama, Kurunegala, Mallawapitiya, Kuliypitiya, Kuliypitiya-East, Kuliypitiya-West, Mawathagama, Ituwewa, Polgahawela, Narammala, Alawwa, Udubeddawa, Pannala	60
Kegalle	Rabukkana, Mawanella, Warakapola, Galgamuwa, Kegalle, Bulathkohupitiya, Aranayaka, Ruwanwella, Yatiyantota, Dehiovita, Deraniyagala	22

## **Financial Expenses**

Provisions are allocated under the Capital Development Fund for meeting Capital requirements (financial expenses) of the Quality Control and Quality Assurance Division. The money allocated are spent on the purchase of Laboratory Equipment necessary for the conduct of laboratory testing activities, modernization activities, repairs and for function so obtaining accreditation in relation to the ISO Quality certification. Rs.15 Million had been approved for the year 2013 and money allocated had been spent for the performance of the above functions.

Glassware required in the laboratory tests, Microbiological media, Chemicals are mainly purchased under the recurrent expenditure. Money allocated to the Division had been spent for the payment of salaries of the Employees and for other expenses.

### **3. Marketing Development and Research Division**

A predominant role had been played by the Marketing Development and Research Division, which is a major Division of the Coconut Development Authority also in the year 2013 for the advancement of the Coconut Industry. The requirements of traders who are engaged in the marketing of the Coconut and Coconut based products, the other related clients and consumers have been identified and a number of Programmes had been implemented in that regard and thereby, a special contribution was provided to increase the Gross Domestic Product of the Sri Lankan Economy.

Major functions performed by the Marketing and Research Division in the year 2013:

- Promotion of value added Coconut based products locally and internationally.
- Popularization of the utilization of environment friendly Coconut Based Products among local and foreign consumers and direction of people for the consumption of such products.
- Creating awareness among consumers on the minimization of wastages that occur in the household consumption of Coconuts and thereby familiarizing the people for the use of Coconut kernel based products in order to minimize wastages and a higher export income can be earned by increasing the products manufactured in the Coconut Industry.
- Making Exporters/ Manufacturers participated in national and international Trade Fairs and Exhibitions in order to find markets for products obtained from Coconut based Industries.
- Registration of exporters, Coconut estates, traders, auctioneers and brokers.
- Collection and declaration of information on markets, exportation and importation and provision of such information to relevant parties who require the information.
- Conduct of Coconut and Copra Auctions and settling trade disputes which arise at such Auctions and intervention in such trade disputes through mediation.
- Maintenance of market stall called as “Isurusala” and assisting in the encouragement of small, medium scale Manufacturers of Coconut based products and assisting in the promotion of their marketing activities.

- Identification of Market Development and Research activities in relation to the advancement of the Coconut Industry, decision making, making proposals, implementation and following them up.
- Launching the initiatives for introducing brand names for Coconut based products.

The export income earned from the entire Coconut Industry of Sri Lanka at the end of the year 2013 was Rs. 48 billion, due to the successful implementation of the aforesaid Programmes.

The Programmes implemented in the year 2013 by the Market Development and Research Division and the progress achieved from such programmes have been given below.

### **3.1 Creation of a Network of Manufacturers and Forward Buyers.**

#### **3.1.1 Registration of All the Persons Involved in Marketing of Coconut and Coconut based Finished Products and Coconut Estates.**

Exporters engage in exportation of products related to the Field of the Coconut Industry, Traders of Coconut and Copra, Auctioneers, Brokers and Coconut estates were registered under the Authority. This laid the foundation for establishing a proper coordination among the aforesaid Stakeholders.

**Registration activities were undertaken for the years 2012 and 2013 as mentioned below.**

	2013	2012
Exporters	548	566
Brokers	21	21
Traders	39	23
Coconut estates	178	122

### 3.1.2 Conducting Auctions on Coconut and Coconut based products.

#### 3.1.2.1 Colombo Auction of Fresh Coconuts

The Auction of fresh Coconuts initiated by the Coconut Development Authority in 1994 with the objective of offering a reasonable price for the Products of Coconut Cultivators was also conducted successfully in the year 2013 by the Marketing Development and Research Division and the progress of the Auction has been given below.

	No. of Fresh Coconuts		Average Price (Rs.) (for 1000 of fresh Coconuts)
	Amount Presented	Amount Sold	
2013	46,294,855	34,194,972	33,041.92
2012	86,987,442	46,123,219	22,897.10

Necessary arrangements are being made to implement the Auction of fresh Coconuts through the internet in the year 2014.

#### 3.1.2.2 Divisional Auction for Fresh Coconuts

Small and medium scale Coconut Cultivators have been able to get a reasonable price for their products subsequent to decentralizing the Auctions divisionally which had centralized only to Colombo. This divisional Coconut Auction was held in Kuliyaipitiya in 15 occasions and the progress of the Auction has been mentioned below.

	No. of Fresh Coconuts		Average Price (Rs.) (for 1000 fresh Coconuts)
	Amount Presented	Amount Sold	
2013	951,810	763,702	31,112.30
2012	1,937,821	1,259,515	22,532.13

### 3.1.2.3 Copra Auction

Amounts of Copra presented for the Copra Auction conducted weekly by the Marketing Development and Research Division have been indicated below.

	Amount Presented (kg)	Amount sold (kg)	General prices (Rs Kg 250 for candy)	
			Excellent No. 01	Excellent No. 02 and 03
2013	437,942	435,380	37,520	35,913
2012	601,664	563,144	29,557	28,407

A decline in the Coconut yield was recorded in the year 2013 when compared with that of in the year 2012 due to unfavorable weather conditions and a decline was also recorded in the quantities of fresh Coconuts and Copra presented for the Auctions. However, the Manufacturers were able to get a reasonable price at the Auction.

### 3.1.2.4 Activities Pertaining to Trade Disputes.

The occurrence of trade disputes at Coconut manufacturing, trading, exporting and auctioning is uncontrollable. The Marketing Development and Research Division had played a great role in settling such trade disputes and thereby the Division had provided an invaluable support for the advancement of the Coconut Industry.

### 3.1.3 Organization of Marketing Channels with the Participation of the Private Sector.

#### Local trade exhibitions.

The contribution of the Marketing Development and Research Division was provided by participation in the local trade exhibitions as mentioned below with the intention of popularizing the quality of Coconut based products among school students and the general public.



	<b>Name of the Exhibition</b>	<b>Venue</b>	<b>Organization</b>
1.	Piyamaga viskam	Dankotuwa Balika Vidyalaya	NW/ Chilaw/Ven/ Dankotuwa Vishaka Vidyalaya.
2.	Seethawaka Abiman	Padukka Piyarathana Vidyalaya	“Seethawaka Urumaya” Foundation
3.	Vidu Bima Adi Udana	Pannala National School	PastPupils Association
4.	Awurudu Pola	Vishaka Vidyalaya – Colombo	Old Girls’ Association
5	“Deyata Kirula” National Exhibition	Ampara	Ministry of Economic Development
6	Malidev Prathibha Prabha	Kurunegala	Maliyadeva Past Pupils
7	Jathika Govi Sathiya	Wariyapola	Department of Agriculture
8	Environmental Camp and exhibition	Welpalle	School Academic Staff
9	Dhakshina Krushi Navodya	Thellicjawila, Matara	Department of Agriculture
10	Agricultural Exhibition	Waddakachchi, Killinochchi	North Provincial Department of Agriculture
11	‘Agbis North’	Killinochchi	NationalAgricultural Board
12	Eastern Agricultural exhibition	Rahumaniya Vidyalaya,Eravur	Department of Agriculture
13	Harasara Educational Exhibition	Sri Dhammaloka Vidyalaya, Kelaniya	Junior Past Pupils’ Association
14	Industrial Educational and Trade exhibition	Kandy	Kandy Provincial Industries and Chamber of Commerce
15	“Nathale” Educational and Trade Exhibition.	Katuneriya	Past Pupils’ Association, St.SebastianCollege
16	Heads of Commonwealth Government Meeting	Folk Arts Centre, Battaramulla	Export Development Board
17	‘Madi Ashi Mela’	Bandaragama	PastPupils’ Assouiation of Bandaragama Central College

The Coconut Development Authority participated in the ‘Divineguma’ Exhibition organized by the Ministry of Economic Development with the intention of uplifting the Coconut based Industries in the areas such as Bingiriya, Malabe and Galawela.

The contribution of this Division was also provided for the “Kapruka Purawara” Programme organized at the Jaffna District by the Ministry of Coconut Development and Janatha Estate Development.

### **Foreign Trade Exhibitions.**

In every year, the Coconut Development Authority participates in the foreign trade exhibitions and Exporters are made participated in such trade exhibitions since it has become a special strategy for increasing the foreign currency earned from Coconut based products. The participation in international trade exhibitions may provide opportunities to get more foreign orders, to have an understanding about the competitive goods and to be aware of Standards of goods which are updated day by day. Another specialty here is to get opportunities to commence Partnership Enterprises with Sri Lankan Manufacturers. Therefore, it will be highly significant to participate in such international trade exhibitions to increase the interest of investors to invest in the manufacture of goods pertaining to the Coconut Industrial Sector especially when the environment of Sri Lanka is favorable for investments.

The Coconut Development Authority participated in the following International Trade Exhibitions in the year 2013.

1. Trade Exhibition, “IPM Essen” Conducted in Germany for landscape gardening-It was possible to find buyers at this Exhibition for Coconut based products such as Coir Fiber Pith



based products, which are value added Coir Fiber based products, Geo Textiles, Coir Flower Vases, Brushes and Cultivation bags. Long term benefits can be achieved through establishing direct relationships with the relevant buyers. 5 Exporters of the Coconut Development Authority participated in the Exhibition called as 'IPM ESSEN' under the sponsorship of the Authority and the value of orders confirmed for Sri Lanka was reported to be around Rs.11 Million.

2. "114<sup>th</sup> Canton Fair" Exhibition Conducted in China- 2 Industrialists who manufacture Coconut Kernel based products participated in this Exhibition under the sponsorship of the Coconut Development Board. It was able to find Buyers at this Exhibition for Coconut kernel based products such as Coconut Milk, Coconut Milk Powder, Coconut Water and King Coconuts.



3. The Coconut Development Authority participated in the Conference held in order to mark the 50<sup>th</sup> Anniversary of the Coconut Board of India.

4. 37<sup>th</sup> International Fiber Conference of Inter Governmental Team was splendidly conducted at the Jetwing Blue Hotel, Negambo from 04<sup>th</sup> to 07<sup>th</sup> November. A Series of discussions were conducted with the representatives of the countries which produce natural fibers who had participated in the Conference in order



to take Policy Decisions pertaining to production, processing and exportation of Natural Fibers. The significant issues discussed at the Conference were the researches that might assist in the utilization of higher Standards in the production of natural fibers and processing methodologies of natural fibers. The sponsorship for the Conference was provided by the Coconut Development Authority.

### **3.1.4 Facilitation and Controlling of the National and International Trade of Coconut and Coconut Based Products.**

Temporary permits for the exportation of Ornamental goods based on fresh Coconut, King Coconut and Coconut leaves had been issued for the relevant Exporters by the Marketing Development and Research Division in the year 2013.

Trade Orders regarding Coconut and Coconut based products received by the Authority from the other Foreign Institutions and Importers through the Web Site of the Authority were offered to Exporters/ Industrialists who had been registered in the Coconut Development Authority also in the year 2013.

### **3.1.5 Dissemination of Information on the Manufacture, Trade and Exportation of Coconut and Coconut based Products.**

The most crucial factor in the process of making trade decisions for all the stakeholders engage in the Coconut Industry is the provision of accurate information and analysis of such information. The information Service of the Marketing Development and Research Division had performed a specific role in the year 2013 as mentioned below.

- ✓ Receiving information on the manufacture of Coconut and Coconut based products and receiving data on the exportation and importation and dissemination of such information to related stake holders.
- ✓ Proper Collection of the relevant information and data on farm gate prices and dissemination of such information and data.
- ✓ Proper collection of data on household Coconut and Coconut Oil consumption and comparing the data.

- ✓ Assisting in the increase of export income through the introduction of modern Marketing systems.

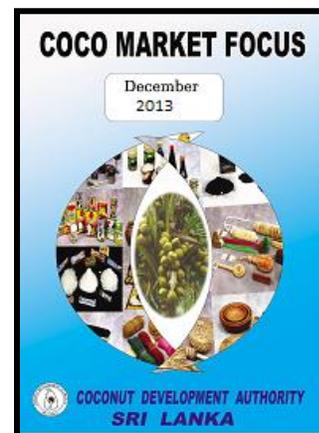
Systematic Collection, documentation and dissemination of information regarding the current and the anticipated Coconut and Coconut related products.

- ✓ Sri Lanka Customs
- ✓ Central Bank of Sri Lanka
- ✓ Export Development Board
- ✓ Census and Statistics Department
- ✓ Meteorological Department and other Public and Semi-governmental Institutions
- ✓ The role of consistent dissemination of specific information obtained from Pacific Coconut Community, Foreign Journals (Cocommunity, Oil World, UCAP and Indian Coconut Journal) to Sri Lankan Coconut Community had also been executed successfully by the Marketing Development and Research Division in the year 2013.

- ✓ 231 publications were issued in the English and Sinhala media on the local prices of Coconut and Coconut based products using daily Newspapers also in the year 2013.

- ✓ 48 publications of the weekly magazine, "Coco Market Focus" which was published by the Marketing Development and Research Division were issued also in the year 2013.

- ✓ 12 Publications of the Monthly Magazine, "Coco Market Focus" which contained analyzed data of the relevant Month of the previous year were compiled and published by the Marketing Development and Research Division in the year 2013, as per the requirement of the stakeholders engaged in the Coconut Industrial Sector.



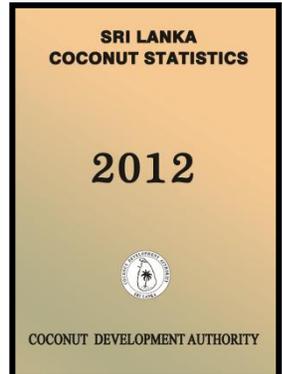
- ✓ The valuable Annual Publication, "Sri Lanka Coconut Statistics - 2012" had been compiled and published by the Marketing Development and Research Division also in the year 2013. Export volumes and prices of all the Coconut based goods exported from Sri Lanka, volumes and prices of Coconut Oil and the other Edible Oils imported to Sri

Lanka, International Coconut harvest and information on exportation and information on products and all the parties involved in the exportation are among data especially included in the Publication. This Publication is highly demanded in Sri Lanka as well as in Foreign Countries.

### **3.2 New Products, Value Addition, Introduction of Market Promotion and Increasing the Accessibility to Markets.**

#### **3.2.1 Conducting Market Surveys for the Identification of Local and International Utilization of Coconut and Coconut based Products.**

Surveys had been conducted on the following fields by the Marketing Development and Research Division in the year 2013.



- ✓ District wise Survey on prices of fresh Coconuts in the local market.
- ✓ Data on the Coconut based products.
- ✓ The variation in the production cost.
- ✓ The behavior of prices in the local Market
- ✓ Consumption of Coconut Oil and other Oil Substitutes.
- ✓ Use of value added substitutes for fresh Coconuts.
- ✓ Survey activities on the wastage of Coconut shells.
- ✓ Variation in the requirements of the consumers.

#### **It was anticipated to accomplish the Following Objectives through the Conduct of the Above Surveys.**

- ✓ Identification of Coconut based Manufactures scattered throughout the country.
- ✓ Collection of information on the manufacturing volume of the Coconut based Manufacturers.
- ✓ Coconut Kernel based products -obtaining information on manufacturing capacity of the Industries of Coconut Oil and Desiccated Coconut in particular.
- ✓ Collection of information on production cost per each Coconut based product and identification of their variations. Thereby, it is possible to understand the production patterns of the following year and it is also possible to have an idea about the fresh

Coconut requirement of the following year through the Collection of information on per capita fresh Coconut consumption.

- ✓ Identification of demand and supply trends prevails in the local Coconut Oil production and thereby designing appropriate Procedures and Policies to meet the local Coconut Oil requirement in the following year.

### 3.3 Introduction of Coconut Kernel based Novel Products for the Minimization of Wastages that occur in the Household Consumption of Coconuts.

- ✓ A very valuable three day Programme was implemented with the inclusion of a Practical Programme towith 6 market stalls at ‘Sethsiripaya’ for creating awareness among General Public on the use of Coconut Milk, Coconut Milk powder and Coconut Cream in order to minimize the wastages that occur in the household consumption of Coconuts.



- ✓ These products were offered free of charge particularly to house wives and the General Public in turn highly appreciated the Programme implemented with the sole objective of minimizing the wastages that occur in the household consumption of Coconuts. The Rupavahini Programme was also targeted for creating awareness among the General Public. It has been scheduled to implement another similar Programme in the year 2014.



- ✓ Hoardings were displayed with a view to promoting the manufacture of strategic Coconut Kernel based products to minimize the wastages that occur in the consumption of Coconuts.
- ✓ A market stall called as “Kapruka Isurusala” is being conducted by the Marketing Development and Research Division for encouraging the small and medium scale Industrialists to forward their products to markets. Many environmental friendly products were publicized through the “Kapruka Isurusala” for the benefit of Consumers also in the year 2013.



### 3.4 Enhance of awareness of nutritious and quality of medical characteries of coconut based products through media

- ✓ The Marketing Development and Research Division has achieved the ability of exchanging information and establishing relationships with Local and Foreign Institutions consistently through the Web Site designed and updated in the three languages and maintained by the Coconut Development Authority as an access to the modern technology.
- ✓ Standardization is a pre requisite for enhancing the exports and a fundamental Programme was also conducted in the year for making Coconut kernel based Exporters and Coir Exporters aware of the Good Manufacturing Practices (GMP).
- ✓ Series of initial discussion sessions were conducted during the year for emphasizing the requirement of using brand names in the exportation of the Coconut based products with a view to safeguarding the Sri Lankan Identity.

### 3.5 Promotion of King Coconut and Other “Kundira” Varieties for the Manufacture of Coconut Drinks based products to increase the Export of Immature Coconut Water.

Exportation of King Coconuts had been increased by 67% in the year 2013 when compared that of in the year 2012 due to the establishment of relationships with new buyers. Many Institutions who are willing to export Coconut water had already forwarded their Products to International Markets in the year 2013 and a comparatively higher demand for such Products can also be anticipated in the year 2014.

Promotional Services were also conducted in the year 2013 through audio video media with the objective of creating awareness among the Sri Lankans on the use of environment friendly Coconut and Coconut based Products.

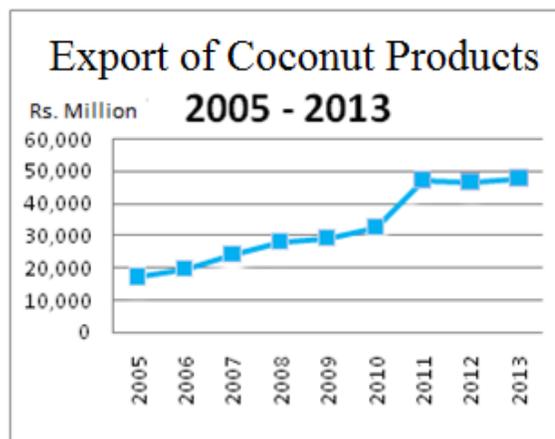
### 3.6 Associated Services for Marketing Development.

- ✓ Provision of Consultancy Services on Products / Markets and various other services.
- ✓ Extending cooperation to the Ministry of Coconut Industries and Janatha Estate Development for designing forecasts for products pertaining to the Coconut Industrial Sector.
- ✓ Provision of information on Local and International trade orders.

### 3.7 Export Earnings

#### Export of Coconut Products (2006-2013)

Year	Value (Rs.Millions)
2006	19,661
2007	24,096
2008	28,094
2009	29,081
2010	32,433
2011	47,306
2012	46,666
2013	47,952



An income of Rs. 48 billion had been earned by exporting Coconut and Coconut based Products in the year 2013 and it is an increase of 3% when compared with that of in the year 2012. The income earned by exporting Coconut Kernel based Products in the year 2013 was Rs. 17 billion. It is an increase of 4% when compared with that of in the year 2012. However, the export volume of Desiccated Coconut which had earned a higher level of foreign currency in the previous year had shown a 30% reduction in the year 2013. The basic reason for the reduction in the manufacture of the Desiccated Coconuts is the prevalence of higher prices for the locally available Coconuts as a result of the significant reduction in the Coconut yield owing to the unfavorable weather conditions.

An increase of 21% of active carbon exports could be identified when compared that of in the previous year. Export of Coconut Fiber as a raw material had reduced in the year 2013 when compared with that of in the year 2012. The intention of the Coconut

Development Authority is to encourage the Exporters to export value added Finished Products using Coconut Fiber and to acquire more foreign exchange earnings. The income earned in the year 2013 by exporting the Coconut Fiber based value added products was Rs.15.74 billion and the value earned in the year 2012 was Rs.14.85 billion and comparatively an increase of 6% could be achieved in the year 2013. However, the income earned by exporting the other Coconut based Products had increased by 45% in the year 2013 when compared that of in the year 2012.

## Export of Coconut Products - 2012/2013

### Comparative Statistics

Type of the Product	Volume (Metric Tons)			Value (Rs. Million)		
	2012	2013	% Difference	2012	2013	% Difference
<b>Coconut Kernel Products</b>						
1. Coconut Oil	854	1,720	101	284.18	797.77	181
Virgin Coconut Oil	1645	2,101	28	992.94	1,416.26	43
2. Desiccated Coconut	40,224	28,202	-30	8,625.57	7,658.87	-11
3. Copra	653	71	-89	90.49	13.60	-85
4. Fresh Coconut (1000 nuts)	19,150	21,456	12	986.69	1,239.88	26
5. Seed Coconut (nuts)	280	2,021	622	0.040	0.89	2,128
6. King Coconut (nuts)	341,560	570,215	67	13.48	42.65	216
7. Poonac	9,685	187	-98	303.45	30.50	-90
8. Coconut Cream	2,000	1,591	-20	655.49	528.09	-19
9. Coconut Milk	9,036	12,571	39	1,651.40	2,261.80	37
10. Coconut Milk Powder	4,641	4,702	1	2,558.92	2,817.53	10
11. Defatted Coconut	3,116	3,619	16	525.72	573.18	9
<b>Sab Total – Coconut kernel products (1000 nuts)</b>				<b>16,688.37</b>	<b>17,381.02</b>	<b>4</b>
<b>Fibre products</b>						
12 Mattress Fibre	57,924	53,142	-8	2,566.22	2,160.59	-16
13 Bristle Fibre	8,160	10,251	26	637.20	606.37	-5
14 Twisted Fibre	45,119	41,406	-8	2,372.18	2,007.63	-15
<b>Sub Total - Products</b>	<b>111,203</b>	<b>104,799</b>	<b>-6</b>	<b>5,575.60</b>	<b>4,774.59</b>	<b>-14</b>
<b>Coconut shell products</b>						
15Coconut shell Charcoal	6,919	6,359	-8	475.04	430.31	-9
16Coconut shell and Coconut shell powder	698	438	-37	34.76	22.98	-34
17Coconut shell – active carbon	30,271	36,629	21	8,759.17	9,198.61	5
<b>Sub Total Products- good</b>	<b>37,888</b>	<b>43,426</b>	<b>15</b>		<b>9,651.90</b>	<b>4</b>
<b>Finished products (Coir Fibre)</b>						
18 Coir yarns	1,025	2,002	95	127.56	181.92	43
19 Coir twines	7,148	5,728	-20	1,037.33	717.09	-31

20 Thawashi brushes (No)	26,312,793	28,204,993	7	558.56	587.81	5
21 Ekel brooms and brushes (No)	19,957,696	21,298,535	7	2,174.05	2,451.68	13
(Except Thawashi brushes)	4,178,312	7,578,408	81	296.62	285.75	-4
22 Rubber mixed Coir Pads and bed mattresses- (No)	39,773	568,759	-	627.47	688.38	10
23 Coir yarn, Mats and Carpets	15,663	11,017	-30	11.46	10.52	-8
- Square metres	133,494	143,911	8	5,248.98	5,931.56	13
- Number	14,848	11,815	-20	869.02	701.92	-19
24 Coir twines	2,536	3,362	33	385.43	482.55	25
25 Coir Fibre Pith	66,151	58,136	-12	3,517.04	3,698.04	5
26 Coir Husk						
27 Geo Textiles						
28 Coir products used in gardening						
<b>Sub Total Coir based products</b>				<b>14,853.52</b>	<b>15,737.22</b>	<b>6</b>
<b>Other products</b>						
29 Coconut arrack (litres)	36,775	17,071	-54	17.48	8.59	-51
30 Coconut Vinegar (litres)	26,044	24,007	-8	2.77	3.69	33
31 Coconut ekels (M.T.)	10,944	8,375	-23	248.16	188.99	-24
32 Fatty Acids (M.T.)	90	2,447	-	11.63	205.75	-
33 Coconut (M.T.)	-	0.086	-	-	0.25	-
<b>Sub Total (Other products)</b>				<b>280.04</b>	<b>407.27</b>	<b>45</b>
<b>Total Export income</b>				<b>46,666.50</b>	<b>47,952.00</b>	<b>3</b>

Source—Sri Lanka Customs

## **4. Administration Division**

The key objective of the Administration Division is to provide auxiliary services and to facilitate the Developmental Divisions of the Authority, all the establishment activities in relation to proper conduct and the promotion of the Authority, Human Resources Development and direction of the Administrative functions and thereby providing assistance to the other operational Divisions of the Authority in the performance of their role and functioning towards the development of the entire Organization.

### **4.1 The Cadre of the Authority**

The approved Cadre for the year 2013 was 166. The Staff existed as at 31.12.2013 was 133. The Cadre was consisted 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

### **4.2 Human Resources Development Programmes.**

The Human Resources were developed also in the year 2013 by the Administration Division in a way that it could be used more productively and more efficiently for the accomplishment of the Mission and the Objectives of the Authority. The objective of providing training courses and higher educational activities to the Employees of the Authority is to improve the knowledge regarding the Employment, to provide knowledge

in the modern technology, to improve skills and abilities and thereby improving and developing the Human Resources of the Authority as a whole. The money incurred for the training and development activities of the Staff can be considered as a future investment and training requirements are identified and relevant training programmes are offered to the Employees accordingly.

Arrangements have been made to direct the Employees of the Authority participated in Courses and Seminars / Workshops which cover the following subject areas during the year.

#### **4.2.1 Training Programmes / Work Shops / Seminars**

- Provision of the financial sponsorship for following the Human Resources Management Diploma conducted by the National Institute of Business Management.
- To direct the Employees of the Authority participated in the Programme in relation to the Sri Lanka Financial Reporting Standards of the Institute of Government Accounts and Finance.
- To direct the Officers of the Accounts Division and Internal Audit Division of the Authority participated in the Awareness Programme in relation to the method of minimizing the Audit Queries and the improvement of the Public Accountability organized by the Institute of Government Accounts and Finance.
- Organization of a Productivity Development Training Work Shop for all the Staff Members of the Authority by inviting a Resource Person of the National Productivity Secretariat.

- To make the Officers of the Accounts Division and Internal Audit Division of the Authority participated in the Awareness Programme in relation to the Accountancy Standards of the Public Sector organized by the Institute of Government Accounts and Finance.
- The Engineer of the Authority participated in the work shop regarding the G.P.S. and Satellite Information organized by the Arthur C. Clarke Institute for Modern Technologies.
- The Officers of the Administration and Internal Audit Divisions of the Authority participated in the Training Programme on the Salary Management and Salary Conversions organized by the Institute of Government Accounts and Finance.
- The Officers of the Laboratory of the Authority participated in the Work shop on Statistical Process Control (SPC) Sampling Techniques and inspection for ISO 9001 Quality Management System conducted by the Sri Lanka Standards Institution.
- The Officers of the Supplies Division participated in the one day Work shop on Proper Organization and Systematic Purchasing conducted by the Institute for Construction Training and Development.
- Officers participated in a Work shop on Archives Management conducted by the Institute of Government Accounts and Finance.
- One Officer of the Administration Division of the Authority participated in Two day Training Work shop on Office Management and Office Procedures.
- The Acting Administrative Officer of the Administration Division participated in a Work shop on Management Training Work Shop scheduled to be conducted for the Administrative Officers of the Public Service.

- The Engineer of the Authority participated in a Work shop on Efficiency of Power and Energy conducted by the National Productivity Secretariat.

In addition, the Administration Division had provided its cooperation to other operational Divisions in the accomplishment of their roles as mentioned below.

- ✚ Recruitment to vacant posts existed in the approved Cadre of the Authority and conducting all the activities related to the Administration of the Cadre starting from the recruitment of Officers to Posts up to the retirement of the Employees.
- ✚ Maintenance of the Assets Documents in relation to the fixed assets of the Authority and performance of all the functions related to the annual verification of stocks.
- ✚ In addition to all the local purchases, conducting all the functions in relation to the importation of laboratory equipment and chemicals required for the Primary Laboratories such as Microbiological Analysis Division, Chemical Analysis Division and Sensory Laboratories and Quality Control Units such as Media Preparation Unit, Sensory Equipment Division and Washing Unit which are the affiliated Divisions established in the Quality Control and Quality Assurance Division.
- ✚ In the importation of chemicals and chemical equipment required for the Laboratory for the stipulation and maintenance of the Qualitative Standards of Coconut Products exported from Sri Lanka, invitation of quotations in that regard, preparation of documents of Technical Committees and Procurement Boards, obtaining respective approvals, preparation of documents pertaining to orders and Bank drafts, obtaining import permits and clearance of goods / materials through the expansion of the Quality Control Division.
- ✚ Execution of all the procedures required for the disciplinary control of the Authority in 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.

### 4.3 Welfare Activities

Action has been taken to offer the following Welfare facilities and financial assistance to the Employees of the Authority also in the year 2013 as they were offered to the Employees of the Authority in the previous years.

- Loan facilities, railway season tickets and medical insurance scheme covering all the Employees and their family Members.
- Individual Accident Insurance Cover for all the Employees who have been assigned duties outside the Office premises and Labour Compensation Insurance Policy Cover for the other Employees of the Authority.
- Provision of a cup of tea to Employees during the working hours of working days.
- Annual Educational tours and Sports activities organized by the Welfare Society.
- Maintenance of a Retail Stall by the Welfare Society to allow the Employees to purchase consumer goods at reasonable prices.
- Provision of transport facilities for Employees on working days from Colombo Fort / Maradana and Wellawatte railway Stations and kohuwala Junction to attend the Office and to return to the same destinations when leaving the Office.
- Making arrangements to provide annual concessionary railway warrents.
- Provision of gift vouchers to purchase school books for school children of the Members of the Staff.
- Provision of gift vouchers for the Employees to celebrate the Sinhala and Tamil New Year.

## **5. Finance Division**

The Finance Division of the Coconut Development Authority is responsible for the provision of financial facilities required by the 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. Performance of functions such as the maintenance of the Financial Reports including the preparation of Financial Reports and Progress Reports from time to time have also been assigned to the Finance Division and it also functions as the Custodian of the funds of the Coconut Development Authority including the Management of Investments.

The maintenance of records and controlling of the total income amounting to Rs. 216 million including Rs. 82.0 million received as Government grants for the year 2013 and the maintenance of records and controlling of the total assets of Rs. 993 million were the responsibilities of the Finance Division. It also provides the financial facilities for the functions required for the achievement of the Performance of each and every Division of the Authority.

### **5.1 General Operational Functions of the Authority**

- Recurrent expenditure of Rs. 105.3 million and the Capital Expenditure of Rs. 64.04 million have been incurred as expenses for general operational functions.
- Various Financial reports as well as monthly, tri-monthly, half yearly and annual reports are prepared for Management requirements.

## 5.2 Capital Development Programmes

The income earned from the Cess Tax which existed as a direct income of the Coconut Development Authority has been declared as a income of the Government with effect from 01.01.2007 through the Treasury Circular No. FP/06/77/07/04 dated 24.04.2007.

Capital Development / Capital Programme of the year 2013 Total grants / income of the Government - Rs. 71.75 million.

**The Finance Division of the Authority had been able to finalize the following activities also in the year 2013 :**

- Management of Funds and the provision of financial reports on the Development and Research Projects.
- Crediting the Cess Receipts monthly for Individual Accounts of Security Deposits which are maintained in favour of the Desiccated Coconut Millers of the Mills Development Fund.
- Assisting in collaboration with the People's Bank to implement the 'Kapruka Nipayum Diriya' Loan Scheme in order to provide financial facilities to entrepreneurs who engage in the Coconut Industry.
- Proper Management of money in the Employees Provident Fund of the Coconut Development Authority, making arrangements to pay loans to the Members of the Employees Provident Fund and releasing the contributory money on the request made by the Employees who have exceeded the age level of 55 years subjected to the limit of 75%.
- Funds have been invested in Treasury Bills and in Bonds with a proper management. Moneys of Mills Development Fund are maintained with a proper management in

individual savings accounts of the National Savings Bank in favour of each miller.  
 The balances of the Funds at the end of the year is as follows (approximately).

a)	Capital Development Fund	-	9.5
b)	Mills Development Fund	-	76.6
c)	Coconut Oil Stabilizing Fund	-	210.2
d)	General Operational Activities	-	34.7
e)	N.R.I. Fund	-	0.1
			<b><u>331.1</u></b>
f)	Employees Provident Fund (Since this is a Private Provident Fund, the Employees Provident Fund Account is maintained separately.)	-	33.0

The Finance Division has performed its responsibility by preparing and submitting the Annual Estimates, Annual Accounts and the other statistical information to the Board of Directors, the Ministry, General Treasury, Auditor General's Department and the other relevant institutions within the prescribed time periods.

**The Statutory Report and the Annual Accounts regarding the Financial  
Statements of the Coconut Development Authority for the Financial Year  
Ended on the 31<sup>st</sup> of December 2013**

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It is required to prepare the Financial Statements and the Annual Accounts as indicated below by the Coconut Development Authority established in terms of the Coconut Development Act No. 46 of 1971 and with the inclusion of Regulations made thereafter as the amendments to the Act. In terms of the Section 41 of the Said Act and in a manner determined by the Minister with the inclusion of certain information, the Board and the Authority shall maintain Accounts of the proper Income and Expenditure and all the other transactions that should be maintained by them respectively for each Financial Year and they shall prepare Annual Accounts Statements and Statistics in relation to their activities.

In addition to the Provisions stipulated in the Section 41 of the Act, it is required to prepare and present the Annual Accounts Statements of the Authority in terms of the Provisions of the Monetary Act No. 38 of 1971 and as per the Directions issued by the General Treasury.

In terms of the Public Finance Circular No. PF/PE/21 dated 24/05/2002 of the General Treasury and in terms of the Directions issued substantially, it is required to prepare and submit the Draft of the Final Annual Accounts Statements within 60 days subsequent to the completion of the financial year. Annual Accounts which are for the year ended on the 31<sup>st</sup> of December 2013 should be prepared and submitted to the Auditor General in the month of February 2014 or before that.

Accordingly, the Annual Accounts and Financial Statements of the Capital Development Fund, Price Stabilizing Scheme for the Coconut Oil Fund, Mills Development Fund and N.R.I. Fund were prepared and submitted on 28.02.2014.

Necessary disclosures on the assets and liabilities as well as incomes and expenditures for the year 2013 have been done in the financial statements. The highly significant facts mentioned in the Accounts have been indicated in notes when and where appropriate.

The Financial Statements for the year 2013 have been prepared in conformity with the General Standard Accounting Principles, Policies, Practices, Assumptions and the Sri Lankan Accounting Standards. In addition to certain changes that have been substantiated using separate notes, Accounting Policies and methods of calculation are in conformity with the Accounting Policies and methods of calculation adopted in the previous year. Any incident occurred after the balance sheet date and that should be revealed have not been included.

The Board of Directors and the Authority bear the responsibility of preparation and submission of these Financial Statements.

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Chairman– approved and signed for the Board of Directors of the Coconut Development Authority.

Coconut Development Authority.

28.02.2014.

## COCONUT DEVELOPMENT AUTHORITY

### Statement of Consolidated Financial Position (Summarised) as at 31.12.2013

	AS AT 31.12.2013 Rs.	AS AT 31.12.2012 Rs.
<b>ASSETS</b>		
<i>Total Non Current Assets</i>	516,385,188	521,187,353
<i>Current Assets</i>		
Inventories / Stock	7,992,888	6,841,903
Trade and Other receivable	461,340,446	424,228,679
Prepayments	2,313,470	2,649,772
Cash and Cash equivalents	2,764,870	11,140,032
<b>Total Current Assets</b>	<b>474,411,675</b>	<b>444,860,387</b>
<b>Total Assets</b>	<b>990,796,862</b>	<b>966,047,740</b>
<i>Non-Current Liabilities</i>		
Provision for Gratuity	(28,444,925)	(26,982,471)
<i>Current Liabilities</i>		
Payables	(9,241,497)	(19,162,347)
Accrued Expenses	(2,613,724)	(1,733,216)
	<b>(11,855,221)</b>	<b>(20,895,563)</b>
	<b>950,496,716</b>	<b>918,169,706</b>
<i>Equity and Liabilities</i>		
Capital Reserves	448,790,777	448,790,777
Government Grant	129,758,182	160,543,190
Grant from Capital Development Fund	77,652,767	77,652,767
Accumulated Fund	294,294,989	231,182,971
<b>Total Equity and Liabilities</b>	<b>950,496,716</b>	<b>918,169,706</b>
.....	.....	.....
DIRECTOR (FINANCE)	CHAIRMAN	
COCONUT DEVELOPMENT AUTHORITY	COCONUT DEVELOPMENT AUTHORITY	
28-02-2014		

<b>COCONUT DEVELOPMENT AUTHORITY</b>			
<b>Statement of Consolidated Financial Position as at 31.12.2013</b>			
	<i>Note No.</i>	As at 31.12.2013 <u>RS.</u>	As at 31.12.2012 <u>RS.</u>
<b>FIXED ASSETS</b>			
<i>Non Current Assets</i>	<b>1</b>	669,828,784	658,684,103
LESS : Accumulated Depreciation		(153,443,596)	(137,496,750)
		<b>516,385,188</b>	<b>521,187,353</b>
<b>CURRENT ASSETS</b>			
<i>Inventories / Stocks</i>	<b>2</b>	7,992,888	6,841,903
		<b>7,992,888</b>	<b>6,841,903</b>
<i>Trade &amp; Other Receivables</i>			
Lady Lochore Loan Fund	<b>3</b>	1,646,172	1,601,595
Sundry Debtors	<b>4</b>	37,433,659	34,631,540
Provision for Doubtful Debtors		(24,069,654)	(20,058,045)
Staff Debtors	<b>5</b>	13,873,252	12,894,450
Advance payment to CMC		4,750,000	4,750,000
Loans	<b>6</b>	59,715,037	59,715,037
Loan Granted - Kapruka Nipayum Diriya	<b>7</b>	30,735,445	2,490,000
Sundry Advance	<b>8</b>	50,950	25,135
Purchasing Advance ( LC opened)		3,607,428	-
Advance given to kapruka loan scheme		1,000,000	-
Sundry Deposits		621,693	653,853
Bank Deposits		230,055,008	109,360,838
Treasury Bills	<b>10</b>	101,200,718	218,164,276
		<b>460,619,707</b>	<b>424,228,679</b>
<i>Prepayments</i>	<b>11</b>	2,313,470	2,649,772
<i>Cash &amp; Cash Equivalent</i>			
Cash Deposit - Dunkannawa		16,403	35,399
Cash at Bank		2,723,081	11,071,632
Stamp postage imprest		407	407
Stamp Franking Machine		24,979	32,594
		<b>2,764,870</b>	<b>11,140,032</b>
Inter Current Account Balance		2,861,501	1,732,122
		<b>992,937,624</b>	<b>967,779,862</b>
<b>NON CURRENT LIABILITIES</b>			
Provision for Gratuities		(28,444,925)	(26,982,471)
<b>CURRENT LIABILITIES</b>			
<i>Payables</i>			
Sundry Creditors	<b>12</b>	(6,029,600)	(10,251,528)
Refundable Deposits	<b>13</b>	(2,058,254)	(1,817,601)
Receipts in Advance	<b>14</b>	(1,153,643)	(7,093,218)
Advance given kapruka loan		(1,000,000)	-
		<b>(9,241,497)</b>	<b>(19,162,347)</b>
Accrued Expenses	<b>15</b>	(2,613,724)	(1,733,216)
Inter Current Account Balance		(1,140,763)	(1,732,122)
		<b>950,496,715</b>	<b>918,169,707</b>
<b>FINANCED BY</b>			
Capital Reserves		6,970,409	6,970,409
Foreign Aid		4,102,257	4,102,258
Revaluation Reserve for Land	<b>16</b>	226,702,909	226,702,909
Revaluation Reserve for Building	<b>17</b>	164,965,219	164,965,219
Revaluation of Motor Vehicles	<b>18</b>	46,049,983	46,049,983
		<b>448,790,777</b>	<b>448,790,778</b>
Grants & Contributions	<b>19</b>	77,870,555	77,870,555
Government Grants Capital	<b>20</b>	51,887,628	82,672,635
		<b>129,758,182</b>	<b>160,543,190</b>
Grant from Capital Deve. Fund	<b>21</b>	77,652,767	77,652,767
Accumulated Fund		420,185,865	395,831,200
Accumulated Surplus	<b>22</b>	(125,890,876)	(164,648,229)
		<b>950,496,716</b>	<b>918,169,707</b>
-----		-----	
<b>DIRECTOR (FINANCE)</b>		<b>CHAIRMAN</b>	
<b>COCONUT DEVELOPMENT AUTHORITY</b>		<b>COCONUT DEVELOPMENT AUTHORITY</b>	
28-02-2014			

<b>COCONUT DEVELOPMENT AUTHORITY</b>							
<b>Statement of Financial Position as at 31.12.2013 (Analysed by Funds)</b>							
	Note No.	GENERAL BOARD OPERATIONS RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MILLDEV. FUND RS.	NRI FUND RS.	TOTAL RS.
<b>FIXED ASSETS</b>							
Fixed Assets	1	613,004,040	56,803,556	21,188	-	-	669,828,784
LESS : Accumulated Depreciation		(143,554,056)	(9,868,362)	(21,178)	-	-	(153,443,596)
		<b>469,449,984</b>	<b>46,935,194</b>	<b>10</b>	-	-	<b>516,385,188</b>
<b>CURRENT ASSETS</b>							
<b>Inventories / Stocks</b>							
Stocks	2	6,882,605	1,110,283	-	-	-	7,992,888
		6,882,605	1,110,283	-	-	-	<b>7,992,888</b>
<b>Trade &amp; Other Receivables</b>							
Lady Lochore Loan Fund	3	1,646,172	-	-	-	-	1,646,172
Sundry Debtors	4	5,900,130	608,151	27,643,780	1,752,462	4,896	35,909,419
Provision for Doubtful Debtors		-	-	(24,069,654)	-	-	(24,069,654)
Staff Debtors	5	13,873,252	-	-	-	-	13,873,252
Advance payment to CMC		4,750,000	-	-	-	-	4,750,000
Loans	6	-	33,000,000	26,715,037	-	-	59,715,037
Loan Granted -Kapruka Nipayum D	7	-	-	30,735,445	-	-	30,735,445
Sundry Advance	8	50,950	-	-	-	-	50,950
Purchasing Advace ( LC opened)		3,607,428	-	-	-	-	3,607,428
Advance given to kapruka loan scheme		-	1,000,000	-	-	-	1,000,000
sundry deposits	9	621,693	-	-	-	-	621,693
Bank Deposits		14,891,827	-	138,555,813	76,607,368	-	230,055,008
Treasury Bills	10	19,844,521	9,524,795	71,683,984	-	147,418	101,200,718
		<b>65,185,973</b>	<b>44,132,946</b>	<b>272,788,644</b>	<b>78,359,830</b>	<b>152,314</b>	<b>460,619,707</b>
<b>Prepayments</b>							
<b>Cash &amp; Cash Equivalent</b>	11	2,313,470	-	-	-	-	<b>2,313,470</b>
Cash Deposit - Dunkannawa		-	16,403	-	-	-	16,403
Cash at Bank		1,793,460	929,621	-	-	-	2,723,081
Stamp postage imprest		407	-	-	-	-	407
Stamp Franking Machine		24,979	-	-	-	-	24,979
		<b>1,818,846</b>	<b>946,024</b>	-	-	-	<b>2,764,870</b>
Inter Current Account Balance		147,869	-	-	2,713,632	-	2,861,501
<b>Total Current Assets</b>		<b>76,348,763</b>	<b>46,189,253</b>	<b>272,788,644</b>	<b>81,073,462</b>	<b>152,314</b>	<b>476,552,437</b>
		<b>545,798,747</b>	<b>93,319,950</b>	<b>272,788,654</b>	<b>81,073,462</b>	<b>152,314</b>	<b>992,937,624</b>
<b>NON CURRENT LIABILITIES</b>							
Provision for Gratuities		(28,444,925)	-	-	-	-	(28,444,925)
<b>CURRENT LIABILITIES</b>							
<b>Payables</b>							
Sundry Creditors	12	(5,108,659)	(920,941)	-	-	-	(6,029,600)
Refundable Deposits	13	(2,058,254)	-	-	-	-	(2,058,254)
Receipts in Advance	14	(1,153,643)	-	-	-	-	(1,153,643)
Advance given kapruka loan		-	-	(1,000,000)	-	-	(1,000,000)
Accrued Expenses	15	(2,613,724)	-	-	-	-	(2,613,724)
Inter Current Account Balance		-	(1,140,763)	-	-	-	(1,140,763)
<b>Total Current liabilities</b>		<b>(10,934,280)</b>	<b>(2,061,704)</b>	<b>(1,000,000)</b>	-	-	<b>(13,995,984)</b>
		<b>506,419,543</b>	<b>91,062,743</b>	<b>271,788,655</b>	<b>81,073,462</b>	<b>152,314</b>	<b>950,496,716</b>
<b>FINANCED BY</b>							
Capital Reserves		6,970,409	-	-	-	-	6,970,409
Foreign Aid		4,102,257	-	-	-	-	4,102,257
Revaluation Reserve for Land	16	202,811,600	23,891,309	-	-	-	226,702,909
Revaluation Reserve for Building	17	164,965,219	-	-	-	-	164,965,219
Revaluation Reserve for Motor Vehi	18	46,049,983	-	-	-	-	46,049,983
		-	-	-	-	-	<b>448,790,777</b>
Grants & Contributions	19	77,870,555	-	-	-	-	77,870,555
Government Grants Capital	20	51,887,629	-	-	-	-	51,887,629
		-	-	-	-	-	<b>129,758,182</b>
Grant from Capital Deve. Fund	21	77,652,767	-	-	-	-	77,652,767
Accumulated Fund	22	-	67,171,434	271,788,655	81,073,462	152,314	420,185,865
Accumulated Surplus	22	(125,890,876)	-	-	-	-	(125,890,876)
		<b>506,419,543</b>	<b>91,062,743</b>	<b>271,788,655</b>	<b>81,073,462</b>	<b>152,314</b>	<b>950,496,716</b>
		-----					
<b>DIRECTOR (FINANCE)</b>		<b>CHAIRMAN</b>					
COCONUT DEVELOPMENT AUTHORITY		COCONUT DEVELOPMENT AUTHORITY					

## Coconut Development Authority

### Statement of Consolidated Financial Performance (Summarised) for the Year Ended 31.12.2013

<u>Revenue</u>	FOR THE YEAR ENDED	
	<u>2013</u>	<u>2012</u>
Government Grant - Recurrent	82,000,000	77,113,333
Government Grant - Capital	64,317,151	82,653,166
Other Income	70,092,759	69,401,931
	<b>216,409,910</b>	<b>229,168,429</b>
<b><u>Less : Expenditure</u></b>		
Personal Emoluments	(62,267,074)	(63,480,215)
Travelling Expenses	(2,714,400)	(3,751,461)
Supplies & Requisites	(16,232,007)	(18,170,905)
Repairs & Maintenance	(7,910,648)	(9,682,158)
Contractual Service & Other	(15,885,371)	(18,858,799)
Research and Deve./Training	(64,034,840)	(91,448,321)
	<b>(169,044,339)</b>	<b>(205,391,860)</b>
<b>Surplus /(Deficit)</b>	<b>47,365,571</b>	<b>23,776,570</b>
Depreciation	(18,846,846)	(24,134,471)
Amortization to Grant	16,444,683	
Gratuity	(4,532,386)	(5,311,646)
Under provision for Bad Debtors	(4,011,609)	(4,011,609)
	<b>36,419,413</b>	<b>(9,681,156)</b>
-----	-----	
<b>DIRECTOR (FINANCE)</b>	<b>CHAIRMAN</b>	
<b>COCONUT DEVELOPMENT AUTHORITY</b>	<b>COCONUT DEVELOPMENT AUTHORITY</b>	
28-02-2014		

<b>COCONUT DEVELOPMENT AUTHORITY</b>						
<b>Statement of Financial Performance for the year ended 31.12.2013</b>						
	<i>No te No</i>	GENERAL BOARD OPERATIONS	CAPITAL DEV. FUND	P.S.S. OIL FUND	NRI Fund	TOTAL
		<u>RS.</u>	<u>RS.</u>	<u>RS.</u>	<u>RS.</u>	<u>RS.</u>
<b>INCOME</b>						
Government Grant (Recurrent)		82,000,000	-	-	-	82,000,000
Government Grant (Capital)		-	64,317,151	-	-	64,317,151
<b>OTHER INCOME</b>						
Grant from Capital Dev.Fund (DC Sampling & Testing Charges)		17,500,000	-	-	-	17,500,000
Interest Income	<b>1</b>	4,091,062	1,051,051	20,355,115	15,762	25,512,990
Rental Income	<b>2</b>	9,180,000	91,283			9,271,283
Registration Fees	<b>3</b>	3,773,709	-	-	-	3,773,709
Lot Fees	<b>4</b>	2,458,491	-	-	-	2,458,491
Laboratory Income	<b>5</b>	4,330,430	-	-	-	4,330,430
Miscellaneous Income	<b>6</b>	1,247,991	51,226	-	-	1,299,216
Interest on B.C.C. Loan		-	-	4,011,609	-	4,011,609
Sale of Fixed Assets and Inventory items		2,000,780	-	-	-	2,000,780
Total other Income		44,582,462	1,193,559	24,366,724	15,762	70,158,507
<b>Total Income</b>		<b>126,582,462</b>	<b>65,510,710</b>	<b>24,366,724</b>	<b>15,762</b>	<b>216,475,658</b>
Less :- Taxes ( V AT, NBT & Economic Service Charges)		(65,748)	-	-	-	(65,748)
<b>Total Net income</b>		<b>126,516,714</b>	<b>65,510,710</b>	<b>24,366,724</b>	<b>15,762</b>	<b>216,409,910</b>
<b>EXPENDITURE</b>						
Personal Emoluments		(62,610,445)	-	-	-	(62,610,445)
Travelling Expenses		(2,714,400)	-	-	-	(2,714,400)
Supplies & Requisites		(16,232,007)	-	-	-	(16,232,007)
Repairs & Maintenance		(7,910,648)	-	-	-	(7,910,648)
Contractual Service & Other		(15,836,771)	-	-	-	(15,836,771)
Financial charges		(39,250)	(9,350)	-	-	(48,600)
A.P.C.C. Contribution		-	(4,113,810)	-	-	(4,113,810)
Marketing Development - Capital Development Programme	<b>7</b>	-	(17,018,441)	-	-	(17,018,441)
Processing Dev. - Capital Development Programme	<b>8</b>	-	(24,736,966)	-	-	(24,736,966)
Quality Control & Quality Assurance- Capital Dev. Program	<b>9</b>	-	(665,622)	-	-	(665,622)
DC Testing & Sampling charges		-	(17,500,000)	-	-	(17,500,000)
Duke Street Building partition & other expenses		-	-	-	-	-
		<b>(105,000,149)</b>	<b>(64,044,190)</b>	<b>-</b>	<b>-</b>	<b>(169,044,339)</b>
Operating Profit		<b>21,516,565</b>	<b>1,466,520</b>	<b>20,049,370</b>	<b>15,762</b>	<b>47,365,571</b>
Depreciation		(16,444,683)	(2,402,163)	-	-	(17,687,647)
Amortization of Grant		16,444,683	-	-	-	15,285,484
Under provision - Gratuity		(4,532,386)	-	-	-	(4,532,386)
Provision for doubtful Interest on loans to B.C.C. Lanka Ltd.		-	-	(4,011,609)	-	(4,011,609)
		<b>16,984,179</b>	<b>(935,643)</b>	<b>20,355,115</b>	<b>15,762</b>	<b>36,419,413</b>

## Coconut Development Authority

**Consolidated Cash Flow Statement for  
year ended 31st December 2013**

2,012		2,013	
	<b>Cash Flows from Operating Activities</b>		
(9,681,156)	Surplus/(deficit) from ordinary activities		36,419,413
	<b>Non - Cash movements</b>		
24,134,471	Provision for Depreciation	18,846,846	
-	Amortization	(16,444,683)	
(27,631,055)	Interest on Investment	(25,512,990)	
5,311,646	Provision for Gratuity	4,532,386	
(10,015,305)	Gratuity Payment	(3,069,932)	
(33,194)	Profit on sale of Fixed Assets	(2,000,780)	(23,649,153)
(8,233,437)	<b>Operating Profit / Loss before Working Capital Changes</b>		12,770,260
(17,914,593)			
	<b>Working Capital Changes</b>		
(244,553)	Increase in Stocks	(1,150,985)	
(44,307)	Increase in Lady Loachor Loan	(44,577)	
4,871,682	Decrease in Sundry Debtors	1,209,490	
1,512,429	Decrease in Staff Debtors	(978,802)	
(2,737,175)	Increase in Advances	(25,815)	
(801)	Increase in Sundry Deposits	32,161	
(2,490,000)	Increase Purchasing advances	(3,607,428)	
(16,209)	Increase in Prepayment	336,302	
(42,030,288)	Increase in Bank Deposits	(120,694,170)	
76,402,197	Decrease in Treasury Bills	116,963,559	
4,305,945	Increase Sundry Creditors	(4,221,928)	
784,796	Increase Refundable Deposit	240,653	
7,085,310	Increase Advance Received	(5,939,576)	
-	Increase Kapruka Loan scheme	(28,245,445)	
(24,058)	Decrease in Accrued Expenses	880,508	(45,246,053)
	<b>Net cash flows from operating activities</b>		
47,374,969			
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
27,631,055	Interest on Investment	25,512,990	
(19,010,850)	Purchase of Fixed Assets	(14,044,681)	
188,027	Sale of Fixed assets	2,000,780	
(18,822,823)	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		13,469,089
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
56,183,201	Capital Reserves		
-	Treasury Grants for Capital	7,432,849	
18,107,248	Mill development fund	4,919,431	
11,423,207	PSS Oil Fund transferred to Consolidated Fund	-	
(70,000,000)	<b>Net cash flows from financing activities</b>		12,352,279
(40,469,545)			
(397,862)	<b>Net increase/(decrease) in cash and cash equivalents</b>		
11,537,894	<b>Cash and cash equivalents at beginning of period</b>		11,140,032
11,140,032	<b>Cash and cash equivalents at end of period</b>		4,485,607
		<b>Cash and cash equivalents as at</b>	
		<b>01.01.2013</b>	<b>31.12.2013</b>
	Cash Deposit - Dunkannawa	35,399	16,403
	Cash at Bank	11,071,632	2,723,081
	Stamp postage imprest	407	407
	Stamp Franking Machine	32,594	24,979
		<b>11,140,032</b>	<b>2,764,870</b>

<b>COCONUT DEVELOPMENT AUTHORITY</b>									
<b>STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2013</b>									
	<b>Grant &amp; Contribution</b>	<b>Government Grant Capital</b>	<b>Grant from Capital Dev. Fund</b>	<b>Capital Reserves</b>	<b>Foreign Aids</b>	<b>Revaluation Surplus</b>	<b>Accumulated Fund</b>	<b>Accumulated surplus/deficit</b>	<b>Total</b>
	<b>Rs.</b>		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Balance as at 01/01/2013	77,870,555	82,672,635	77,652,767	6,970,409	4,102,257	437,718,111	395,831,200	(164,648,229)	918,169,705
Funds received from Treasury	-	7,432,849		-	-				7,432,849
Amortization of Grant for year 2012(Prior year adjustment)		(21,773,173)						21,773,173	
Amortization of Grant for year 2013		(16,444,683)						16,984,179	
Project Contributions	-	-	-	-	-	-	-	-	-
Income & Expenditure			-	-	-	-	24,354,665	-	24,354,665
<b>Total</b>	<b>77,870,555</b>	<b>51,887,627</b>	<b>77,652,767</b>	<b>6,970,409</b>	<b>4,102,257</b>	<b>437,718,111</b>	<b>420,185,865</b>	<b>(125,890,876)</b>	<b>950,496,714</b>

<b>ACCOUNTING POLICIES</b>	
<b>(1) ACCOUNTING CONVENTION</b>	
	The Financial Statements were prepared on the basis of Historical cost convention, in accordance with generally accepted accounting principals, policies, practices, assumptions and Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflationary factors affecting these Financial Statements.
<b>(2) GENERAL ACCOUNTING POLICIES</b>	
i.	The accounts have been prepared in accordance with the generally accepted accounting principles and policies, practices & standards which are followed in preparing Financial Statements.
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.
<b>(3) VALUATION OF ASSETS</b>	
	Property, Plant and Equipment are stated on the Balance Sheet at cost less accumulated depreciation. Depreciation is provided on the straight line method at the following rates per annum.
	Building & Structures 2 1/2 %
	Vehicles 20 %
	Furniture & Equipment 10 %
	Book Periodicals 10 %
	Computers 20 %
	A full year depreciation is charged in the year of purchase.
	<b><u>Revaluation of Land &amp; Building at Duke Street</u></b>
	As per the valuation given by Survey Department on 2012.05.24 and the the decision of board of directors on 21.12.2012 (at 504/Sp/F/ 02) ,Land & Building at Duke street, revalued as Rs.70,000,000/= and Rs.80,000,000/= as respectively.
<b>3.1 INVESTMENTS</b>	
	All Investments of the Coconut Cess Fund and Price Stabilization Scheme for Coconut Oil Fund are kept in the form of Treasury Bills & Bonds through the Bank of Ceylon, Treasury division as per the decision given by the Board of Directors.
<b>3.2 DEBTORS</b>	
	Debtors are stated at the amounts that they are to be realized. Provision has been made for all doubtful debts.
<b>3.3 STOCKS</b>	
	Stocks are valued on first in first out basis (FIFO)
<b>(4) PROVISION FOR RETIREMENT BENEFITS</b>	
	Provision has been made in the Accounts for Retirement Gratuities to staff in accordance with the provisions in the Gratuities Act. No.12 of 1983 .

**NOTES TO THE FINANCIAL POSITION AS AT 31.12.2013**

**FIXED ASSETS AS AT 31.12.2013 - Head Office**

ITEM	COST AS AT 01.01.2013	ADDITION	DISPOSALS	COST AS AT 31.12.2013	ACCUMULATED DEPRECIATION	DISPOSALS	DEPRECIATION 2013	ACCUMULATED DEPRECIATION	W. D. VALUE AT 31.12.2013
LAND	204,855,770.00	-	-	204,855,770.00	-	-	-	-	204,855,770.00
BUILDINGS	242,477,049.91	3,670,320.62	-	246,147,370.53	19,845,597.69	-	3,859,174.58	23,704,772.27	222,442,598.26
LABORATORY FITTINGS & EQUIPMENT	64,918,749.64	6,035,184.88	-	70,953,934.52	37,771,917.51	-	4,099,495.81	41,871,413.32	29,082,521.20
OFFICE FURNITURE & EQUIPMENT	20,596,243.29	2,975,867.67	-	23,572,110.96	12,275,195.61	-	1,843,874.72	14,119,070.33	9,453,040.63
MACHINERY & EQUIPMENT	3,363,900.00	-	-	3,363,900.00	2,080,625.28	-	336,390.00	2,417,015.28	946,884.72
BOOKS & PERIODICALS	762,013.65	20,000.00	-	782,013.65	695,325.83	-	16,798.09	712,123.92	69,889.73
MOTOR VEHICLES	66,228,940.00	-	(2,900,000.00)	63,328,940.00	57,340,710.64	(2,900,000.00)	6,288,950.10	60,729,660.74	2,599,279.26
<b>TOTAL</b>	<b>603,202,666.49</b>	<b>12,701,373.17</b>	<b>(2,900,000.00)</b>	<b>613,004,039.66</b>	<b>130,009,372.56</b>	<b>(2,900,000.00)</b>	<b>16,444,683.30</b>	<b>143,554,055.86</b>	<b>469,449,983.80</b>

**FIXED ASSETS AS AT 31.12.2013- Dunkannawa Coir Research & Development Institute**

ITEM	COST AS AT 01.01.2013	ADDITION	COST AS AT 31.12.2013	ACCUMULATED DEPRECIATION	DEPRECIATION 2013	ACCUMULATED DEPRECIATION	W. D. VALUE AT 31.12.2013
LAND	21,449,599.25		21,449,599.25	-	-	-	21,449,599.25
MODEL MILL BUILDING	25,285,853.40	1,301,693.43	26,587,546.83	2,605,252.01	664,688.67	3,269,940.68	23,317,606.15
MODEL MILL MACHINERY	8,449,615.70	41,614.00	8,491,229.70	4,818,089.73	1,698,245.94	6,516,335.67	1,974,894.03
COMPUTER ACCESSORIES	117,100.00	-	117,100.00	23,420.00	23,420.00	46,840.00	70,260.00
OFFICE MACHINERY EQUIPMENT	158,080.40	-	158,080.40	19,438.04	15,808.04	35,246.08	122,834.32
<b>TOTAL</b>	<b>55,460,248.75</b>	<b>1,343,307.43</b>	<b>56,803,556.18</b>	<b>7,466,199.78</b>	<b>2,402,162.65</b>	<b>9,868,362.43</b>	<b>46,935,193.75</b>

## COCONUT DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL POSITION AS AT 31.12.2013

No.					Rs.
<b>2</b>	<b>Stocks</b>				
	<b>G.B.O.</b>				
	D.C. & Fibre Mill spare parts			2,191,547.01	
	Laboratory requisites			3,339,071.97	
	Motor Spare parts			160,272.00	
	Stationery			1,191,714.08	6,882,605.06
	<b>Capital Dev. Fund</b>				
	Isurusala stock- Narahenpita			646,666.41	
	Coir Stock			463,617.00	1,110,283.41
					<b>7,992,888.47</b>
<b>3</b>	<b>Lady Lohore Loan Fund</b>				
	The initial deposit and the accumulated interest (4% on Loans given to staff) is shown in this A/C.				<b>1,646,172.21</b>
<b>4</b>	<b>Sundry Debtors</b>				
	<b>GBO</b>				
	Debtors on Service rendered to D.C. Mills	Schedule I-A	Page-21		1,596,224.62
	Debtors for Copra / Fresh Coconut Lot Fees	Schedule I-B	Page-22		1,160,465.98
	Bank of Ceylon Treasury Division (Interest on Treasury Bills)				656,126.89
	Bank of Ceylon (Interest on Fixed Deposits)				156,154.49
	State Plantation Corporation				1,741,667.00
	Welfare- CDA				524,073.83
	Department of Election				65,417.53
					<b>5,900,130.34</b>
	<b>Capital Dev. Fund</b>				
	Sundry Advance				295.00
	Central Bank of Sri Lanka Interest on Treasury Bill.				424,276.19
	Gagasiripura Lalana Saviya				180,485.00
	Isurusala Sale receivable				3,095.00
					<b>608,151.19</b>
	<b>P.S.S.Oil Fund</b>				
	Interest Receivable from Fixed Deposits				1,535,268.59
	Interest Receivable from B.C.C.Ltd				24,069,653.82
	Interest Receivable from Treasury Bills				3,563,096.99
					<b>29,168,019.40</b>
	<b>Mill Dev. Fund</b>				
	<b>Amount receivable on Misappropriation Rs. 1,752,462.03</b>				
	CDA maintains Saving Accounts at National Savings Banks under the Mill development Fund in favour of D.C. millers. During 1998 there had been a discrepancy regarding the balance according to CDA books and the balances of following three Savings Accounts in National Savings Bank.				
	<b>Mill No./Name</b>	<b>A/C No.</b>	<b>Amount as at 01.01.2013</b>	<b>Add Interest p'ble for 2013</b>	<b>Amount as at 31-12-2013</b>
	M-68 -Dimbulwatta Mills	49429	1,447,565.46	76,406.66	1,523,972.12
	M-81 W.W.Fernando & Sons Mills	49385	126,667.35	6,497.73	133,165.08
	M-128 Sandalanka CPCS	49428	90,536.29	4,788.54	95,324.83
			<b>1,664,769.10</b>	<b>87,692.93</b>	<b>1,752,462.03</b>
	<b>N.R.I. Fund</b>				
	Interest Receivable from Treasury Bills				4,896.00

<b>5</b>	<b><u>Staff Debtors</u></b>			
	Distress Loan	(Secured)		12,400,885.60
	Festival Advance	(Secured)		128,000.00
	Motor Cycle Loan	(Secured)		711,236.00
	Cycle Loan	(Secured)		14,800.00
	Special Salary Advance(l)			618,330.00
				<b>13,873,251.60</b>
<b>6</b>	<b><u>Loan</u></b>			
	<b>Capital Dev. Fund</b>			
	<b><u>B.C.C. Lanka Ltd.</u></b>			
	A sum of Rs. 25,000,000/= has been approved by the Cess Committee on 07th March 2002 and released on 14th March 2002 as a loan to be repaid at a rate of Rs.2 Million per month, with a grace period of 6 months. Only a sum of Rs. 50,000/= has been received at the end of the year 2003 as rep			25,000,000.00
				50,000.00
				24,950,000.00
	A sum of Rs. 6,600,000/= has been released on the instruction of the Ministry of Plantation Industries on 20th October 2004, based on an agreement.			6,600,000.00
	None of these loans have been settled as yet by the B.C.C. and hence a claim has been made to the PERC through the Ministry of Plantation Industries, requesting them to settle C.D.A. Loans as a first order liability in the event of B.C.C. is being considered for restructuring.			31,550,000.00
	<b><u>Hiriyala Govijana Samagama Loan</u></b>			
	Loan given to Hiriyala Govijana Samagama on 11-07-2006 for purchase of coconut			2,000,000.00
	Amount Settled during 2006			(500,000.00)
	Amount settled during 2008			(50,000.00)
				1,450,000.00
				<b>33,000,000.00</b>
	<b><u>P.S.S.Oil Fund</u></b>			<b>26,715,037.00</b>
	Loan granted to B.C.C.Lanka			
<b>7</b>	<b><u>Kapruka Nipayum Diriya Loan Scheem</u></b>			<b>30,735,445.00</b>
<b>8</b>	<b><u>Sundry advance</u></b>			
	01. Mrs. S.W. Rasika		49,750.00	
	<b><u>Fuel Advance</u></b>			
	01. Mr. A. Rupasinghe		1,200.00	50,950.00

<b>9</b>	<b>Sundry Deposits</b>				
	01. C.F. De Mel (Fuel Deposits)			20,597.50	
	02. Co-operative Wholesale Establishment			25,000.00	
	03. Ceylon Oxygen Co. Ltd. (Cylinder Deposits)			17,000.00	
	04. Mr. J.P. Tokaleigh (Acting Cashier)			1,175.68	
	05. Ceylon Gas Co. (Cylinder Deposits)			1,950.00	
	06. Post Master General (Telephone Deposits)			3,140.00	
	07. Parinda Ranasinghe			8,500.00	
	08. Attorney General			5,040.00	
	09. Sri Lanka Electricity Board			60,000.00	
	10. Sri Lanka Telecom			5,000.00	
	11. Auto Super Service Centre			5,000.00	
	12. C.D.T.C. Electricity Deposits			1,500.00	
	13. Sri Lanka Mahaweli Authority			500.00	
	14. C.R.I. - Electricity Deposits			130,000.00	
	15. C.R.I. - Telecommunication Deposits			150.00	
	16. C.C.B. - Electricity Deposits			5,250.00	
	17. C.C.B. - Security Deposits			2,800.00	
	18. Auto Super Service Station			250,000.00	
	19. Urban Engineer - C.M.C.			18,000.00	
	20. Mrs. L.D.R. Priyanka (Acting Cashier)			6,057.20	
	21. Ceylon Institute of Scientific & Industrial Research			15,000.00	
	22. Kammalpattuwa (C.P.C.S.) Ltd.			10,000.00	
	23. Mr. Y.K.C. Jayathilaka			10,032.45	
	24. Export Development Board			10,000.00	
	25. MF Enterprises			10,000.00	
					<b>621,692.83</b>
<b>10</b>	<b>Treasury Bills</b>				
	<b>G.B.O</b>				
	<b>Treasury Bills</b>			<b>Rs.</b>	<b>19,844,520.94</b>
	A sum of Rs.2,858,988.08 a part of the Government Grant kept in C/A maintained at the Bank of Ceylon Branch, Hydepark Corner in 1998 in keeping with the Board of Directors decision 355/02 of 354th meeting has been invested in fixed deposits .				
	This amount has been accumulated interest is <b>Rs.14,344,854.91</b>				
	A sum of Rs. 2,202,009.36 has been received as the proceeds of disposal of old and unusable motor vehicles. The investment is kept in the form of TreasuryBillthrough the BOC with accumulated interest as Rs.5,499,666.03				
	<b>Capital Dev. Fund</b>				
	<b>DATE OF INVESTMENT</b>	<b>PERIOD</b>	<b>DATE OF MATURITY</b>	<b>RATE OF INTEREST</b>	<b>AMOUNT INVESTED</b>
	26-04-2013	One Year	25-04-2014	12%	70454729%
	02-08-2013	One Year	01-08-2014	10%	363352314%
	09-08-2013	One Year	10-08-2014	10.45%	<b>5,186,724.19</b>
					<b>9,524,794.62</b>
	<b>P.S.S.Oil Fund</b>				
	<b>DATE OF INVESTMENT</b>	<b>PERIOD</b>	<b>DATE OF MATURITY</b>	<b>RATE OF INTEREST</b>	<b>AMOUNT INVESTED RS.</b>
	11-10-2013	I Year	10-10-2014	10.30%	150,476.83
	21-06-2013	I Year	20-06-2014	10.60%	337,998.14
	21-06-2013	I Year	20-06-2014	10.60%	1,920,421.96
	31-05-2013	I Year	30-05-2014	10.60%	267,018.95
	24-05-2013	I Year	23-05-2014	10.60%	2,398,075.81
	22-03-2013	I Year	21-03-2014	11.10%	2,112,084.59
	08-03-2013	I Year	07-03-2014	10.90%	526,684.25
	22-02-2013	I Year	21-02-2014	10.80%	3,009,496.14
	30-11-2013	I Year	29-11-2014	-	60,961,727.17
					<b>71,683,983.84</b>

<b><u>N.R.I. Fund</u></b>				
<b>DATE OF INVESTMENT</b>	<b>PERIOD</b>	<b>DATE OF MATURITY</b>	<b>RATE OF INTEREST</b>	<b>AMOUNT INVESTED</b>
13-12-2013	364 Days	10-10-2014		55,156.68
06-12-2013	364 Days	05-12-2014		18,160.26
31-05-2013	One year	30-05-2014		74,101.26
				<b>147,418.20</b>
				<b>101,200,717.60</b>
<b>11</b>	<b><u>Pre Payments</u></b>			
	<b>GB.O.</b>			
	Motor Vehicles Insurance		64,146.01	
	Cash in transits of Cash Insurance		3,498.38	
	Service charges on Office Equipments		183,188.22	
	Renew of Sri Lanka Insurance Policy		1,948,180.13	
	Fire Insurance		114,457.27	<b>2,313,470.01</b>
<b>12</b>	<b><u>Sundry Creditors</u></b>			
	<b>GB.O.</b>			
	ETF Board		142,326.01	
	Auditor General's Department		900,000.00	
	Sri Lanka Insurance		117,870.56	
	Central Bank of Sri Lanka (Provident Fund)		869,878.25	
	Coins Payable		632.91	
	Central Engineering Construction Bureau		1,406,802.32	
	Kurunegala Plantation		65,000.00	
	CDA - EPF		17,746.42	
	Salary Payable (Contract basis salaries)		206,969.96	3,727,226.43
	<b>PURCHASING CREDITORS AS AT 31.12.2013</b>			
	Analytical Instrument (Pvt) Ltd.		850,775.52	
	Browns & Company		15,357.24	
	Prins Graphic		12,350.00	
	Hardlead IT Technologies		298,500.00	
	PC Globe Systems		25,000.00	
	Metropolitan Office (Pvt) Ltd.		7,370.00	
	S.K. Munasinghe Motors		133,560.00	
	Data Tech Business Centre		38,520.00	1,381,432.76
				<b>5,108,659.19</b>
	<b>Capital Dev.Fund</b>			
	Refundable Tender Deposit			10,000.00
	Accrued Expenses			679,470.38
	Refudable Deposits			200,000.00
	Creditors			31,473.33
				<b>920,943.71</b>

<b>13</b>	<b>Refundable Deposits</b>			
	<b>GB.O.</b>			
	<b>Quality Certificates</b>			
	Ceylon & Foreign		3,027.70	
	C.W. Mackie & Company		(4,115.60)	
	Desicolanka Exports		10,984.27	
	Stassens Exports		3,131.01	
	Eastern Merchants		18,155.00	
	G.P. De Silva		8,853.60	
	Jafferjee Brothers		1,081.85	41,117.83
	<b>Refundable Deposits - Duke Street</b>			
	<b>Security Deposits</b>			
	Mr. J.P. Tokaleigh		1,175.68	
	Mrs. L.D.R. Priyanka		6,057.20	
	Mr. Y.C.K. Jayathilaka		10,032.45	17,265.33
	<b>Tender Deposits</b>			
	Iram Arm Security Services (Pvt) Ltd.		10,000.00	
	Field Security Service		5,000.00	
	Queen Star Security Service		5,000.00	
	Eagle Wings Security Service		5,000.00	
	S. Selwakumara		4,000.00	
	Ocian Narain Service		5,000.00	
	W.E. Security Service		5,000.00	
	Lanktrad International (Pvt) Ltd.		50,000.00	
	Straight Line International (Pvt) Ltd.		50,000.00	
	Construction Engineering (Pvt) Ltd.		5,000.00	
	Namal Kariyawasam		5,000.00	
	Assalarachchi Construction (Pvt) Ltd.		5,000.00	
	Adamjee Lukmanjee (Pvt) Ltd.		5,000.00	
	Sripah Construction (Pvt) Ltd.		5,000.00	
	Rice Milk Compost Fabric		5,000.00	
	H.D. Gunasiri		5,000.00	
	Sunil Welding work Furniture		5,000.00	
	Scientific Instruments (Pvt) Ltd.		10,000.00	
	Uni Lanka Security Service (Pvt) Ltd.		5,000.00	
	W.E. Security Service (Pvt) Ltd.		5,000.00	
	Reliable & Alert Security Service		5,000.00	
	C.P. Lanka (Pvt) Ltd.		5,000.00	
	A.B. Securities (Pvt) Ltd.		5,000.00	
	M.S. Scientific Instruments (Pvt) Ltd.		10,000.00	
	Cyber Concept (Pvt) Ltd.		25,000.00	
	S.W. Sisira Kumara		5,000.00	
	M.W.A.I. Kumara		5,000.00	
	A.K.I.L. Amarasinghe		5,000.00	
	PC Trading (Pvt) Ltd.		125,871.00	389,871.00
	<b>Bid Bond</b>			35,000.00
	<b>Advance Received</b>			
	Chlaw Plantation (1 month)		360,000.00	
	Kurunegala Plantation (3 months)		390,000.00	
	Sri Lanka State Plantation Corporation(3 months)		825,000.00	1,575,000.00
				<b>2,058,254.16</b>

<b>14</b>	<b><u>Receipt In Advance</u></b>			
	<b>GB.O.</b>			
	Registration of Oil Millers		36,000.00	
	Registration of Auctioneer/Brokers		8,000.00	
	Registration of Coconut Dealer		7,000.00	
	Registration of Major Kernal Products		171,000.00	
	Registration of Minor Kernal Products		90,250.00	
	Registration of Suppliers		277,192.50	
	Registration of Coconut Estate		28,000.00	
	Exporter Fibre & Fibre Products		440,000.00	
	Registration of Fibre Mills		12,000.00	
	Registration of DC Mills		47000	
	Registration of Coconut multi production Dealer		37,200.00	
				<b>1,153,642.50</b>
<b>15</b>	<b><u>Accrued Expenses</u></b>			
	<b>GB.O.</b>			
	Communication			644,475.92
	Electricity & Water			15,073.40
	Welfare Payments			70,248.00
	Security Services			103,067.33
	Fuel & Lubricants			162,256.92
	Travelling Expenses			35,506.63
	Overtime & Holiday Pay			385,686.12
	Repairing & Maintenance - Vehicles			250,800.31
	Board Members Allowance			4,800.00
	NBT			23,931.12
	Stationery			148,800.00
	Transport			89,650.00
	Cleaning Services			90,786.53
	Insurance			22,698.23
	Legal Fees			28,000.00
	Salary			537,943.67
				<b>2,613,724.18</b>
<b>16</b>	<b><u>Revaluation of Land</u></b>			
	G.B.O.			<b>202,811,600.00</b>
	Balance as at 01.01.2012			<b>202,811,600.00</b>
	Revaluation of Duke Street Land			
	<b>Capital Dev. Fund</b>			
	Dunkannawa Land & Building			<b>23,891,309.00</b>
<b>17</b>	<b><u>Revaluation of Building</u></b>			
	G.B.O.			
	Revaluation of Duke Street Building			<b>164,965,219.02</b>
<b>18</b>	<b><u>Revaluation of Motor Vehicles</u></b>			<b>46,049,983.00</b>
<b>19</b>	<b><u>Government Grant &amp; Contribution</u></b>			
	Balance as at 31.12-2013			<b>77,870,554.61</b>
<b>20</b>	<b><u>Government Grant Capital</u></b>			
	Balance as at 01-01-2013			82,672,636.43
	Add : Treasury Grants received for the year 2013			7,432,848.86
	Amortization of Grant for year 2012(Prior year adjustment)			(21,773,173.16)
	Amortization of Grant for year 2013			(16,444,683.30)
	Balance as at 31-12-2013			<b>51,887,628.83</b>
<b>21</b>	<b><u>Capital Development Grant</u></b>			
	Balance as at 31-12-2013			<b>77,652,767.37</b>

<b>22</b>	<b>Accumulated Income over Expenses</b>			
	<b>GBO</b>			
	Balance as at 01-01-2013			(164,648,228.31)
	Amortization of Grant for year 2012(Prior year adjustment)			21,773,173.16
	(Deficit) Surplus			16,984,179.42
	Balance as at 31-12-2013			<b>(125,890,875.73)</b>
				<b>17</b>
	<b>Capital Dev. Fund</b>			
	Balance as at 01-01-2013			68,107,077.00
	(Deficit) Surplus			(935,642.86)
	Balance as at 31-12-2013			<b>67,171,434.14</b>
	<b>PSS Oil Fund</b>			
	Balance as at 01-01-2013			251,433,540.00
	(Deficit) Surplus			20,355,114.83
	Balance as at 31-12-2013			<b>271,788,654.83</b>
	<b>NRI Fund</b>			
	Balance as at 01-01-2013			136,552.00
	(Deficit) Surplus			15,761.98
	Balance as at 31-12-2013			<b>152,313.98</b>
	<b>MDF</b>			
	Balance as at 01-01-2013			76,154,031.44
	Grant fro January to December 2013			6,046,525.20
	Interest Received			3,727,469.76
	Withdrawels			(4,854,564.40)
	Balance as at 31-12-2013			<b>81,073,462.00</b>

**COCONUT DEVELOPMENT AUTHORITY**

**NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2013**

<b>1 Interest Income</b>				
<b>G.B.O.</b>				
Interest on Staff Loans		630,970.81		
Interest on Lady Lochore Loan Fund		44,577.48		
Interest on Investment (Treasury Bills)		2,196,101.75		
Interest on Fixed Deposits		<u>1,219,411.97</u>	4,091,062.01	
<b>Capital Dev. Fund</b>				
Interest on Treasury Bills			1,051,050.69	
<b>P.S.S.Oil Fund</b>				
Interest on Treasury Bills		8,556,028.42		
Interest on S.I.T.S. Fund		5,735,331.79		
Interest on B.C.C. loans		4,011,608.97		
Interest on Bank loans		688,474.68		
Interest on Fixed Deposits		5,315,154.04		
Interest on Servings Accounts		<u>60,125.90</u>	24,366,723.80	
N.R.I. Fund -Interest on Treasury Bills			15,761.98	
			<u>25,207,244.96</u>	
<b>2 Rental Income</b>				
<b>G.B.O.</b>				
State Plantation Ltd		3,300,000.00		
Chilow Plantation Ltd		4,320,000.00		
Kurunegala Plantation Ltd		1,560,000.00	<u>9,180,000.00</u>	
<b>Capital Dev. Fund</b>				
Dunkannawa Estate		-	91,282.54	
			<u>9,271,282.54</u>	
<b>3 Registration Fees</b>				
<b>G.B.O.</b>				
Exporters of Major Kernel Products			522,250.00	
Exporters of Minor Kernel Products			545,500.00	
Exporters of Fibre & Fibre Products			1,671,985.80	
Registration of Copra Dealers			23,350.00	
Registration of Auctioneers & Brokers			38,000.00	
Registration of Coconut Estates Owners			87,700.00	
Registration of D.C. Millers			249,000.00	
Registration of Coconut Oil Millers			113,400.00	
Registration of Fibre Millers			110,168.41	
Registration of Suppliers			242,500.00	
Registration of Coconut Shell Products & Finish Products			169,855.00	
			<u>3,773,709.21</u>	
<b>4 Lot Fees Income -Copra &amp; fresh Coconut</b>			<u>2,458,490.64</u>	
<b>5 Laboratory Income</b>				
Quality Certificates			3,540,027.36	
Sale of D.C. Samples			18,026.40	
Water Sampling charges			772,376.15	
			<u>4,330,429.91</u>	

<b>6 Miscellaneous Income</b>					
<b>G.B.O.</b>					
Tender Deposits				33,500.00	
Sale of Bulletins				100,750.00	
Sundry Income				99,077.98	
Lable Charges				877,150.00	
Surcharges				137,512.62	
				<b>1,247,990.60</b>	
<b>Capital Dev. Fund</b>					
				<b>1,385,503.22</b>	
<b>7 Marketing Development &amp; Research Programmes</b>					
Market Facilitation Exhibition Expenses & Foreign Travel				6,714,782.19	
Advertisement & Market Promotion					
Field Officer's Salary & Expenses					
Exhibition Expenses - Deyata Kirula & Others					
Survey & Research Expenses					
Coconut base products Promotion in Sri Lanka				10,165,147.35	
King Coconut Promotion Programme Expenses					
Dambadeniya Coir Brushes Project - Income					
Dambadeniya Coir Brushes Project - Expenses					
Nelliya Coir Brushes Project - Income					
Nelliya Coir Brushes Project - Expenditure					
Narahenpita Isurusala (Profit)	(Note-A)			(138,511.88)	16,741,417.66
<b>Note-A</b>					
<b>Kapruka Isurusala - Narahenpita - Profit &amp; Loss A/C</b>					
Sales				2,078,587.60	
Stock as at 01-01-2013		463,294.46			
Purchases		<u>2,024,099.73</u>			
		2,487,394.19			
Less :Stock as at 31-12-2013		(646,666.41)		<u>1,840,727.78</u>	
				237,859.82	
Less :Expenses				<u>(376,371.70)</u>	
Net Profit / (Loss)				<b>138,511.88</b>	
<b>8 Processing Development Programmes</b>					
Cess deposited to Mill Development Fund				5,826,370.40	
Model Mill Dunkannawa (Loss)	(Note-B)			1,673,264.87	
Waharakgada Coir Brushes Project - Income					
Waharakgada Coir Brushes Project - Expenses					
Kurunegala Regional Expenses					
Tangalle Regional Office Expenses					
Gampola , Wennappuwa Regional Office Expenses					
Training for Foreign					
Gamaneguma Special Project				17,237,330.99	
Field Officer's Salary & Expenses					
Technology Development & training Programme					
Kapruka Purawara					
Negenahira Nawodaya Expenses					
Uthuru Wasanthaya Projects					<b>24,736,966.26</b>

<b>Note-B</b>						
<b>Model Mill Dunkannawa - Profit &amp; Loss A/C</b>						
Sales					3,247,171.44	
Purchases -Rawmaterial			312,564.00			
Add -Stock as at 01-01-1013			650,000.00			
			962,564.00			
Less-Stock 31-12-2013			(463,617.00)		498,947.00	
					2,748,224.44	
Salary			1,953,967.85			
Electricity			411,963.93			
Security			431,676.24			
ETF/EPF			550,893.37			
Insurance			286,531.94			
Other			786,455.98		(4,421,489.31)	
Net Profit / (Loss)					<b>(1,673,264.87)</b>	
<b>9 Quality Control &amp; Quality Assurance</b>						
Accreditation Programme & Other Expenses				}	665,622.27	<b>665,622.27</b>

**DEBTORS ON SERVICES RENDERED TO D.C. MILLERS AS AT 31-12-2013**

<b>MILL NO</b>	<b>NAME OF MILLER</b>	<b>TOTAL (Rs.)</b>	<b>MILL NO.</b>	<b>NAME OF MILLER</b>	<b>TOTAL (Rs.)</b>
M - 62	Ganewatta Mills	1,411.20	M - 112	St. Joseph D.C. & Fibre Mills	4,557.16
M - 63	Chilaw D.C. & Oil Mills	14,943.99	M - 113	Belumahara D.C. Mills	40,093.33
M - 64	Rathkarawwa D.C. & Oil Mills	56,534.48	M - 114	Nattandiya Mills (Pvt) Ltd.	6,324.70
M - 66	Silver Mill Holdings Ltd.	48,015.30	M - 115	Bogamuwa D.C. Mills	1,657.00
M - 67	Marawila C.P.C.S. Ltd.	8,451.52	M - 117	Agro Lanka D.C. Mills	7,039.20
M - 69	Baduwatta Mills	19,534.60	M - 119	Mathammana D.C. Mills	27,046.34
M - 71	Madampe Mills (Pvt) Ltd	23,195.14	M - 120	Fatima D.C. & Oil Mills	37,465.42
M - 72	St. Joseph D.C. Manufactures (Pvt) L	69,598.72	M - 121	Coco Ceylon D.C. Mills	3,606.75
M - 75	Siriyangani D.C. & Fibre Mills	26,613.18	M - 122	St. Joseph D.C. & Fibre Mills	4,671.94
M - 76	S.A. Silva & Sons Lanka (Pvt) Ltd.	42,914.34	M - 124	Minuwangoda Mills	21,650.13
M - 77	St. Annes D.C. Factory	19,685.78	M - 126	Luxshmi D.C. Mills	36,795.00
M - 79	Renuka Agro Export Limited	23,218.90	M - 127	Victoriya D.C. Mills	18,682.02
M - 80	Dunagaha C.P.C.S. Ltd.	42,232.24	M - 130	Boyagane D.C. Mills	6,918.68
M - 84	Poththewela D.C. & Oil Mills	27,956.78	M - 131	Jayakodi D.C. Mills (Pvt) Ltd.	13,379.79
M - 85	Wicky Plantation (Pvt) Ltd.	29,793.14	M - 132	Asian Agro Products	12,899.93
M - 86	J.P.M. Pinto & Company (Pvt) Ltd.	40,510.88	M - 133	Upali D.C. Mills	21,928.43
M - 87	St. Valentine D.C. Mills	8,956.41	M - 134	Gunawardena D.C. Mills	69,300.66
M - 88	Sonic Expo (Pvt) Ltd.	70,655.06	M - 136	Welwin D.C. Mills	17,502.24
M - 89	Kudawewa Mills	4,530.71	M - 137	Weralugolla Mills	755.19
M - 90	Nedungamuwa Mills	19,724.66	M - 138	Rimsara Coconut Producers	16,337.17
M - 91	Sandalankawa C.P.C.S. Ltd.	22,593.97	M - 139	Sanhinda Mills (Pvt) Ltd.	4,478.20
M - 93	Green Palm D.C. Mills	31,322.59	M - 141	Katana D.C. Mills	28,882.94
M - 95	CBL Cocos (Pvt) Ltd.	69,812.48	M - 142	Lanka United D.C. Mills	70,616.90
M - 97	Golden Crown D.C. Mills	73,940.58	M - 144	Swanee Mills Ltd.	810.74
M - 98	Pothupitiya D.C. Mills	4,478.21	M - 145	Dunagaha C.P.C.S. Ltd.	50,626.57
M - 100	S.Y.N. (Pvt) Ltd. (Borella D.C. Mills)	1,320.00	M - 147	Saksel Natural Products (Pvt) Ltd.	37,356.74
M - 101	Bandarawatta D.C. Mills	1,092.00	M - 148	R.M.P. Coconut Producers	33,394.12
M - 102	Mawathagama DC Mills	27,330.16	M - 150	Eastern Merchant Ltd.	3,708.00
M - 103	St. Theresa D.C. Mills	6,102.72		Chamalka Oil Mills	2,422.56
M - 105	Henegama Mills	14,651.22			
M - 107	Chandra D.C. Mills	2,535.00			
M - 110	Unagahadeniya Mills	10,707.33			
M - 111	Kudirippu D.C. Mills	130,953.48			
				<b>TOTAL</b>	<b>1,596,224.62</b>

		<b>Schedule I-B</b>
<b>FRESH COCONUT &amp; COPRA LOT FEES</b>		
<b>DEBTORS AS AT 31.12.2013</b>		
	<b>Copra</b>	<b>Amount (Rs.)</b>
01. K.T. Jayaweera & Co. Ltd.,		41,013.73
02. Bee Pee & David Company		(1,361.25)
03. G & J Matew & Co. (Pvt) Ltd.		44,962.07
	<b>Fresh Coconut</b>	
01. National Livestock Development Board		241,207.50
02. Chilaw Plantation Ltd.		215,875.84
03. Coconut Research Institute		35,524.89
04. Coconut Cultivation Board		237,249.77
05. Mr. P.E.K. Diasena		516.60
06. Mr. P.P. Gunasekera		88,280.12
07. Lalan Rubber (Pvt) Ltd.		40,274.42
08. Kurunegala Plantation Ltd.		54,662.74
09. Alkaduwa Plantation Ltd.		110,208.22
10. H.L. De Mel & Co. (Pvt) Ltd.		18,917.53
11. Mr. C. Deepal Mathew		1,397.71
12. Rukattana Estate		265.00
13. Chandrika Bandaranayake Kumarathunga		(5,361.29)
14. P.S. De Silva		1,038.24
15. Mr. Athula Wijesinghe		622.88
16. Mr. W.P.G.D. Dissanayake		2,699.42
17. Kegalle Plantations Ltd.		20,451.40
18. Mr. Priyan Herath (Wagolla Estate)		1,090.19
19. A.V.A. Sumanapala		1,858.25
20. Dicklanda Estate		6,804.00
21. Halpe Estate (A.L.S. De Silva)		781.20
22. W.K.I. Fernando (Dicklanda Estate)		1,486.80
		<b>1,160,465.98</b>

<b>COCONUT DEVELOPMENT AUTHORITY EXPENDITURE FOR THE YEAR 2013</b>							
<b>2012</b>	<b>DESCRIPTION</b>	<b>ADMINISTRATION &amp; FINANCE</b>	<b>MARKETING DEV. RESEARCH</b>	<b>PROCESSING DEVELOPMENT</b>	<b>QUALITY CONTROL</b>	<b>SUB TOTAL</b>	<b>TOTAL RS.</b>
	<b>PERSONAL EMOLUMENTS</b>						
39,950,536	Salaries & Wages including Provident Fund	16,260,945.92	5,226,146.83	8,265,982.39	7,037,163.50	36,790,238.64	
9,701,466	Cost of Living	4,627,025.99	1,512,666.97	2,232,768.25	1,905,150.31	10,277,611.52	
7,332,789	E.P.F. & E.T.F.	3,673,411.18	1,188,369.63	1,803,351.36	1,523,192.72	8,188,324.88	
5,222,235	Overtime & Holiday pay	1,910,848.75	612,058.12	305,522.28	919,846.57	3,748,275.72	
254,462	Chairman's Entertainment	110,529.44	77,673.71	54,113.74	54,113.71	296,430.60	
758,318	Board members Allowance	177,677.23	136,957.23	154,117.23	157,717.24	626,468.93	
260,409	Training & Seminars	239,227.40	69,493.40	84,493.40	34,440.00	427,654.20	
<b>63,480,215</b>		<b>26,999,665.91</b>	<b>8,823,365.89</b>	<b>12,900,348.65</b>	<b>11,631,624.05</b>	<b>60,355,004.49</b>	<b>60,355,004.49</b>
	<b>TRAVELLING EXPENSES</b>						
1,995,118	Travelling Expenses (Local)	275,582.52	110,137.00	877,744.69	90,050.00	1,353,514.21	
469,623	Travelling Expenses (Overseas)	-	-	-	-	-	
807,675	Rents & Hire Charges	410,610.85	216,511.68	315,322.68	216,511.69	1,158,956.90	
479,047	Market Promotion	-	201,929.00	-	-	201,929.00	
<b>3,751,461</b>		<b>686,193.37</b>	<b>528,577.68</b>	<b>1,193,067.37</b>	<b>306,561.69</b>	<b>2,714,400.11</b>	<b>2,714,400.11</b>
	<b>SUPPLIES &amp; REQUISITES</b>						
6,579,529	Stationery & Other Requisites	2,208,094.60	825,012.05	1,223,463.76	413,229.77	4,669,800.18	
5,288,993	Fuel & Lubricants	1,485,688.22	1,124,358.05	1,630,042.80	851,776.29	5,091,865.36	
310,766	Uniforms including tailoring charges	71,859.05	11,104.85	59,638.75	36,464.10	179,066.75	
3,000	Books & Periodicals	-	130,304.93	-	-	130,304.93	
5,988,617	Other Consumables (Laboratory Chemicals) requirements	-	-	-	6,160,969.36	6,160,969.36	
<b>18,170,905</b>		<b>3,765,641.87</b>	<b>2,090,779.88</b>	<b>2,913,145.31</b>	<b>7,462,439.52</b>	<b>16,232,006.58</b>	<b>16,232,006.58</b>
	<b>REPAIRS &amp; MAINTENANCE</b>						
3,894,414	Structures / Buildings	252,884.75	196,445.89	150,358.79	200,341.11	800,030.54	
1,653,299	Machinery Office Equipment & Furniture	800,405.08	458,729.80	302,255.05	666,384.21	2,227,774.14	
4,134,445	Vehicles	2,122,094.05	799,958.63	1,068,157.95	892,632.39	4,882,843.02	
<b>9,682,158</b>		<b>3,175,383.88</b>	<b>1,455,134.32</b>	<b>1,520,771.79</b>	<b>1,759,357.71</b>	<b>7,910,647.70</b>	<b>7,910,647.70</b>
	<b>TRANSPORTATION , COMMUNICATION , UTILITY &amp; OTHER SERVICES</b>						
2,988,266	Communication	1,081,005.77	742,236.37	739,722.65	874,655.50	3,437,620.29	
3,961,797	Insurance	1,250,433.52	826,929.32	826,929.32	849,627.57	3,753,919.73	
1,390,647	Security Services	503,061.50	264,414.17	264,414.16	264,414.29	1,296,304.12	
938,250	Cleaning Services	369,209.24	195,952.93	199,552.94	178,682.80	943,397.91	
4,738,076	Electricity & Water	1,161,550.27	709,477.47	585,830.95	2,047,283.17	4,504,141.86	
955,431	Rates & Taxes	248,400.00	706,860.00	171.42	-	955,431.42	
187,700	Legal Fees	91,500.00	-	43,900.00	-	135,400.00	
364,954	Postal Charges	197,615.00	-	-	-	197,615.00	
400,000	Audit Fees	125,000.00	125,000.00	125,000.00	125,000.00	500,000.00	
496,796	Under provision For Audit Fees-2010-2011	-	-	-	-	-	
-	Bad debts	-	104,940.74	-	8,000.00	112,940.74	
35,113	Bank charges	12,450.00	8,700.00	8,650.00	9,450.00	39,250.00	
<b>16,457,030</b>		<b>5,040,225.30</b>	<b>3,684,511.00</b>	<b>2,794,171.44</b>	<b>4,357,113.33</b>	<b>15,876,021.07</b>	<b>15,876,021.07</b>
	<b>GRANT CONTRIBUTION &amp; SUBSIDIES</b>						
2,393,119	Welfare Expenditure	691,136.42	406,976.21	406,978.21	406,978.19	1,912,069.03	
<b>2,393,119</b>		<b>691,136.42</b>	<b>406,976.21</b>	<b>406,978.21</b>	<b>406,978.19</b>	<b>1,912,069.03</b>	<b>1,912,069.03</b>
<b>113,934,889</b>	<b>TOTAL EXPENDITURE</b>	<b>40,358,246.75</b>	<b>16,989,344.98</b>	<b>21,728,482.77</b>	<b>25,924,074.49</b>	<b>105,000,148.98</b>	<b>105,000,148.98</b>

## **6. The Report of the Audit and Management Committee.**

### **6.1 The Composition and the Quorum**

The Audit and the Management Committee is comprised of three Non-Executive Directors. The following Directors functioned as the Committee members during the year under review.

#### **The Audit and Management Committee Meeting No. 2013/01 held on 04.04.2013.**

1. Mrs.S.M. Rajapakse - Chairman / Representative of the General Treasury
2. Mr.L.P.K.W.Weliwatte - Member
3. Mr. R.S. Weeraman - Member
4. Mr.D.M.L. Bandaranayake - Member / Representative of the Ministry

#### **The Audit and Management Committee Meeting No. 2013/02 held on 27.12.2013.**

1. Mr.R. Semasinghe - Chairman / Representative of the General Treasury
2. Mr. N.S. Wanasinghe - Member / Representative of the Ministry
3. Mr. Alex Nishantha - Member
4. Mr. N. Udayanga - Member

A representative of the Auditor General and the Chief Internal Auditor participated in the meeting. There are no members in the Committee representing the Management. The Director General participates in meetings on invitations. When the Committee is in need of the participation of the other members of the management, they are invited to participate in the meeting. The quorum of the Committee is three (03).

## 6.2 The Role of the Committee

- Reviewing the structure and the composition and the supervision of the credibility of the Financial Reporting System adopted by the Coconut Development Authority.
- Regulation and reviewing of procedures adopted for the guarantee of the objectivity and the effectiveness of the external and the internal audit process.
- Reviewing the appropriateness and the success of the internal control and submitting recommendations.
- Reviewing of internal audit reports, external audit queries and the steps taken in that regard.
- To be in conformity with the regulatory requirements and financial reporting requirements and reviewing and submitting recommendations on the ethical standards and procedures which are required for the guarantee of the relationships to be maintained with the respective regulatory Authorities.

## 6.3 Meetings and Activities

Two (02) Committee meetings were conducted during the year under review. The participation of members in the committee meetings has been mentioned below.

### **The Audit and Management Committee Meeting No. 2013/01 held on 04.04.2013.**

<b>Name of the Director</b>	<b>No. participated</b>
Mrs. S.M. Rajapakse	01
Mr. L.P.K.W. Weliwatte	01
Mr. R.S. Weeraman	01
Mr. D.M.L. Bandaranayake	01
Superintendent of Audits (Invitee)	01

## **The Audit and Management Committee Meeting No. 2013/02 held on 27.12.2013.**

<b>Name of the Director</b>	<b>No. participated</b>
Mr. R. Semasinghe	01
Mr. N.S. Wanasinghe	01
Mr. Alex Nishantha	01
Mr. N. Udayanga	01
Superintendent of Audits (Invitee)	01

The Committee performed the following activities during the year under review.

### **6.3.1 Internal Audit**

- The effectiveness in the implementation of the Internal Audit Plan for the year 2013 was monitored.
- Reviewing the special Internal Audit Findings with the objective of taking timely and accurate steps for the prevention of reoccurrences in the future and the responses of the management in that regard.
- The Internal Audit Plan was reviewed for the year 2013.

### **6.3.2 External Audit**

- The report submitted to the Parliament by the Auditor General in relation to the Coconut Development Authority for the year ended on 31.12.2013 and the responses made in that connection by the Management were reviewed and the following up activities regarding the corrective measures that were taken by the Management for the prevention of the reoccurrence of the issues pointed out specifically.

### **6.3.3 Financial Reporting**

- Assistance was provided to the Board in certifying that the financial statements audited annually has been prepared in accordance with the requirements specified by the Monitoring and Regulating Authority and are in conformity with the relevant Accounting Standards.

#### **6.3.4 Minutes of the meetings / reporting to the Board**

- Appropriate Minutes of the meetings regarding the conduct of the committee meetings are maintained at the Secretary's Office of the Board of Directors. All the Minutes of the meetings had been tabled and the approval of the Board of Directors is obtained for the execution of the recommendations made by the Committee subsequent to passing them at the Director Board Meetings. Following up activities are performed for significant matters on a systematic basis.

The opinion of the Audit and the Management Committee is that an adequate internal control is being effectively executed and the assets are sufficiently safeguarded. Further, the Committee is satisfied with the framework that has been adopted by the Authority and with the corrective and preventive measures that has been taken at the appropriate occasions.

The approval of the Audit and the Management Committee has been granted for this report on 30.04.2014.



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය } LP/K/CDA/1/13/02  
எனது இல. }  
My No. }

ඔබේ අංකය }  
உமது இல. }  
Your No. }

දිනය } 03 December 2014  
திகதி }  
Date }

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 2013 in terms of Section 14(2) (c) of the Finance Act, No 38 of 1971

The audit of Financial Statements of the Coconut Development Authority for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flows statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Financial Act, No.38 of 1971 and Section 43 of the Coconut Development Act, No 46 of 1971. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13 (7) (a) the Finance Act will be issued to the Chairman of the Authority in due course.

**1.2 Management's Responsibility for the Financial Statements**

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.

**1.3 Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Authority's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of the Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **2. Financial Statements**

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### **2.1 Opinion**

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In my opinion, the financial statements give a true and fair view of the financial position of the Coconut Development Authority as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

## **2.2 Comments on Financial Statements**

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### **2.2.1 Accounting Policies**

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Fixed assets of the Authority had been revalued in several years, but the methodology applied for the revaluation had not been disclosed in the accounts.

### **2.2.2 Accounting Deficiencies**

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In calculating depreciation for the year under review depreciation of buildings and office equipment had been overstated by Rs.825,820 and Rs.217,354 respectively and the depreciation of Laboratory equipment had been understated by Rs.68,682.



### 2.3 Accounts Receivable

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The following observations are made.

- (a) According to the loan agreement the Authority had granted a loan of Rs.2,000,000 to an Agrarian Company in the year 2006 and this loan should be fully repaid within six months from the date of grating the Loan without interest in equal installments. However only a sum of Rs.550,000 had been paid in 2 instances and the Authority had failed to recover the outstanding loan balance of Rs.1,450,000 even by the end of the year under review
- (b) Cash misappropriated by an officer of the Authority and its interest totalling Rs.1,752,462 had been continuously shown in the accounts as receivable since 1998.
- (c) The fees receivable from the desiccated mill owners and the ground rent receivable for the auctions of fresh coconuts and copra amounting to Rs.2,756,691 remained receivable by the end of the year under review.

### 3. Financial and Operating review

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#### 3.1 Financial Results

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According to the financial statements presented, the operations of the Authority for the year under review had resulted in a surplus of Rs.36,419,413 as against the deficit of Rs.9,681,156 for the preceding year, thus showing an improvement of Rs. 46,100,569 in the financial results. The decrease of operating expenditure in the year under review as compared with the preceding year by Rs.36,347,521 had been the main reason for the improvement of financial results.

#### 3.2 Analytical financial review

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The total income of the Authority consisted of 67 per cent of the Treasury provisions and 14 per cent, 17 per cent and 2 per cent consisted of the interest income, operating income and sundry income respectively.



#### 4 Operating Review

##### 4.1 Performance

Instances of performance at a minimum level during the year under review are given below.

- (a) Although a sum of Rs.694,000 had been spent during the years 2012 and 2013 to maintain a data base to collect information about Coconut related industrialists by networking Processing Development Division and Regional Industries, this system had not been installed even by the end of the year under review.
- (b) Even though, it was planned to modernize 37 mills for the upliftment of quality of Coconut oil mills identified in the kapruka purawara villages, attention in this regard had not been drawn even up to the end of the year under review.

##### 4.2 Management Inefficiencies

The following observations are made

- (a) Even though it was expected to get orders for Rs.80 million at the trade exhibition held in Germany in the year under review by incurring an expenditure of Rs.3,471,975 for the introduction of Coconut related Industrialists to the world market, its progress had not been reviewed.
- (b) A traditional set of Boxes including the secured Coconut husk container machine purchased at Rs.640,000 for providing high quality Bristol fiber to manufacture brushes which was a main product in the Nipayum Piyasa Centres had remained in the premises of the Industrial Development Authority up to 20 November 2014.
- (c) Loans amounting to Rs.2,600,000 had been granted with interest concessions to 3 Industrialists who had not registered in the Authority in the implementation of Kapruka Nipayum Diriya Loan Scheme. Even though the entire amount obtained in one instance had not been fully utilized, the interest concession had been granted for the full loan.



#### 4.3 **Personal Administration**

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The approved cadre and the actual cadre as at 31 December 2013 had been 166 and 132 respectively and as such there were 34 vacancies in posts relating to the operating activities of the Authority by the end of the year under review.

#### 5. **Systems and Control**

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Weaknesses in systems and control observed in audit were brought to the attention of the Chairman of the Authority from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Utilization of Funds
- (c) Accounts Receivable

W.P.C.Wickramaratne  
Acting Auditor General