Coconut Development Authority

Annual Report

2012

Coconut Development Authority

Vision

"The Coconut Industry to be the highest contributor to the G.D.P. from the 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 apex statutory institution established under the Coconut Development Act, No.46 of 1971 for development of the entire coconut industry. The functions of the Authority in terms of provisions of the Coconut Development Act have been given widely below.

- Assisting the Minister to determine the priorities in formulation and execution of the policies for development of the coconut industry.

- Assisting for the preparation of projects and schemes in line with the development priorities so determined and preparation of the projects and schemes.

- Implementation of the projects and schemes to assist in implementation of the projects and schemes so prepared.

- Integration of functions of the Boards formed by the Minister under the Coconut Development Act.

In addition to the above functions, the following activities stipulated in Section 20 of the Coconut Development Act by the directive published in the Gazette through entrusting the responsibility on development and supervision of the all activities in respect of the industries, processed coconuts and coconut products, local exports and marketing, have also been assigned to the Authority.

- Assisting for regularization and promotion of coconut based products and manufacturing methodologies.

- Promotion of new technologies in processing of coconut products.

- Promotion & modernization, steering and assisting to improve the efficiency of the manufacturing entities of coconut products.

- To maintain and require the standards on the quality of coconut products manufactured in Sri Lanka or exported from Sri Lanka.

- Assisting in purchasing and selling of coconut products, regularization of purchasing and selling of such products and formulation and implementation of price formula generally for the coconut products, especially for coconut products of the coconut small holders at minimum and maximum level.

- Regularization of the import and export of the coconut products and the import and export price.
- To create a demand for the products within and outside Sri Lanka, promote the products and maintain through organizing the exhibitions and fairs, assisting them and participating thereat, following certain strategies required for the purpose, establishing and maintaining the selling stalls and agencies, supervising and assisting, publicity, initiating promotion activities, funding and assisting for the purpose.
- To conduct marketing researches on all sectors in respect of the marketing and transportation of the coconut products within and outside Sri Lanka.
- To improve coconut product selling and manufacturing entities, and co-operative and co-operation on the management and possession of the coconut plantations.
- Collecting coconuts and coconut based raw material and distributing them to the industries under the Kapruka Purawara Programme and introducing the industries to the areas where the industries have not been expanded at present and promoting the industries.

Subsequent to the liberalization of the restrictions on the coconut trade at the third half of the decade 1980, the Authority has drawn attention to the pivotal activities such as formulation and implementation of the policies and programmes for the development and promotion of the processing and marketing units with a special emphasis on the coconut export sector. The administrative functions have confined only to the activities relevant to maintain the standards on the quality of products.

The Board of Directors is the administrative body of the Authority and in terms of the provisions of the Coconut Development Act and the amendments to the Act; the said Board of Directors consists of 11 members. All members of the Board are appointed by the Minister in charge of the subject and a member of the Board is appointed as the Chairman of the Authority. The tenure of the members is three years and they are also qualified to be re-appointed.

In addition to assist for identification and formulation of principal policies on development of the coconut industry by the Ministry, the Coconut Development Authority functionally consists of five working divisions namely, Processing Development Division, Quality Control and Quality Assurance Division, Marketing Development and Research Division, Finance Division and Administration Division to carry out the operational activities in developing and monitoring of the processing and marketing units of the coconut industry, and there is a Director in charge of each Division. The Director in charge of the Administration Division acts as the Secretary of the Board of Directors of the Authority. The Engineering Division and the Internal Audit Division assist the above Divisions to carry out the said activities.

The Director General acts as the Chief Executive Officer and is responsible for manipulation and supervision of the functions of the Authority and implementation of the policies and programmes developed by the Board of Directors.

At the outset of the year 2012, a total staff consisted of 121 employees served in the Authority and 13 of the said staff were executive officers.

Review of the Chairman - 2012

The extent of lands of coconut cultivation in Sri Lanka who is the fourth owner of world's coconut cultivation is about 394,836 hectares (Department of Census & Population - 2002) and it is about 20% out of the total cultivated extent of land in the country. Around 82% out of the total coconut cultivated extent of land represents by small scale cultivators of less than 8 hectares. Coconut has an enormous relationship with the social and economic style of the human being and the productions of the coconut tree are used for various functions.

The annual fresh nut yield of Sri Lanka is approximately 2900 Millions of nuts and around 65% of them were consumed for the local fresh nut consumption (for the year 2012). The balance of about 35% of fresh nuts distributes for the all other coconut based industries (for the exportation of coconut oil, desiccated coconut, copra, coconut cream, coconut milk powder and fresh nuts). Further, the export income generated by Sri Lanka from the coconut industry takes a higher place and it was around Rs. 47 Billion in the year 2012. Moreover, the value added to the Gross Domestic Production from the coconut industry is approximately 1.4% and a large number of direct and indirect job holders earn their living from coconut and coconut based industries.

Moreover, the export income of coconut and coconut based productions of the year 2013 is expected to be about Rs.50 Billion and 15% of calories, 5% of proteins and 70% of fat required for the dietary of people are obtained from the coconut consumption.

In the year 2010, a separate Cabinet Ministry called the Ministry of Coconut Development and Janatha Estate Development was formed by His Excellency the President for the amelioration of the coconut cultivation as well as the coconut industry expecting a development of the coconut cultivation sector through the said Ministry.

The "Kapruka Purawara" programme initiated as per a concept of the Minister of Coconut Development and Janatha Estate Development, Hon Jagath Pushpakumara was capable of directing the coconut development sector towards a new path. At present, number of activities such as "Kapruka Nipeyum Piyasa", training programmes, dissemination of state of-the-art technology, "Kapruka Diriya" Loan Scheme, establishment of Kapruka villages, manufacturing of high quality coconut products through GMP, awareness programmes, etc. are being implemented.

Further, the Coconut Development Authority has implemented a huge task for the amelioration of the coconut industry sector through the registration of coconut exporters, participation in agricultural, educational and trade exhibitions held in various places of the island, organizing fresh nuts and copra auctions and issuance of standardization certificates for the assurance of high standards of coconut products, at present. Moreover, we take action to further expand the foreign market exists for the Sri Lankan coconut based industry by participation in international exhibitions every year and it is our objective to yearly increase the contribution of coconut industry sector thereby towards the national economy.

As per the vision of the Coconut Development Authority to make a higher contribution from the coconut industry among the tree crop sector, the Coconut Development Authority acts with dedication to make an enormous development in the coconut industry in coming years while providing with all required facilities and instructions for the coconut industrialists. The instructions and guidance given by the Minister of Coconut Development and Janatha Estate Development, Hon Jagath Pushpakumara and the Secretary to the Ministry, Mr. Nihal Somaweera for this purpose are praiseworthy.

Sugath Handunge, Attorney-at-Law
Chairman
Coconut Development Authority

Review of the Director General - 2012

The coconut tree which was identified as the "Kapruka" by Sri Lankans since the past has also identified it as a "Kapruka" in the real sense of the word by the modern people today. Due to the fact that all the parts of the coconut tree are used without any disposal, the coconut based industrialist has contributed to win the competitive international market, at present.

The establishment of "Kapruka Nipeyum Piyasa" under the direction of the Coconut Development Authority on the guidance of the Ministry of Coconut Development and Jantha Estate Development in line with the "Mahinda Chinthana" programme implemented in awakening Sri Lanka is a remarkable milestone. Through this programme, the Coconut Development Authority got the opportunity of extending contribution for the generation of job opportunities at rural level utilizing the abandoned buildings, establishment of training institutions and for the generation of new avenues of income in the village.

Moreover, the Coconut Development Authority had the chance of increasing the economic level of rural people with the establishment of collecting centres of disposed coconut shells, coconut ekles and coconut husks while giving them an economic value and it was able to contribute towards the national programmes such as minimizing environmental pollution and controlling deadly diseases such as Dengue through the programme of collecting disposed coconut shells.

I extend my gratitude to the People’s Bank who joined their hands with us for the implementation of “Kapruka Nipeyum Diriya” loan scheme initiated for the development of coconut and coconut based industries, fulfillment of capital requirements of entrepreneurs those who newly entered into the industry and the loan scheme is being implemented successfully at present. Further, during the year under review, action was taken to introduce GMP certification to the coconut based industrialists with the view to directing them to manufacture quality products as per the market requirements. I would like to place on record the contribution made by the Sri Lanka Standards Institution for this purpose and it is happy that the industrialists were keen in this connection as well.

During the year under review, new methodologies were tried out to manufacture activated carbon alias coconut shell charcoal in an eco-friendly manner which has a great demand in the present foreign market and it is envisaged to introduce state of-the-art technology for the industrialists in the year 2013 by giving a greater contribution for this.

Among the special achievements gained by the Authority in the year 2012, the securing of ISO 17025 Standard Certificates by the Quality Control and Quality Assurance Division of this Authority which was offered by the Sri Lanka Accreditation Board for the coconut oil testing methodologies is appreciated.

Although it was able to gain a higher progress in the year 2012 as compared with the year 2011, the ability to direct the institution towards this progress while facing the human resource management challenges such as shortage of employees, issues related to skilled labour and employee dissatisfaction is a matter of important. Though I have gained experiences in various positions of the government service, I believe that it is a fortune to contribute myself for such a progress during my first year of tenure in the semi government sector. I also would like to value the services rendered by colleagues of my staff who joined their hands together with me towards this success.

The Hon Minister of Coconut Development and Janatha Estate Development and the Secretary to the Ministry who guided us towards the correct path being always with us are remembered with gratitude and Mr. Aruna Gunawardane, the Consultant who contributed a lot to the Authority for making the "Kapruka Purawara" concept a reality is also remembered with heartfelt gratitude.

It is my expectation to extend my contribution to increase the economy of domestic industrialist under the Kapruka Purawara programme which has been planned to launch by the Authority and also to drive the Authority towards a new era of coconut industry by further extending my contribution in the year 2013.

N N C K Bandara
Director General
Coconut Development Authority

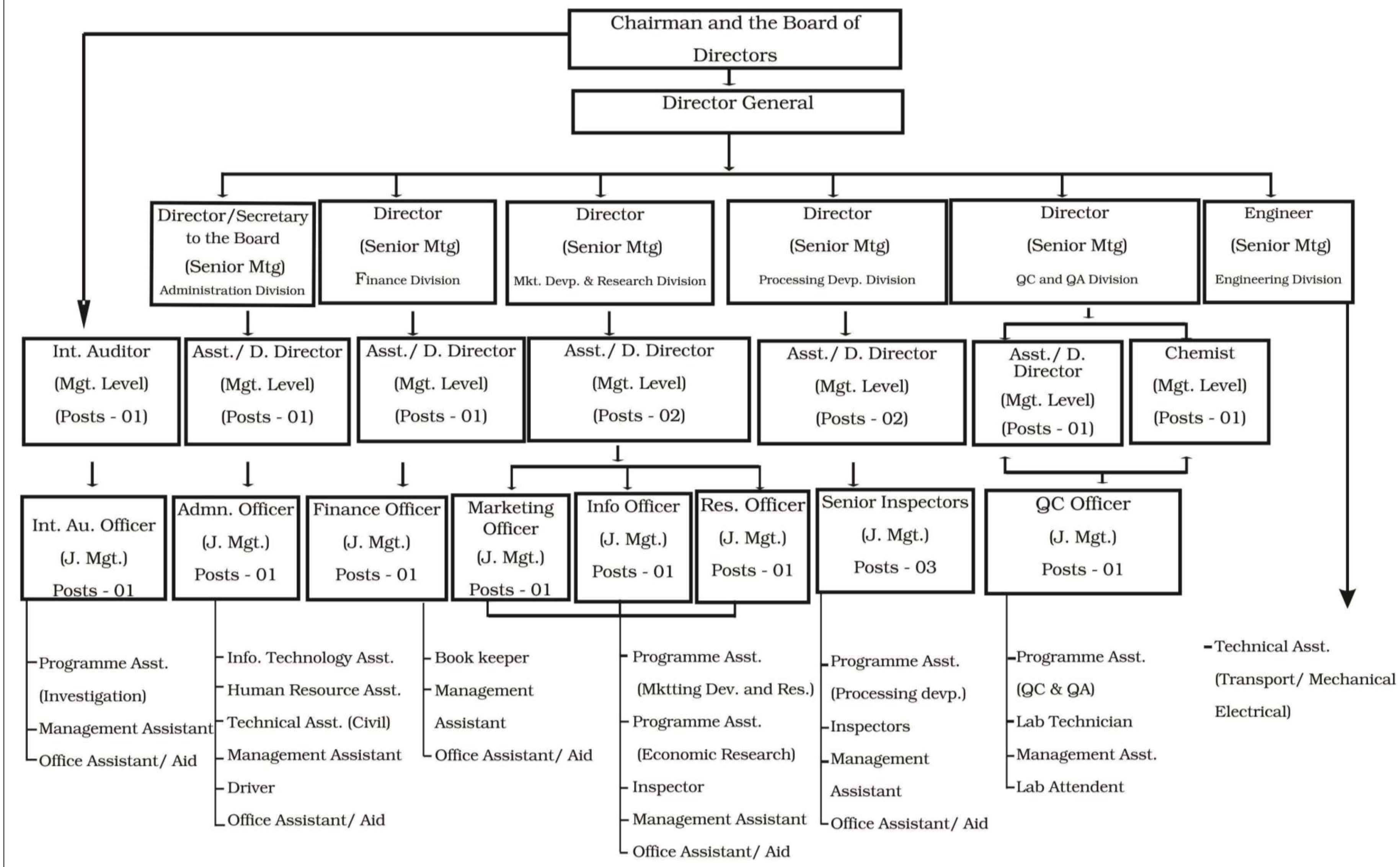
Chairman & Board of Directors - 2012

1.	Mr. Sugath Handunge	-	Chairman
2.	Mr. G Nandasena	-	Board Member
3.	Mr. W P K W Weliwatta	-	Board Member
4.	Mr. H G Sirisena	-	Board Member
5.	Mr. Upali Hettige	-	Board Member
6.	Mr. Y M Jagath Manjula Yapa	-	Board Member
7.	Mr. Sanjeewa Dharmendra Cooray	-	Board Member
8.	Mr. R S Weeraman	-	Board Member
9.	Prof. H P M Gunasena	-	Observer Member
10.	Mrs. S M Rajapaksha	-	Board Member (Treasury Representative)
11.	Mr. Janaka Dharmakeerthi	-	Board Member (Ministry Representative) (Upto 2012 May)
12.	Mr. D M L Bandaranayake	-	Board Member (Ministry Representative) (From 2012 June)

Chairman & Head of Divisions

1.	Mr. Sugath Handunge	-	Chairman
2.	Mrs. N N C K Bandara	-	Director General
3.	Mr. A T Ranasinghe	-	Engineer
4.	Mrs. S S Purasinghe	-	Director (Quality Control & Quality Assurance)
5.	Mr. R J A Fonseka	-	Director (Marketing Development & Research)
6.	Mrs. S S Rajakaruna	-	Director (Administration) (Secretary to the Board of Directors)
7.	Mrs. M P Sandaya Kanthi	-	Director (Finance)
8.	Mr. W L W K Liyanage	-	Actg. Director (Processing Development)
9.	Mr. N M Ariyadasa	-	Internal Auditor

Organization Chart as at 31.12.2012



Abbreviations

1. Senior Mtg. - Seniro Management Level
2. Asst./ D. Director - Assistant/ Deputy Director
3. Mgt. Level - Management Level
4. Int. Audit Officer - Internal Auditing Officer
5. Admn. Officer - Administrative Officer
6. Info. Officer - Information Officer
7. Res. Officer - Research Officer
8. J. Mgt - Junior Management
9. Mkt. Devp. & Research - Marketing Development and Research
10. QC & QA - Quality Control and Quality Assurance

Highlights – 2012...

- In considering the coir based industries, the production of twisted coir fiber products and its exports shows a 68% progress as compared with previous years. Further, a positive progress has been acquired by the coir based finished products as compared with the previous year. Meanwhile, the production of coir twines, ropes and Tawashi brushes had taken a pride of place.

- Due to the fact that the entry of coconut husks to the market which were out of utilization at regional level as a result of establishing 05 production centres under the Kapruka Nipeyum Piyasa programme island wide, it was able to submit tawashi brushes to the production market showing an export promotion of 11%.

- Under the Kapruka Navodaya programme, a series of television documentary programme was telecast for making aware all the stakeholders who are dealing with coconut production industry by signing a MoU with the Sri Lanka Rupavahini Corporation and collecting materials at regional level in order to minimize the waste in domestic usage

- Coconut shell centres were opened island wide as the pilot programme for eco-friendly coconut shell burning ovens and shell collecting centres and it was able to increase the export income by 20% during the year in parallel to that programme.

- It was able to introduce the Kapruka Nipeyum Diriya Loan Scheme to the coconut based local entrepreneurs for the first time in addition to the financial provisions available for standardization and modernization of coconut based industry

- The GMP Quality Certification programme was commenced for the entire coconut industry as per a Memorandum of Understanding entered with the Bureau of Sri Lanka Standards for the quality standard certification programme of coconut industry

- 1656 beneficiaries were directed to the industry by conducting 83 technical programmes through Kapruka Purawara, Divineguma and Deyata Kirula programmes.

- Activities related to obtaining of ISO Standard Certificate

  Action is being taken to obtain the ISO 17025 Quality Certificate for the laboratory in order to implement laboratory tests accurately, formally and methodically as to receive an international recognition for the tests done by the Quality Control and Quality Assurance Division of the Coconut Development Authority. Accordingly, the ISO 17025 Quality Certificate awarded by the Sri Lanka Accreditation Board was secured by the Chemical Analysis Section of the Quality Control and Quality Assurance Division on 12.06.2012 for the coconut oil testing methodologies.

- It has been engaged in coconut based promotion activities at local and international level and implemented programmes to explore the market for coconut based industry products by participating in 09 local trade exhibitions including Deyata Kirula exhibition and provided opportunities for two exporters to participate in Seatle Gift Show 2012 trade exhibition.

- Directing general public towards using eco-friendly coconut products.

- Making aware the consumers for minimizing waste in consumption of coconut this would pave way for hikes of export income through increasing the coconut based industries by making familiar the general public to use coconut based products.

Content

1. Processing Development Division

The main activities performed by the Processing Development Division are the extending of assistance, encouraging and making awareness required for the identification of raw materials and industries which have potentiality for the coconut based industries, provision of technical services for modernization and guidance for the development of processing units, planning and implementation of development programmes, minimization of production cost through the introduction of appropriate technology, provision of technology and financial assistance (through state bank loans) required for the maintenance and improvement of quality of the productions, development or modernization of industries and the commencement of new industries, directing of industrialists towards value added / new productions, expansion of industries and employment generation, manufacturing of products as to suit the market requirements and increase of coconut based domestic industries / provision of required technical know - how for the self-employment generation, etc.

The functions performed in line with the Annual Action Plan for the Year 2012 are appended below.

1.1 Registration and supervision of Processing Units

1.2 Certification of micro biological and physical quality standards and encouragement for the quality control in production institutions

1.3 Improvement of productivity of coconut and coconut allied local industries through Kapruka Navodawa strategy

- (a) Commencement of Kapruka Nipeyum Piyasa centres
- (b) Introduction and implementation of GMPs for the coconut based industries with the view to manufacturing of quality products
- (c) Commencement of coconut based industries / provision of technical know – how required for the development of existing industries.
- (d) Collecting and submission of coconut shells and coconut husks to the industry
- (e) Implementation of Kapruka Nipeyum Diriya concessionary loan scheme
- (f) Implementation of women entrepreneur programme
- (g) Provision of financial assistance for the Kapruka Fund

1.4 Provision of money of Mills Development Fund for development activities

1.5 Modernization and standardization of coir and coir based industries

1.6 Minimization of waste in the domestic consumption and introduction of new productions and making aware of all parties on coconut productions

1.7 Development of industries through the introduction of new technology

1.8 Decentralization of technology exchange and service contribution

1.9 Service contribution made by Coir Research and Development Institute

1.10 Provision of assistance for the development of rural coconut industry through the Divineguma concept

1.11 Contribution of the division for the exhibition of coconut based industries for the Deyata Kirula national programme

1.1 Registration and Supervision of Production Units and Industries

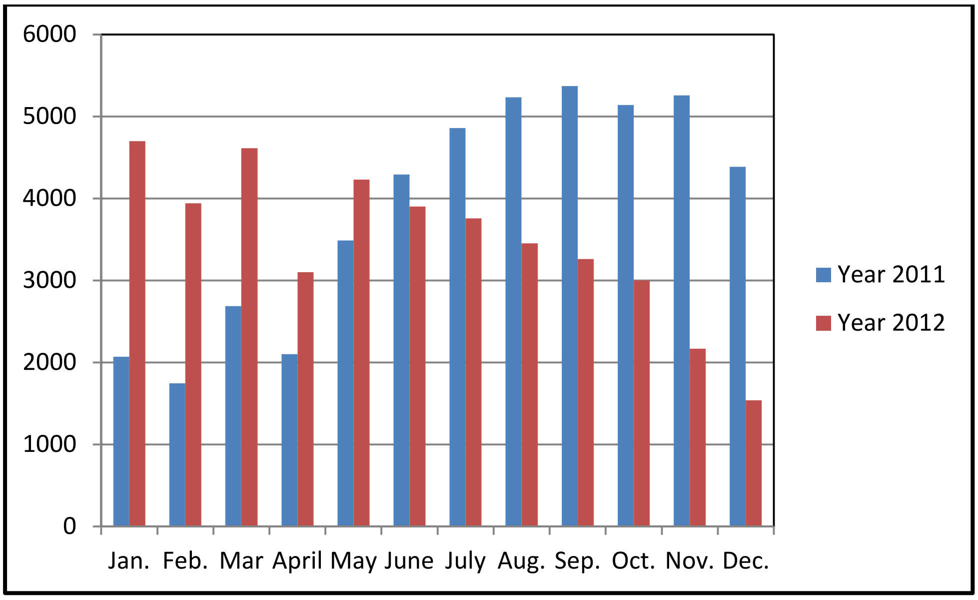
In the year 2012, 307 processing factories such as desiccated coconut, partially defatted desiccated coconut (PDDC), coconut milk and milk based products, coconut oil, copra, juice related products, coir and coir fibre based products, coconut shell charcoal, activated carbon products and coconut shell ornaments and handicrafts have been registered.

Products	**Production institutions registered in the year 2011**	**Production institutions registered in the year 2012**		
		New registrations	**Old registrations**	**Total registrations**
Desiccated Coconut products	49	-	51	51
Partially Defatted Desiccated Coconut (PDCC)	7	-	4	4
Coconut Milk products	7	-	5	5
Coconut oil products	44	10	34	44
Copra products	28	-	20	20
Coir fibre products	121	21	109	130
Coir fibre based finished products	36	10	25	35
Coconut shell charcoal products	2		2	2
Activated Carbon products	7		7	7
Coconut shell based ornamental handicrafts	13	-	7	7
Coconut juice based products	-	2	-	2
Total	**314**	**43**	264	**307**

Table No. 1 – Production institutions registered in the year 2011 & 2012

During this year, 41,647 metric tons of desiccated coconuts were produced and 51 mills were contributed for this success where the Processing Development Division obtained samplings from those productions and the factories were subjected to supervision for the analysis of the microbiological and physical quality.

Desiccated Coconut Production (MT) - 2011 & 2012



The number of supervisions, inspections and samplings made in the year 2012 in coconut based factories regarding the fields of desiccated coconut, coconut milk and milk based products, copra, coconut oil, coir fibre and coir based products was 10419 and 42 visits have been made to examine the stores and bins of shippers for the certification of quality in the desiccated products. There, 521 samplings from desiccated coconut bags have been obtained again and submitted to the laboratories for analysis.

1.2 Certification of Microbiological and Physical Quality Standards

- **Issuance of Quality Certificates for Desiccated Coconut**

  These quality certificates are issued based on the results after subject to testing the samples obtained by the Inspectors of the Authority from daily productions of desiccated factories, at the laboratory.

  Out of the 41647 Metric Tons of desiccated coconut produced during this year, 9393 samples/models were referred for microbiological, physical and special samples. 1738 quality certificates were issued for 17,388,810 kg of desiccated coconut.

Month	Issuance of Quality Certificates				Total
	Salmonella	Physical quality	SO_2	Aflatoxin	
January	104	104	-	-	208
February	96	96	-	-	192
March	83	83	5	5	176
April	65	65	8	7	145
May	66	66	8	8	148
June	61	61	14	14	150
July	70	70	11	13	164
August	62	62	6	5	135
September	65	65	10	7	147
October	45	45	9	8	107
November	36	36	9	7	88
December	35	35	5	3	78
Total	**788**	**788**	**85**	**77**	**1738**

Table No. 2 – No of certificates issued in the year 2012

- **Issuance of Analysis Reports**

Based on the results of analysis, certificates/ reports were issued on the requests of the buyers for partially defatted desiccated coconut (PDCC), copra, white coconut oil, virgin coconut oil, poonac, fresh coconuts, coir fibre, coir dust based products, special models of desiccated coconut, heavy metals and total tests of desiccated coconut, etc.. During this year, 840 analysis certificates/ reports have been issued. A detailed note on that is given below.

Items Inspected	No. of applications / samples obtained	No. of analysis certificates/ reports issued
Special samples of desiccated coconut	90	90
Partially defatted coconut	95	95
Copra	14	14
White Coconut oil	62	62
Virgin coconut oil	24	24
Coir fibre and coir fibre based products	123	123
Poonac	33	33
Total tests of desiccated coconut	311	311
Heavy metals in water	88	88
Total	**840**	**840**

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Table No 3 – No of analysis certificates issued in the year 2012

1.3 Development of coconut and coconut based industries through the Kapruka Navodava Strategy

Various strategies were implemented with the aim of expansion and maximum yield of coconut cultivation in Sri Lanka. With the view of implementing functions such as establishment of coconut and coconut based industries using that maximum yield, development of existing industries, making aware of entrepreneurs to manufacture value added products and providing assistance to commence such industries, importance of manufacturing quality products and providing assistance to manufacture such products, providing assistance to create household industries for the upliftment of rural economy and making aware on the manufacturing of coconut based handicrafts and ornamental items, the following programmes were carried out in the year 2012.

- **Commencement of Kapruka Nipeyum Piyasa Centres**

  Action was taken to establish Nipeyum Piyasa Centres under the Kapruka Purawara programme as per the direction and guidance of the Ministry. For this purpose, plans were set to identify appropriate regions to commence coconut and coconut based industries and to establish centres utilizing the closed government buildings at present. An awareness programme in this connection was held for the relevant stakeholders of the field of coconut industry and there they pointed out the facts such as difficulties they faced in deploying skilled labour for export manufactures and difficulties in obtaining raw materials and in transportation. The industrialists were invited to join with this programme as it would give remedial measures through the new programme.

  In this connection, following places were identified suitable to construct Nipeyum Piyasa in the abandoned government buildings out of the feasibility visits made in areas such as Pannala, Negombo, Ibbagamuwa, Mulatiyana, Godakawela, Divulapitiya, Madulla and Siyambalanduwa.

  1. Kotuwella Primary school - Pannala Divisional Secretarial Division
  2. Ihala Nelliya Primary School - Ibbagamuwa Divisional Secretarial Division
  3. Gal Etumba Kanishta Vidyalaya - Mulatiyana Divisional Secretarial Division
  4. Mawathalanda Vidyalaya - Godakawela Divisional Secretarial Division
  5. Kuliegedera Primary School - Divulapitiya Divisional Secretarial Division
  6. Nagahamada Common Building centre- MadullaDivisional Secretarial Division

In launching of this programme, it was identified that the following activities should be carried out by the Coconut Development Authority.

1. Provision of the building for the centre
2. Provision of machinery
3. Provision of infrastructure such as electricity, water, etc
4. Provision of technical know-how and basic facilities required for it
5. Carrying out follow-ups
6. Paying attention for the basic infrastructure further required in carrying out the project

Action was taken to develop the required infrastructure for the establishment of Nipeyum Piyasa Centre and to renovate the buildings by the Authority through the Divisional Secretariat.

Accordingly,

- The infrastructure and development activities of Godakawela Mawathalanda Vidyalaya were finalized. For this purpose, Rs.1.376 Million was incurred.

- For the infrastructure and developments required for the establishment of Kuliegedera Primary School of Divulapitiya, a sum of Rs.1.839 Million was incurred.
  (It is expected to commence the productions after joining with Kaprula society members and an entrepreneur having obtained electricity for the above two centres.)

- Out of the estimated expenditure for the infrastructure and development activities of Kotuwella Primary School of Pannala, Rs.2.215 Million (50%) has been incurred. Development activities are in progress.

- The development activities of Nelliya Nopeyum Piyasa Centre, Ibbagamuwa is in progress incurring Rs.2.144 Million. At present, production of Thavashi brushes is being carried out.

- The production of Thavashi brushes at the Madulla Nagahamada Nipeyum Piyasa was commenced on 25th November 2012 under the patronage of Hon Minister of Coconut Development Janatha Estate Development. The fixing of machineries and required technology was done.

Manufacturing of Thavashi brushes at the MadullaNipeyumPiyasacentre

In addition, the Waharakgoda coir based production unit is also manufactured under the new entrepreneurship in line with the Kapruka Nipeyum Piyasa concept and a Nipeyum Piyasa centre has also been commenced at Pattiyawelagoda and production process is in progress.

It is expected to carry out future activities in the year 2013.

- **Introduction and Implementation of GMPs for the Coconut based Industries with the view of manufacturing quality products**

The introduction of GMPs required for the manufacturing of products as to suit the market competition while maintaining the quality and relevant standards of coconut based products and implementation of them in factories were commenced in the year 2012.

Under the patronage of Hon Minister of Coconut Development and Janatha Estate Development, an awareness programme was held for the manufacturers of desiccated coconut, copra and coconut oil, coconut milk and related products, coir and coir based finished products in relation to GMPs which implement by the Sri Lanka Institute of Standards.

Signing for the agreement by the Director General of the Coconut Development Authority and the Director General of the Sri Lanka Institute of

Accordingly, following industries submitted applications for the GMP certification.

Desiccated coconut	-	33
Copra and coconut oil	-	7
Coconut milk and coconut milk based products	-	2
Coir and coir based finished products	-	11
		53

48 industries submitted their applications were subject to first audit and 6 institutions proposed for second audit out of them have finalized the second audit. This is a programme to be implemented in the year 2013.

- **Commencement of coconut based industries / provision of technical know - how required for the development of existing industries**

  The training programmes conducted considering the facts such as abundance of raw materials in the area, market requirement for the product and sale based on the requests made by the Kapruka societies to provide technical know – how required for the manufacturing of coconut and coconut based products are as follows.

No.	Training programme	No. of D. S. D.	No. of training programmes	No. of beneficiaries
1.	Production of coconut fibre	03	04	97
2.	Production of carpets	09	12	223
3.	Production of ekle brooms & brooms	15	18	425
4.	Production of ekle brooms & brooms (Women)	01	01	15
5.	Production of coconut shell based products	09	13	183
6.	Production of ekles	02	02	35
7.	Production of coconut shell charcoal	01	01	45
8.	Production of coconut leave based products	03	03	55
9.	Production of brushes	06	06	115
10.	Production of coir yarns	03	04	88
11.	Production of coconut oil	02	02	34
12.	Production of coir twines	02	02	41
13.	Production of ekle brooms	02	02	43
14.	Production of brooms	01	01	13
15	Production of sweets (women)	05	05	93
16	Copra	01	01	13
Total			**76**	**1518**

Table No. 4 – Training programmes

- **Collection and Using of Coconut Shells and Coconut Husks**

  Action was taken to establish coconut shell and coconut husk collection centres with the view of identifying coconut based raw materials wasting without using and utilizing them for industries. Accordingly, 842,760 kg of coconut shells through 47 coconut shell collection centres and 2,765,400 coconut husks through 14 coconut husk collection centres were collected. Here, those who are willing to produce coconut shell charcoal and those who are willing to carry out coconut husk based industries are made aware on technical know - how and obtaining of financial assistance.

- **Implementation of Kapruka Nipeyum Diriya Concessionary Loan Scheme**

With the view of providing assistance to obtain the capital required for the development / modernization of coconut and coconut based industries and commencement of new industries, Rs.16.615 Million has been given to 25 applicants based on concessionary rate at 6% by the Coconut Development Authority joining with the People’s Bank. In addition, another 51 applicants have been qualified to obtain loan facilities.

Signing for the relevant agreements by the Chair Persons of the Coconut Development Authority and People’s Bank under the patronage of Hon Minister of Coconut Development and Public Estates Development and in the presence of Secretary to the Ministry, Chairman of the Coconut Cultivation Board and senior officials of the two parties.

- **Implementation of Women's Entrepreneur Programmes**

The objective of this programme is to uplift the rural economy by carrying out coconut based value added productions as self employments using coconut based raw materials which do not use for any other purpose. Accordingly, it was planned to provide technical know – how required for the making of coconut based sweets and manufacturing of ekle, coconut leaves, matula and coir based products and following programmes were carried out in this year.

Training programme	No. of programmes	No. of beneficiaries
Manufacturing of sweets	5	93
Ekle brooms & brooms	1	15
Ekle ornamental products	1	30
Total	**7**	**138**

Table No. 5 – Women’s Training Programmes

- **Provision of Financial Contribution for the Kapruka Fund**

The Kapruka Fund which is established under the Kapruka Act No. 31 of 2005 is implemented and the Chairman of the Coconut Cultivation Board acts as the ex-officio Chairman of the Management Board of this fund while the Chairman and the Director General of the Coconut Development Board, Chairman and the Director of the Coconut Research Institute and the General Manager of the Coconut Cultivation Board represent the other members of the Control Board. At the first meeting, it has been decided to commence this fund by contributing Rs.10 lakhs from 3 institutions at the commencement of this fund. Accordingly, action was taken to provide Rs.10 lakhs from the provisions allocated for the Processing Development Division in the year 2012.

1.4 Provision of money of Mills Development Fund for Development Activities

The industrialists have been made aware to obtain expenditures incurred to upgrade the desiccated coconut factories and for the certification of GMPs from the Mills Development Fund. Through this certification, it would be able to submit quality products to the foreign market and to secure a sound market for the Sri Lankan products.

1.5 Modernization and Standardization of coir and coir based industries

In considering the annual foreign exchange earnings from the coconut industries, the foreign exchange earnings received from coir and coir based products take a very higher position. A favourable price is available in the international market for the products manufactured using natural raw materials. Therefore, the Authority has identified the need of implementing rules and regulations including the matters such as layout of the coir industries, selection of appropriate raw materials, manufacturing of quality products, packing of products, storing, transportation, etc. The preparation of a methodology with the assistance of the Sri Lanka Institute of Standards is being finalized.

1.6 Minimization of waste in the domestic consumption and introduction of new productions and making aware of all parties on coconut productions

It has been planned to produce and telecast a series of a documentary programme joining hands together with the Sri Lanka Rupavahini Corporation as a promotional programme for making aware the public on coconut and coconut related industries, minimizing of wastes in the domestic consumption, making aware the industrialists for the value added coconut and coconut based products, making aware the public on Kapruka Navoda programme while emphasizing the strengths and investment opportunities of the industry.

Entering into the agreement by the Chair Persons of the Coconut Development Authority and the Sri Lanka Rupavahini Corporation under the patronage of the Hon Minister of Coconut Development and Public Estates Development in the presence of the Secretary to the Ministry of Coconut Development and Public Estates Development and the Director General of the Coconut Development Authority

1.7 Development of industries through the introduction of new technology

- Out of the total coconut cultivation, 20% extent of lands is scattered in Southern Province and Ratnapura, Monaragala districts and it is required to transport the fresh nuts available in these areas to the desiccated coconut factories situated within the Coconut Triangle for sale, daily. Accordingly, approval was granted to the entrepreneur who submitted the project proposal to establish the factory in Embilipitiya out of the two entrepreneurs responded to the newspaper advertisement published.

- The coir is leached manually by using the traditional methods of the coir industry. There is a shortage in skilled labour as there is a risk in placing coir husks in using traditional sets of boxes. These problems have been identified by the Coconut Development Authority and action was taken to purchase 05 mechanical sets of boxes to fix in identified 5 places as the mechanical set of box improved by the Technical Vocational Institute is appropriate for coir leaching.

- Although the preparation of charcoal by burning coconut shells has been a traditional industry, Carbon Dioxide and Carbon Monoxide are released to the environment through this activity. Therefore, experiments were done since a period of time to carry out this industry as an eco friendly industry and 02 effective methodologies have been identified at present.

    1. Improved traditional pit system
    2. Stove system

    Experiments are done to rectify the errors by identifying practical problems that have to be faced in implementing these methodologies. The attention of the division is always paid in this connection.

1.8 Decentralization of technology exchange and service contribution

The regional offices were established with the view of decentralizing the services which were centralized for the head office by directing them towards the areas (villages) where the coconut and coconut based industries are available. Through this, the stakeholders of the industry who lived in that area are facilitated lot and it has been able to solve the problems related to the industry and to fulfill the requirements of the sector. The functions carried out by the regional offices are collection of surveys, data and information under Kapruka Purawara programme, organizing and conducting of technical training programmes, provision of services for the national level exhibitions and workshops.

1.9 Service contribution made by Coir Research and Development Institute

The research and development activities related to coir related industries are carried out and researches are made with regard to expediting of the process of leaching coconut husks by using hot water and 80% of the expected target has been achieved at present. Further, 6 training programmes titled provision of knowledge on coir products / carrying out effective productions/ giving remedies for existing issues were conducted.

Moreover, a workshop was conducted for the coir manufacturers regarding Economizing of Power in collaboration with the Sustainable Power Authority.

1.10 Provision of assistance for the development of rural coconut industry through the Divineguma concept

The contribution of the Coconut Development Authority is extended for the Divineguma national programme implemented under the guidance of the Ministry of Economic Development. Through this programme, following programmes were implemented with the objective of establishment of coconut based household industries and upliftment of rural economy by carrying out industries using coconut related raw materials which are abundant in the area.

No.	Training programme	Divisional Secretarial Division	No. of beneficiaries participated
1.	Coconut shell based products	Nachchaduwa	12
2	Rope products	Chawakachcheriya Batticaloa Iwegama	24 9 7
3	Ekle brooms and brooms products	RambukkanaDehiovita Kegalle Chawakachcheriya Batticaloa Matale	12 17 11 16 6 19
Total			**133**

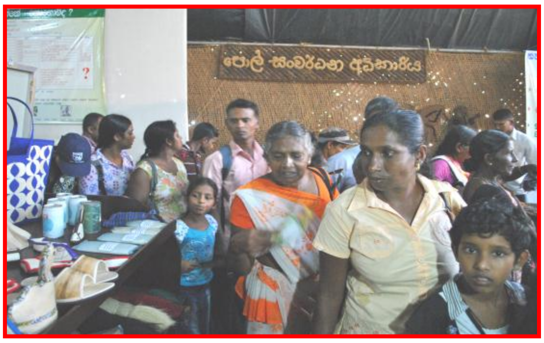
Table No. 6 – Divinegma Training Programmes

In addition, 10 technical exhibitions and awareness programmes were conducted on coconut and coconut based industries in areas such as Batticaloa, Mullativu, Kilinochchi, Badulla, Vavuniya, Matale, Galle, Trincomalee, Nuwara Eliya and Kurunegala.

1.11 Contribution of the division for the exhibition of coconut based industries for the Deyata Kirula national programme

The contribution of the division was extended for the Deyata Kirula national programme held at Oyamaduwa of Anuradhapura district in the month of February 2012. There, action was taken to introduce coconut and coconut related products, make aware the public on importance of protecting their quality and the way of carrying out such industries as well as to make aware on the manufacturing of handicrafts and ornaments using coconut related raw materials abundantly available in the area of living and waste without using. Accordingly, the following demonstrations were carried out.

- Production of ropes
- Production of ekle brooms & brooms
- Production of mats
- Ekle related products
- Coconut shell related products
- Matula related products
- Coconut oil products
- Coconut leaves related products
- Ornamental products using the fresh nut



Public who visited the stall of the CDA

In addition, the mechanism of coir leaching and coconut shell chimney models were exhibited at this exhibition.

Moreover, the Coconut Development Authority secured the fourth place under the theme Educational and Natural Exhibit Stall out of all the exhibit stalls at the Deyata Kirula Exhibition.

2. Quality Control and Quality Assurance Division

The main responsibility of the Quality Control and Quality Assurance Division is the certification of quality of export stocks by implementing programmes on quality control, provision of testing facilities as per the requirements of various applicants, inspection and issuance of certificates in submitting coconut productions to the local market and provision of consultancy for keeping up a higher standard in the coconut based products.

Functions of the Division:

- **Inspection and certification of quality of the desiccated coconut manufactures directed for exportation**

  The desiccated coconut industry which is the prime kernel based product in the coconut manufacturing field basically underwent proper quality control and all desiccated coconut daily products are subjected to testing in the Quality Control and Quality Assurance Division. The results of these testings are contributed to issue quality certificates for these products which are meant for exportation.

- **Carrying out laboratory testing services at a concessionary rate as a service rendered for the manufacturers of coconut based products, exporters and consumers**

  The Quality Control and Quality Assurance Division of the Coconut Development Authority has the capacity of conducting all microbiological and physical testings as specified in the standards for coconut based products issued by the Sri Lanka Standards Institution and takes action to provide immediate testing services at a very concessionary rate for the amelioration of entrepreneurs involved in the coconut industry

- **Carrying out Microbiological and physico-chemical testing for the process improvement of desiccated coconut manufactures**

  The microbiological testings are done by the mobile laboratory services except the testings done at the laboratory of the Authority for the improvement of coconut manufacturing process and maintenance of higher standard in the productions.

In addition, followings were carried out.

- Provision of technical assistance for the factories carrying out coconut manufactures inspection of factories and provision of consultancy services.
- Taking action to obtain ISO 17025 quality certificate for the laboratories of Quality Control and Quality Assurance Division.
- Carrying out swab tests for kernel based manufacturing factories when facing microbiological aflatoxin situations and provision of consultancy having examined the laboratory tests.
- Examining of hygiene of coconut oil manufacturing factories with the intension of improving and maintaining the hygiene of coconut oil industry and examining whether the copra which is the raw material used for manufacturing coconut oil, the coconut oil which is the main product and the poonac which is the bi-product are in accordance with the Sri Lanka Standards
- Provision of services for the protection of consumers from using mixed coconut oil by providing details on identified sellers of mixed coconut oil to the Consumer Affairs Authority and the Food Control Unit of the Ministry of Health which has the authority for food items and acting together with those institutions while testing the quality of the coconut oil manufactures available in the local market.
- Carrying out production tests against the local foreign complaints inrespect of coconut based products.
- Participation in awareness programmes and exhibitions on the importance of coconut based products
- Carrying out testing services of other food products
- Carrying out water analysis
- Updating of presently existing Sri Lanka Standards and implementation of programmes in connection with the Sri Lanka Standards Institution for the formulation of standards for coconut based products which the standards are not available at present
- Conducting of training programmes for the staffs engaged in the services of laboratories available in the coconut based manufacturing industry.

Accordingly, the Quality Control and Quality Assurance Division of the Coconut Development Authority has achieved progress as per the action plan for the implementation of national development plan of Kapruka Navodawa introduced by the Ministry of Coconut Development and Janatha Estate Development.

With the objective of manufacturing quality coconut products as per the said plan and thereby expanding the local and foreign market, the Quality Control and Quality Assurance Division has done inspections of coconut products. For the provision of this service with more standards, the action is being taken to obtain ISO 17025 quality certificate for the laboratories.

2.1 Certification of the quality of coconut products making available for exportation and local consumption

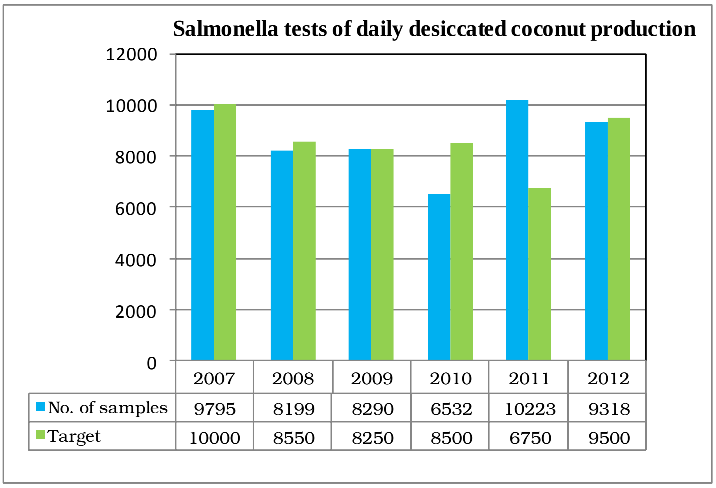
2.1.1 Pre shipment microbiological analysis and certification of coconut products

The testings of kernel based coconut products are basically carried out for desiccated coconut. The salmonella testing of daily productions of desiccated coconut taking place in production houses is done in the microbiological laboratory of the Quality Control and Quality Assurance Division. Accordingly, all the desiccated coconut productions forwarded for exportation are subjected to laboratory tests of Quality Control and Quality Assurance Division. The production of local desiccated coconut is based on the coconut harvest, size of the coconuts, price of the coconut and the price of the desiccated coconut in the foreign market and the receiving of samples to the laboratory is based on the amount of productions.

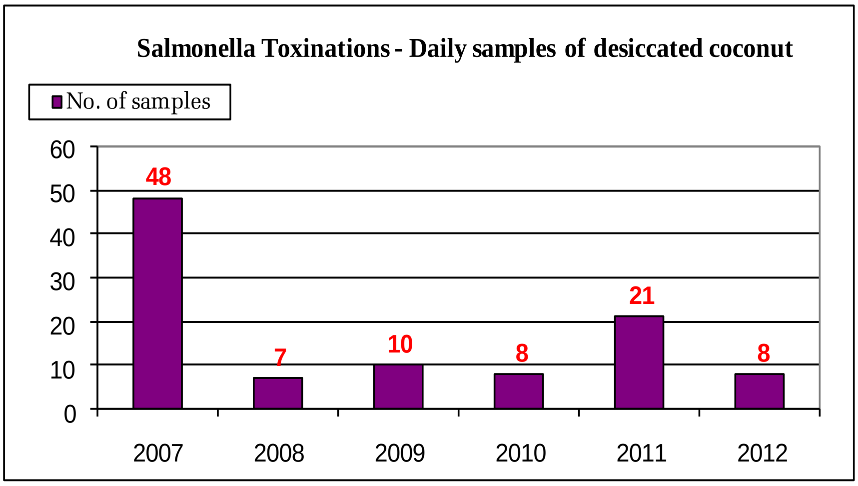
The number of samples of desiccated coconut submitted for salmonella test in the year 2012 shows a decrease as compared with the year 2011. It is obvious that the main reason for this is the decrease of desiccated coconut in the year 2012.

Year	Production of desiccated	No. of samples received to the laboratory
2011	46,620.477	10,223
2012	41,647.384	9,381

For the year 2012, a target of 9500 samples was decided. Accordingly, the progress achieved for these testings in the year 2012 was 98%.

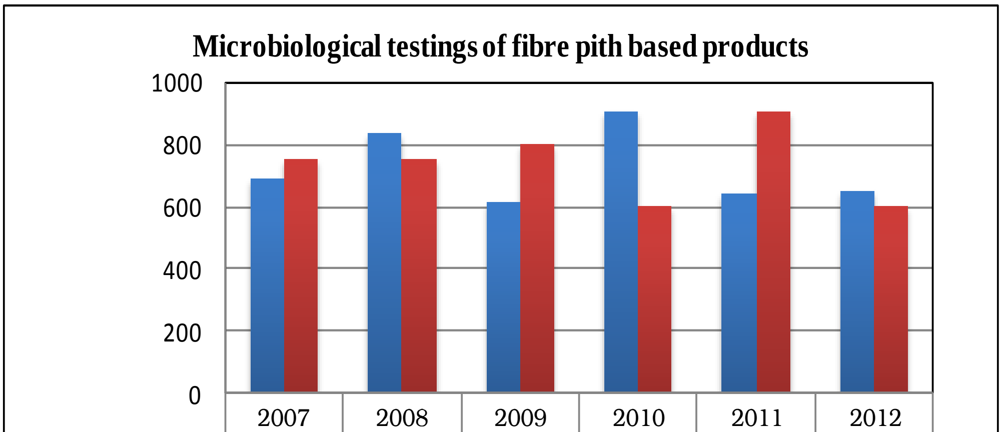


Out of the desiccated coconut productions tested in the year 2011, 21 samples were reported as salmonella toxined. The total amount of toxination as a percentage is 0.20%. The number of samples toxinated in the year 2012 is 08. It is a percentage of 0.08% out of the tested items. Accordingly, it shows a decrease in toxination. This shows an increase of healthiness in the state of productions.



Year	2007	2008	2009	2010	2011	2012
Percentage of toxination	0.50%	0.10%	0.12%	0.12%	0.2%	0.08%

The fibre pith based products takes priority among the non kernel products for pre shipment analysis. In the year 2011, 640 samples have been tested whereas 645 samples have been tested in the year 2012. In the year 2012, the number of fibre pith based products subjected to testing have been increased as compared with the annual target and thereby reported a 108% of progress.



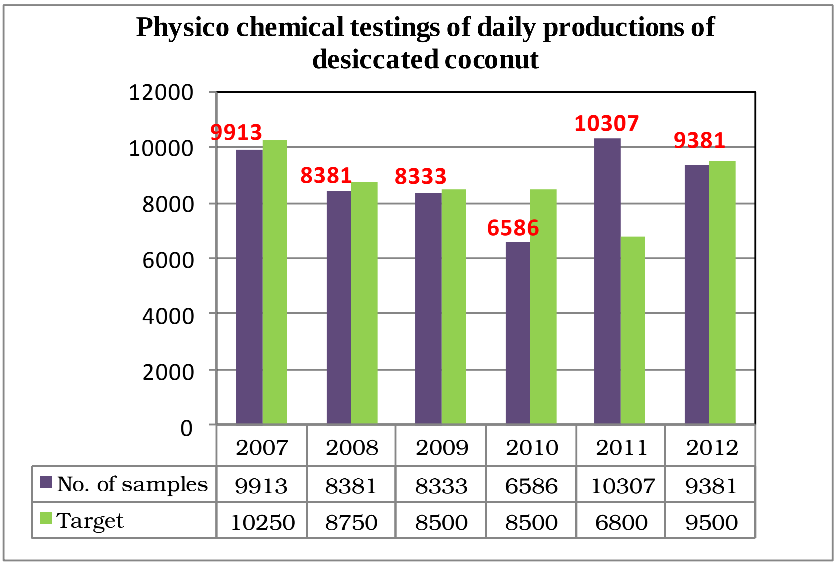
	2007	2008	2009	2010	2011	2012
No. of samples	687	831	615	900	640	645
Target	750	750	800	600	900	600

2.1.2 Carrying out pre shipment physico chemical testings and certification of coconut products

The daily desiccated coconut samples, special export testing mass / American exports, re – sampling of desiccated coconut, re – processed desiccated coconut samples, special daily samples, sampling of old stocks, defatted desiccated coconut, etc were subjected to analysis during the year.

As Physical and Sensitive Tests

Mainly, testings of the colour of the desiccated coconut, no of particles, moisture, taste, smell, waste, dust and leakage of oil have been conducted. Accordingly, during the year 2011, 10307 samples have been tested whereas 9381 samples have been tested in the year 2012. The progress as compared with the target in year 2012 is 99%.



	2007	2008	2009	2010	2011	2012
No. of samples	9913	8381	8333	6586	10307	9381
Target	10250	8750	8500	8500	6800	9500

Out of the desiccated samples of 10307 subjected to testing in the year 2011, 223 samples i.e. 2.2% have showed shortcomings in physical features whereas 180 samples i.e. 1.9% from the 9381 samples tested in the year 2012 have showed such shortcomings. In the year 2012, the shortcomings of physical features have been decreased at a small rate. The existence of small no of shortcomings in the physical samples is a healthy tendency.

The amount of desiccated samples within the maximum limit i.e. marginal quality shortcomings in the year 2012 was 7.1%. In the year 2011, it is a percentage of 9.9% and a lesser amount of marginal quality shortcomings has been reported in the year 2012, considerably. If the productions come out with marginal shortcomings, it would cause to production shortcomings and would not comply with the standards. Therefore, immediate reports should be issued on such samples and action is taken to inform the manufacturers on the shortcomings through the Processing Development Division for rectification of production process.

Out of the desiccated coconut exported, 02 samples of desiccated coconut which are directed to American exportation have been received for the year 2011 whereas 185 samples have been received for the year 2012. However, only 107 samples have been successful for exporting to America which was complied with the standards. In the year 2011, 53 samples of desiccated coconut to be exported for the use of mass productions as raw materials have been received and 77 such samples have been tested for theyear 2012. Accordingly, the American exports as well as the amount of desiccated coconut directed for mass productions has been increased comparatively.

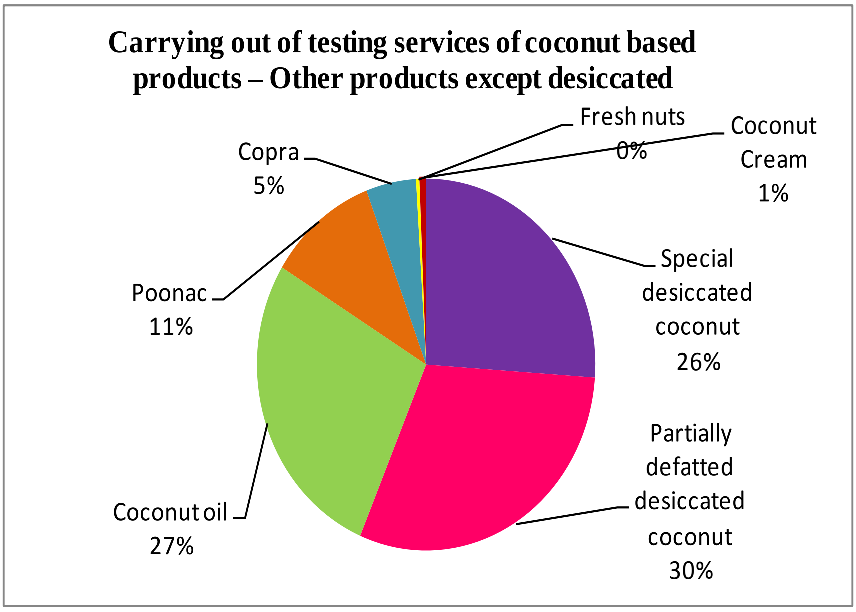
2.2 Carrying out testing services of coconut based product

The Quality Control and Quality Assurance Division carries out the analysis of various coconut products of local manufacturers as a service. Under this, testings such as various microbiological tests, chemical tests, physico tests and sensory tests are carried out. This service is given at a very reasonable price and reports are issued by testing as per the required parameters of the applicant. The testing service in relation to coconut based products is provided to any party such as coconut based manufacturers, consumers, small and large scale traders and exporters.

The testing services made for the desiccated coconut on the special requests of exporters in accordance with the Sri Lanka Standards is carried out for various coconut based products such as partially defatted desiccated coconut, copra, coir fibre, coconut oil, poonac, fibre pith and fibre pith based products and coconut milk and coconut milk based products . The modern laboratory equipment required for the purpose is available with the Quality Control Division and immediate results are given by the Quality Control Division.

These testings are carried out immediately at a discount rate for the aforesaid institutions registered at the Coconut Development Authority for the manufacturing of coconut based products as per the standards, encouragement of manufacturers to test and understand on the quality of the products and for the encouragement of exporters to send high quality coconut products to the foreign market as to protect the name of Sri Lanka.

The coconut kernel based products are mainly submitted for testings and 293 samples have been tested in the year 2011. On the requirements of the applicants, 766 coconut kernel based samples have been analyzed in the year 2012 which counts for a progress of 108% as against the targeted number of 700. Out of the 766 samples received in the year 2012, 452 desiccated samples have been analyzed for Sulpher Dioxide and Aflatoxin only. This is a 59.7 % out of the total samples tested. The other tests are as follows.



Year	Special desiccated samples	Poonac (Samples)	Coconut oil (Samples)	Copra (samples)	Partially defatted desiccated coconut (Samples)	Fresh Nuts	Coconut cream / milk powder	No. of total samples
2012	82	33	86	15	95	01	02	314
2011	80	07	78	04	124	--	--	293

Since the facilities of the division were expanded, testings of other products deviating from coconut based manufacturing industry have also been carried out and action has been taken to deliver an immediate service at reasonable and easy prices although a discount has not been granted. Accordingly, 16 samples were tested in the year 2012 and samples of water, king coconut oil, refined palm oil, rice and cooled scraped coconut, etc were also subjected to testing. Further, certificates have been issued by testing whether the waste water out from the desiccated mills are complied with the environmental standards.

2.3 Obtaining ISO Quality Certificate

In order to obtain an international recognition for the quality certificates given for results issued by the Quality Control Division of the Coconut Development Authority carries out testing activities correctly, formally and systematically. For this purpose, the ISO 17025 quality certificate offered by the Sri Lanka Accreditation Board has been secured by the Chemical Analysis Section of the Quality Control and Quality Assurance Division for the coconut oil testing methodologies on 12/06/2012.


SLAB
Certificate of Accreditation

Sri Lanka Accreditation Board for Conformity Assessment hereby declares that

Chemical Laboratory of Quality Control and Quality Assurance Division Coconut Development Authority

having being found to comply with the accreditation criteria for testing/calibration laboratories as described in ISO / IEC 17025 :2005,has been accredited as a testing laboratory under the field of

Chemical Testing

and has been assigned the accreditation number

TL 030-01

This certificate is issued on 12 June 2012 and is valid until

11 June 2015

The accreditation was granted for the first time on 12 June 2012

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

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

The application for obtaining the ISO standards for salmonella, total plate count, yeast and mould, coliforms count, e. coli count at the microbiological laboratory having conducted preliminary audits for the microbiological laboratory with the reports of the 1st surveillance for coconut oil has been submitted to the Sri Lanka Accreditation Board. The physical progress for the year 2012 has been achieved 100%.

2.3.1 Conducting of Training Programmes

The training programmes required for the related matters of obtaining of ISO standard certificate which have commenced by the Quality Control Division and testing of coconut products timely introduced under new projects have been provided for the employees of the laboratory and training programmes have been conducted for the staffs of other outside laboratories by the Quality Control and Quality Assurance Division.

Provision of trainings for the staffs of the laboratory of Quality Control and Quality Assurance Division

	Training Programme	No. of employees participated
1.	Seminar on new food Hygiene Regulations	01
2.	Training programme on statistical process control (SPC) sampling techniques and inspection for ISO 9001 quality Management system	01
3.	Seminar on Agilent spectroscopy	01
4.	Increase of Employee Productivity	06
5.	Detection and enumeration of international enterococci in water and food	03
6.	Seminar on Accreditation supporting safe food and clean drinking water	02

2.4 Securing the standard of coconut manufacturing industries produced for exports

Conducting of Microbiological physico chemical tests, inspection of factories and provision of consultancy for the improvement of desiccated coconut manufacturing processare the activities carried out under this programme.

The aforesaid services are delivered by using the mobile laboratory as per a pre – planned programme prepared as to cover all the desiccated coconut mills within a period of one month for the continuation of quality assurance strategies of the desiccated coconut mills. These activities are implemented with a proper plan as not to occur any disturbance for the daily laboratory tests within the existing cadre and payments such as government approved OT rates. During the year 2011, 494 field tests have been conducted and it was able to do 419 field tests in the year 2012. The progress of the year 2012 as compared with the annual target was 105%.

The number of samples undergone for microbiological tests for the improvement of quality of the desiccated coconut products is 413 in the year 2011 whereas the number of samples in the year 2012 is 311. As there was a higher level of desiccated production in the year 2011 as compared to 2012, the number of testings has also been increased accordingly. However, the progress as compared with the target of year 2012 is 99%.

Moreover, in order to examine whether the water used in desiccated coconut manufacturing is in the due standard, the microbiological, and chemical and heavy metal analysis of that water is carried out 206 (the progress as compared with the target is 103%) microbiological and chemical analysis samples have been tested and 86 water samples have been tested for heavy metal analysis. In these samples, 616 tests have been carried out for 7 heavy metals.

2.5 Upliftment of coconut oil industry

2.5.1 Market Supervision on Mixed Coconut Oil

Programmes have been implemented for the improvement of coconut based products as per the international standards. The Quality Control and Quality Assurance Division has carried out researches and surveys with the objective of testing the healthiness of the coconut oil as a food and on raw materials used for such productions with standards as well as to check whether they are sent to the market without any sub - standardization.

The contribution has been made to control the trading of mixed coconut oil as refined coconut oil up to certain extent through legal processes by submitting the analysis reports received on mixed coconut oil to the Ministry of Health and Consumer Affairs Authority.

In the year 2012, too analysis were conducted continuously for inquire whether the coconut oil available in the market are mixed oil by collecting samples from each district of the island and these inspections have been made as to formally cover all small, medium and large scale trade centres. Further, contribution has been extended for the aforesaid task by collecting coconut oil samples available in the market in co-ordination with the Consumer Affairs Authority and subjected them to testing as well as forwarding results. In the year 2012, 96 samples were tested and the percentage of reporting mixed coconut oil was 28% where a higher percentage of 39% out of such testings carried out in the year 2011 has been reported as mixed coconut oil.

Accordingly, a decrease of mixing coconut oil is shown in the year 2012. This is a positive tendency towards the existence of the coconut oil industry and the consumers as well.

2.5.2 Improvement of the standard of coconut oil industry

In order to standardize the coconut oil manufacturing industry, quality control programmes were implemented based on the coconut oil mills. Accordingly, copra, coconut oil and poonac samples were collected respectively from coconut oil mills for studying whether the copra which is the raw material for coconut oil manufacture is of due standard, whether the produced coconut oil are of good quality and whether the coconut oil extraction takes place efficiently and results of the tests have been released. As such, 100 coconut oil samples, 67 copra samples and 100 poonac samples have been tested in the year 2012 and the progress of them as compared with the target of year 2012, are 100%. Action is taken to make aware the manufacturers through the Processing Development Division regarding the non-compliance of results of the samples taken from districts such as Galle, Matara, Hambanthota, Puttlam, Kurunegala, Gampaha, and Colombo with the standard.

Other Extra Activities

In order to make aware the public on contribution of the Quality Control and Quality Assurance Division of the Coconut Development Authority primarily for research purposes of coconut manufacturing field and other research requirements, it has participated in the Deyata Kirula National Exhibition of the year 2012 held in Anuradhapura.

Action has been taken to supervise the mixed coconut oil available in market of Divisional Secretarial Divisions as to cover the following districts prior to Deyata Kirula national exhibition to be held in Ampara district in the year 2013.

District	Divisional Secretariat Division	Total No. of Samples Collected
Trincomalee	Kantale, Thampalakamam, Trincomalee, Kinniya, Muththur, Seruwila, Echchalampaththei, Kuchchaweli, Morawewa, Padavi Sri Pura, Gomarankadawala	22
Polonnaruwa	Hingurakgoda, Elahera, Thamankaduwa, Medirigiriya, Lankapura, Dimbulagala, Welikanda	19
Batticaloa	Eravurpattu, Eravur town, Kaththankudi, Oddamavedi, Valachchena, Koralevipattu North, Manmunei North, Areipattu, Manmunei South and Eruwavilpattu, Manmunei South Western, Manmunei North, Porativipattu	36

Financial Expenditure

As the financial expenditures of the Quality Control and Quality Assurance Division, provisions are allocated under the Capital Development Fund. The provision of the funds is used for the purchase of laboratory equipment required for the laboratory tests, modernization activities, repairs and obtaining ISO standard certificates. For the year 2012, Rs. 8.5 Millions were approved and provisions were incurred for the aforementioned activities.

Under the recurrent expenditures, basically, the provisions have been spent for the purchase of glass equipment, micro biotic media, chemicals, etc and for the payment of salaries of the employees as well as other expenditures.

3. Marketing Development and Research Division

In the year 2012, as a main division of the Coconut Development Authority, the Marketing Development and Research Division has carried out various activities. Here, the attention was drawn towards the requirements of parties involved in the manufacturing, marketing and other services of coconut industry as well as the consumers. On their ideas and requirements, action was taken with stability for the development and future of the industry and thereby making contributions for the Sri Lankan economy (through local and foreign trade).

The functions carried out by the Marketing Development and Research Division for the year 2012.

- Promotional activities of coconut based products locally and internationally
- Direction of public towards using and consuming eco friendly coconut products
- Making aware the consumers for the minimization of waste in using coconut.
  The export income would be increased due to hike of productions of coconut industry by encouraging public to use coconut products
- Implementation of programmes to explore the market for the products of coconut related industries.
- Registration of exporters, coconut estates and estate owners, traders, auctioneers and brokers and mediation for settlements and arbitrations
- Collection and publication of market data and export import information related to coconut industry in order to provide for the relevant parties.
- Conducting of coconut and copra auctions
- Maintaining of a sales outlet called Isurusala for the encouragement of small and medium scale coconut based product manufacturers and for the promotion of their sales
- Conducting of training programmes for those who are interested in manufacturing coconut based ornaments and scattered over the regions.
- Identification, decision making, suggesting, implementation and following up of market development and research processes related to the progress of the coconut industry sector.

The Marketing Development and Research Division has effectively carried out the aforementioned functions for a greater productivity of the coconut industry sector in the year 2012.

Due to the successful implementation of aforesaid programmes, it can be stated that the export income of the coconut industry in Sri Lanka as at the end of year 2012 is Rs.46 Billion.

The programmes implemented by the Marketing Development and Research Division in the year 2012 and their progress are appended below.

3.1 Formulation of a Network of Manufacturers and Prospective Buyers

3.1.1 Registration of all those who are related with sale of coconut and coconut based finished products and coconut estates

As in previous years, in the year 2012 also, registration of entrepreneurs and exporters who are involved in exports of coconut industry, traders, auctioneers and brokers of coconut and copra is carried out. It was able to formulate a proper co-ordination among them through this activity.

The registrations were done as follows in the year 2011 and 2012.

	2011	2012
Exporters	508	566
Brokers	22	21*
Traders	11	23
Coconut estates	108	122

*One broker who registered himself in every year has been passed away and therefore, his registration has not been submitted for the year 2012. Hence, it shows a decrease in registration of brokers in the year 2012 as compared with the year 2011.

3.1.2 Conducting of coconut and coconut related products auctions

3.1.2.1 Colombo fresh nut auction

The fresh nut auction carried out successfully by the Marketing Development and Research Division from the year 1994, has shown a progress in the year 2012 as mentioned below.

Year	No. of fresh nuts		Normal Price Rs. (per 1000 nuts)
	Tendered amount	No. of sales	
2011	60,675,031	36,126,573	29,606.94
2012	86,987,442	46,123,219	22,897.10

Action is being taken to carry out the fresh nut auction through the internet as a new approach in the year 2012.

3.1.2.2 Regional Fresh Nut Auctions

After the decentralization of fresh nut auction regionally, which was centralized only to Colombo, the small and medium scale coconut cultivators have been able to obtain a reasonable price for their products. At present, this regional coconut auction is taken place twice a month at Kuliyapitiya and more number of fresh nuts were produced for the auction in year 2012 as compared with the year 2011.

Year	No. of fresh nuts		Normal Price Rs. (per 1000 nuts)
	Tendered amount	No. of sales	
2011	1,816,980	751,410	27,948.03
2012	1,937,821	1,259,515	22,532.13

3.1.2.3 Copra auction

At the copra auction held weekly by the Marketing Development and Research Division in the year 2012, auctioneers have produced much amount of copra in the year 2012 as compared to 2011.

Year	Amount tendered (kg)	Amount sold (kg)	Normal prices (For a candy of Rs./250 kg)	
			Excellent No. 1	Excellent No.2 & 3
2011	457,050	414,340	39,903	36,267
2012	601,664	563,144	29,557	28,407

As compared to year 2011, an increase of coconut yield was expected in the year 2012 and therefore, a higher amount of coconuts was produced for the coconut auction. Further, a tendency towards production of more number of coconuts for the auction was shown in the year 2012 due to the fact that the manufacturers received a reasonable price at the coconut auction.

3.1.2.4 Matters related to Trade Disputes

The occurrence of trade disputes in coconut production, trade and export activities is something unavoidable. In the year 2012, the Marketing Development and Research Division has fulfilled a greater task for the settlement of such trade disputes and thereby contributed a lot for the amelioration of coconut industry sector.

3.1.3 Creation of market opportunities with the assistance of private sector – local trade exhibitions

The Marketing Development and Research Division has fulfilled its functions by participating in following exhibitions for the popularizing of coconut based products among students and general public.

Name of the exhibition	Place	Organized by
1. Deyata Kirula	Anuradhapura	Ministry of Finance
2. New Year Fair	Visaka Vidyalaya - Colombo	Visaka Vidyalaya - Colombo
3. Educational programme related to coconut cultivation research and industry - Kaprukai Sipnenai	Moratuwa	Ministry of Coconut Development and Janatha Estate Development
4. Annual programme of the Coconut Cultivators' Association	Mihilaka Medura - Sirimavo Bandaranaike Conference Hall	Coconut Cultivators' Association
5. Agricultural exhibition	Gannoruwa – Kandy	Department of Agriculture
6. Industrial and Machinery exhibition	Sirimavo Bandaranaike Conference Hall	Ceylon Small and Medium Scale Entrepreneur Industrial Board
7. Programme of distributing coconut seedlings	Bandaragama	Coconut Cultivation Board
8. Dam Asiri Exhibition	Dhammissara Central College - Naththandiya	Dhammissara Central College - Naththandiya
9. Traditional Industries and Trade Exhibition (Shilpa 2012)	Sirimavo Bandaranaike Conference Hall	National Arts & Crafts Council

The participation of Coconut Development Authority was given for the upliftment of coconut based industries at the districts such as Mannar, Hambanthota, Ratnapura, Kandy, Trincomalee, Mullativu and Matara for the Divineguma exhibitions organized by the Ministry of Economic Development.

The Kapruka Purawara programme organized by the Ministry of Coconut Development and Janatha Estate Development was implemented at following areas. The participation of this division was also extended for this programme and the income generated at these exhibitions for coconut and coconut based products is as follows.

Place where the exhibition was held	Income received (Rs.)
Rambukkana	1,640
Baticaloa	2,055
Mulatiyana - Matara	3,300
Bandaragama	5,810
Madulla	3,225
Jalthara - Homagama	
Wewelpanawa	5,805

Foreign Trade Exhibitions

The participation of exporters at foreign trade exhibitions is considered important in exploring foreign markets for the coconut based local finished products. Through this, the exporters will be able to receive more and more foreign orders, study on the competitive items and to make aware on the standards of items updated day by day.

The sponsorship of the Coconut Development Authority at the "Seattle Gift Show 2012" held in the United States of America in the year 2012 is as follows.

For this exhibition, compressed fibre piths and bags for horticulture, rubberized coir pots, carpets, thawashi brushes, thawashi ornaments, jewelleries and ornaments made out of coconut shells were presented and the Coconut

Development Authority gave the chances for two exporters to participate in this exhibition.

3.1.4 Facilitation and control of sales of coconut and coconut based products locally and internationally

The permission of the Coconut Development Authority should be obtained by the relevant exporters to export fresh nuts, king coconuts and ornamental products related to coconut leaves. The Marketing Development and Research Division issued temporary permissions for these exporters in the year 2012.

In the year 2012, as well, the orders received to the authority for coconut and coconut related products through the website of the authority and by other institutions / persons have been directed to the exporters registered in the Coconut Development Authority.

3.1.5 Communication of information for the productions, trade and exportation of coconut and coconut based products

A decisive factor in making trade decisions for all the stakeholders involved in the coconut industry sector is to obtain correct information and analyze them properly. Here, the information service of the Marketing Development and Research Division has fulfilled a special task in the year 2012 under following activities.

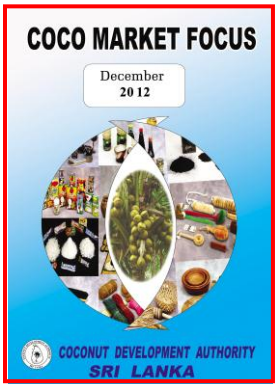
- Obtaining of information on coconut and coconut based products and data of exports and imports and dissemination of them to relevant stakeholders
- Collection and distribution of relevant information and data on farm prices properly
- Collection and comparison of data on domestic coconut and coconut oil consumption properly
- Providing assistance to increase the export income by introducing new market strategies.
- Collection, documentation and publicizing of information on present and prospective coconut and coconut based products properly
- In order to disseminate these information, following institutions extended their fullest support.
    - ♦ Sri Lanka Customs
    - ♦ Central Bank of Sri Lanka

- Export Development Board
- Department of Census and Statistics
- Meteorological Department and other government and semi government institutions

- Further, the Marketing Development and Research Division successfully fulfilled the task of constantly providing special information received for the coconut industry from foreign agencies such as Asia Pacific Coconut Community and foreign magazines (Cocommunity, Oil World, UCAP, Indian Coconut Journal) to the Sri Lanakn coconut community in the year 2012 as well.

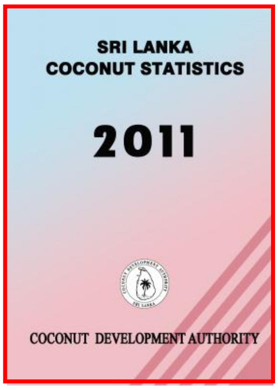
- The local market prices of coconut and coconut related products were published in daily newspapers of both English and Sinhala media in the year 2012, too.

- 48 publications of weekly report titled "Coco Market Focus" published by the Marketing Development and Research Division were also issued in the year 2012.



- The Marketing Development and Research Division compiled and published 12 publications of monthly magazine "Coco Market Focus" which consists of analyzed data with relevant month of the previous year as per the requirements of those who involved in the coconut industry sector in the year 2012 as well.

- The annual publication "Sri Lanka Coconut Statistics - 2011"compiled by the Marketing Development and Research Division was also issued in the year 2012. Among the data included in that publication, the extent of exports and their prices of all coconut related products export from Sri Lanka, extent and prices of coconut oil and other edible oils imported to Sri Lanka, international coconut yield and export details, information of manufacturers and export stakeholders can be especially mentioned. This publication has a good demand both in Sri Lanka and foreign countries as well.



3.2 Introduction of new products, value additions, market promotions and increase of market approach

3.2.1 Conducting of market surveys for the identification of local and foreign use of coconut and coconut based products

The Marketing Development and Research Division has carried out surveys on following fields in the year 2012.

- Fresh nut consumption per head
- Data on coconut related products
- The way of changing the production cost
- The behaviour of local market price
- Consumption of coconut oil and other oil substitutes
- Behaviour of change in consumer requirements

Through the aforementioned surveys, it was expected to achieve the following objectives.

- To identify the coconut related manufacturers scattered all over the island
- To collect data on quantity of productions of coconut related manufacturers
- To obtain information on coconut kernel based products – especially, the production capacity of coconut oil and desiccated coconut industries
- To collect production cost information for each coconut related product and identify its changes. It was able to get an understanding of the production style of the coming year through that process.
- To collect information on fresh nut consumption per head and to get an understanding of the fresh nut requirement for the coming year
- To identify the status of supply and demand of local coconut oil production and to plan the procedures to be followed and policies for the fulfillment of local coconut oil requirement of the coming year

3.2.2 Identification of regional potentialities for new productions, improvement of production of items and entering into the sales, basically

Several training workshops were conducted by the Marketing Development and Research Division for the prospective manufacturers those who are willing to produce coconut based ornamental items aimed at areas especial for tourism industry considering the increase of tours made by foreigners to Sri Lanka.

3.3 Introduction of coconut kernel based new products for the minimization of waste in using coconut in households

Notice boards were exhibited to promote coconut kernel based products in order to minimize the waste in coconut consumption.

- A sales outlet called ‘Kapruka Isurusala’ is maintained by the Marketing Development and Research Division as an encouragement for the presentation of the products of small and medium scale manufacturers. In the year 2012, too, this Kapruka Isurusala popularized number of eco friendly products for the consumers. Among them, coir based pots, coconut shell based new products and coconut fibre based jewelleries are popular among consumers.

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

It was able to exchange information and to build constant relationships with local and foreign institutions by setting up and upgrading the website maintained by the Coconut Development Authority in all three languages as a means of embracing the state of-the-art technology. It paved the way to make aware the consumers on nutritional and medical characteristics of coconut based products.

3.5 Advertising and awareness programmes via local media

In the year 2012, as well, a promotional service through TV advertisements, placards, banners and newspaper advertisements were presented with the view to making aware the Sri Lankan people on coconut and coconut based products of eco friendly.

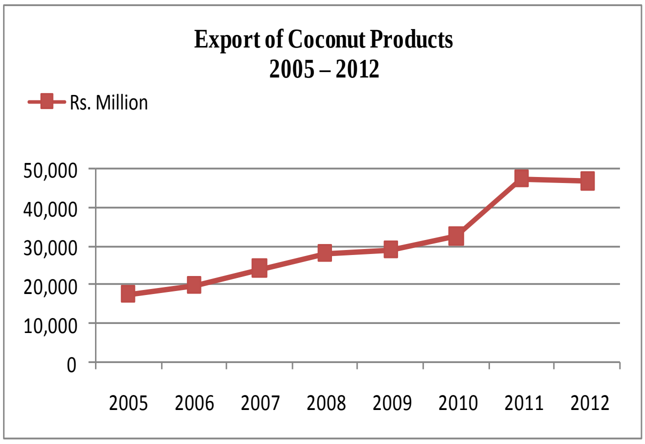
3.6 Market Development Assistance Services

- Provision of consultancy on production/ markets and various services
- Extending of assistance to the Ministry of Coconut Development and Janatha Estate Development for the preparation of a forecast on coconut based products

3.7 Export Earnings

Export of Coconut Products (2005 – 2012)

Year	Value (Rs. Million)
2005	17,520
2006	19,661
2007	24,096
2008	28,094
2009	29,081
2010	32,433
2011	47,306
2012	46,666



Sri Lanka has gained an income of Rs 46 Billion in the year 2012 by exporting coconut and coconut based products. The export income of the coconut kernel based products in the year 2012 shows a decrease of 21% as compared with the year 2011. In the relevant year, a decrease in desiccated coconut production was shown as compared with the year 2011. It can say that the main reason for this is the utilization of more number of fresh nuts for local coconut oil production in place of less importation of palm oil to Sri Lanka due to the increase of palm oil import levy which was Rs.75/- per 1 kg (On 14-05-2012 – Rs 90 per 1 kg and 09-11-2012 – Rs.110 per 1 kg). Due to this, a decrease was shown in the amount of coconut used for the production of desiccated coconut. In the exportation of coconut based products, more foreign exchange income is generated through the export of desiccated coconut. Therefore, the decrease of the foreign exchange generated through the exportation of desiccated coconut in the year 2012 was a direct factor of decreasing total export income generated from coconuts.

The Coconut Development Authority does not encourage to export Sri Lankan coir fibre as raw materials. Therefore, it shows a decrease in export of mattress fibre and bristle fibre. The expectation of the Coconut Development Authority is to export value added coir fibre products by the exporters and thereby earn more foreign exchange to the country. It has shown a higher income percentage for the value added products of coir fibre and coconut shell related products. The export income of the value added coir fibre related products in the year 2012 was Rs.14.85 Billion and its value in the year 2011 was Rs.12.97 billion. Further, a comparative growth of 20% as at 2011 is shown in export income of coconut shell related products in the year 2012. In the year 2012, it was Rs.9.27 Billion and in the year 2011 it was Rs. 7.69 billion. In addition the export income of the other coconut related products has been increased by 51% in the year 2012 as compared with the year 2011.

EXPORT OF COCONUT PRODUCTS - 2011/2012
COMPARATIVE STATISTICS

Product	Quantity(Mt)			Value(Rs/Min)		
	Jan-Dec 2011	**Jan- Dec 2012**	**% Change**	**Jan- Dec 2011**	**Jan- Dec 2012**	**% Change**
1. KERNEL PRODUCTS						
1. Coconut oil	1,931	2,499	29	854.10	1,277.12	50
2. Desiccated coconut	45,761	40,224	-12	13,956.87	8,625.57	-38
3. Copra	2,185	653	-70	280.54	90.49	-68
4. Fresh Coconut ('000Nos)	7,910	19,150	142	456.47	986.69	116
5. Seed Coconut (Nos.)	6,417	280	-96	0.760	0.040	-95
6. King Coconut (Nos.)	139,849	341,560	144	9.970	13.48	35
7. Poonac	6,522	9,685	48	202.85	303.45	50
8. Coconut Cream	1,745	2,000	15	667.22	655.49	-2
9. Coconut Milk	6,351	9,036	42	1,255.33	1,651.40	32
10. Coconut Milk Powder	4,446	4,641	4	2,522.89	2,558.92	1
11. Defatted Coconut	3,876	3,116	-20	822.99	525.72	-36
Sub Total Kernel Products (Min Nut Eqvt.)	**480.52**	**458.56**	**-5**	**21,029.99**	**16,688.37**	**-21**
2. FIBRE PRODUCTS						
12. Mattress Fibre	78,174	57,924	-26	3,354.62	2,566.22	-24
13. Bristle Fibre	9,450	8,160	-14	635.62	637.20	0.25
14. Twisted Fibre	26,808	45,119	68	1,436.44	2,372.18	65
Sub Total Fibre Products	**114,432**	**111,203**	**-3**	**5,426.68**	**5,575.60**	**3**
3. SHELL PRODUCTS						
15. Coconut Shell Charcoal	4,957	6,919	40	278.42	475.04	71
16. Coconut Shell & Shell Flour	546	698	28	22.79	34.76	53
17. Coconut Shell Activated Carbon	31,359	30,271	-3	7,396.07	8,759.17	18
Sub Total Shell Products	**36,862**	**37,888**	**3**	**7,697.28**	**9,268.97**	**20**
4. Finished Products (Fibre)						
18. Coir Yarn	767	1025	34	68.04	127.56	87
19. Coir Twine	5,417	7,148	32	869.48	1,037.33	19
20. Tawashi Brushes(Pcs)	23,791,814	26,312,793	11	433.53	558.56	29
21. Coir Brooms & Brushes (Other than Tawashi) (Pcs)	24,498,840	19,957,696	-19	2,235.14	2,174.05	-3
22. Coir Mats & Rugs						
- Pcs	1,533,343	624,581	-59	685.00	627.47	-8
- M^2	146,063	39,773	-73			
23. Coir Mattings (M^2)	18,308	15,663	-14	15.54	11.46	-26
24. Rubberised Coir Pads & Mattress For Bedding						
- M^2	-	-		-	-	
- Pcs	2,512,641	4,178,312	66	255.01	296.62	16
25. Coir Geo Textiles	3,722	2,536	-32	440.53	385.43	-13
26. Moulded Coir Products	64,547	66,151	2	2,927.41	3,517.04	20
For use in Horticulture						
27. Coir Fibre pith	131,913	133,494	1	4,363.54	5,248.98	20
28. Husk chips	14,311	14,848	4	673.29	869.02	29
Sub Total Fibre Finished Products				**12,966.51**	**14,853.52**	**15**
5. Other Products						
29. Coconut based Arrack	34,611	36,775	6	15.99	17.48	9
(Litre)	28,729	26,044	-9	2.20	2.77	26
30. Vinegar (Litre)	8,686	10,944	26	167.14	248.16	48
31. Coconut Ekels	-	90	-	-	11.63	-
32. Coconut Fatty Acid						
Sub Total Other Products				**185.33**	**280.04**	**51**
Total Value of All Products				**47,305.79**	**46.666.50**	**-1**

Source : Sri Lanka Customs

4. Administration Division

The main objective of the Administration Section is to provide support services and facilities for the Development Sections of the institute, carry out all establishment activities related to proper maintenance and the promotion of the institution, human resource development and manipulation of administrative activities and thereby assisting other operational sections of the institutions in the fulfilling of their functions as well as acting towards the development of the entire institution.

4.1 Cadre

Approved cadre for the year 2012 is 166. Staff as at 31.12.2012 is 121. Vacancies amount to 48. Cadre consist of following service categories.

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

The Senior Management Service Category of the Authority in the year 2012 comprised of following officials.

1.	Mrs. N M C K Bandara	-	Director General
2.	Mr. A T Ranasinghe	-	Engineer
3.	Mrs. S S Purasinghe	-	Director (Quality Control and Quality Assurance)
4.	Mr. R J A Fonseka	-	Director (Marketing Development and Research)
5.	Mrs. S S Rajakaruna	-	Director (Administration) /Secretary to the Board
6.	Mrs. M P Sandya Kanthi	-	Director (Finance)
7.	Mr. W L W K Liyanage	-	Actg. Director (Processing Development)
8.	Mr. N M Ariyadasa	-	Internal Auditor

4.2 Human Resource Development Programmes

The Administrative Davison was entrusted with productive and efficient development of the human resources, enabling the fulfillment of the mission and objectives.

During this year, arrangements were made to participate the employees of the Authority for the courses and seminars / workshops appearing below.

4.2.1 Training Course / Workshops / Seminars

- Training workshop on Statistical Process Control (SPC), Sampling Techniques and Inspection for ISO 9001 Quality Management System conducted by the Sri Lanka Standards Institution.
- Providing the basic financial assistance in order to participate in the international workshop on Human Resource Management organized by the ITM Campus / University situated in Gurgovern of Haryana State of India, by the Post Graduate Institute on Human Resource Management of Human Resource Improvement Institute of the University of Colombo.
- Participating in the Financial Reporting in compliance with Accounting Standards Seminars conducted by Skill Development Fund.
- Participating in the Agilent Spectroscopy Seminar organized by Techno Instruments (Pvt.) Ltd.
- Participating all the staff for a one day workshop on Employees Attitude Development and Public Relations and Filling and Letter-writing Skills Development organized by State Services Training Institute with the objectives of employee productivity.
- Participating in the inner house training on introducing important sector in the procurement process monitored by Sri Lanka Standards Institution.
- Advanced Certificate Course in Laboratory Technology conducted by Open University of Sri Lanka.
- Seminar on Sri Lanka Financial Reporting Standards monitored by Prag Institute.
- Workshop on Professional Stress Management monitored by Sri Lanka Foundation Institute.

4.3. Welfare Activities

Arrangements were made to provide following welfare facilities and financial assistance provided in the previous year for the employees of the Authority in the year 2012, too.

- Loan facilities, train season tickets and medical insurance scheme as to cover all the employees and their family members.
- Personal Accident Insurance Coverage for all the employees those who involved in duties outside the office premises and labor compensation insurance coverage for all other employees
- Providing tea for the employees on working days
- Annual educational tours and sports activities organized by the welfare societies
- Running of a retail shop by the welfare society enabling the employees to buy commodities at reasonable prices.
- Provision of transport facilities from Colombo Fort / Maradana and Wellawatte railway stations and Kohuwala junction to the office at Narahenpita and vice versa on working days
- Taking action to provide annual railway warrants
- Offering gift vouchers to buy school exercise books for the school going children of staff members
- Offering gift vouchers for the Sinhala New Year

5. Finance Division

Finance Division is responsible for providing financial services to other divisions of the C.DA. Accordingly, the Finance division is responsible for facilitating finances for the approved programmes & projects, in keeping with the Budget & Financial Action Plans. Finance division is also responsible for maintaining financial records including periodic financial reporting and progress reporting. Finance Division has the custody of funds of the C.D.A. including its portfolio management.

The total revenue of Rs.229.17 Million (including 77.11 Government Grant) & total assets of Rs.966 Million is recorded and control by the Finance division of C.D.A. and assist financially to provide services of different nature that may be necessary for or conductive or incidental to the performance of the operating divisions and Administration of the Authority such that,

5.1 General Board Operations

- Recurrent Expenditure of Rs.113.94 Million and Capital Expenditure of Rs.91.5 Million for General Board Operation.
- Preparation of monthly, quarterly, half yearly & Annual Report on General Board Operations including different reports to the authorities.

5.2 Cess Fund / Capital Development Programme

The Government has declared by the Treasury Circular dated 24th April 2007 of FP/06/77/07/04 by the D.S.T. that Cess Income shall be considered as a part of Government Revenue as from 01/01/2007.

2012 Capital Development Programme;

Total Government Grant / Income - 100.5 Million

The Finance division has been able to complete following activities as well in 2012.

- Management of funds and reporting on all Development and Research Projects.
- Transfer of Funds to Mill Development Fund.
- Providing financial assistance to entrepreneurs under Kapruka Nipayum Diriya Loan Scheme with People's Bank.

- Monitoring of funds and granting loans to EPF Members of the Employees Provident Fund of C.D.A.
- The Finance division is responsible for prudent management of the following funds through careful investments, withdrawals and re-invested of the monies in Treasury Bills & Bonds and with the Bank of Ceylon, Treasury division and National Savings Bank for MDF.

Balance of these funds at the end of the year remains as follows (approximately).

a.	Cess/Capital Development Fund	Rs. 8.4 million
b.	Mill Development Fund	Rs. 73.5 million
c.	Price Stabilization Scheme for Coconut Oil	Rs. 216.0 million
d.	General Board Operation	Rs. 29.1 million
e.	N.R.I. Fund	Rs. 0.1 million
		Rs. 327.1 million
f.	Employees Provident Fund (Accounts for this is maintained separately as this a private provident funds)	Rs. 30.5 million

The Finance division has also fulfilled its responsibilities on preparation and submission of Annual Budget, Annual Accounts, Corporate Plan, Quarterly Financial Statements and other Statistical information to the required time limits. Also concluded preparing documents in respect of the Cess Fund / Capital Development Programme.

Statutory Report on the Financial Statements and the Annual Accounts of the Coconut Development Authority for the Financial Year ended 31st December 2012

The Coconut Development Authority is established in terms of the Coconut Development Act No. 46 of 1971, including subsequent legislations brought in to the same Act as amendments, is required to prepare and submit its Financial Statements and the Annual Accounts as follows.

In terms of the Section 41 of the same Act, the Board and the Authority respectively shall, in respect of each financial year, cause proper accounts of their income and expenditure and of all their other transactions to be kept and shall prepare annual statements of accounts and statistics relating to their activities, in such form and containing such particulars as the Minister may determine.

In addition to the Provisions made in Section 41 of the Act, the annual statements of accounts of the Authority are required to be prepared and submitted in terms of the provisions of the Finance Act No.38 of 1971 as well, and also in keeping with directives given by the General Treasury.

In terms of the Public Finance Circular PF/PE/21 of 24/05/2002 of the General Treasury and subsequent directives, it is required that Annual Final Statements of Accounts are prepared and submitted within 60 days after close of the financial year. Annual Accounts for the financial year ending 31st December 2012, are required to be prepared and submitted to the Auditor General on or before end of February 2013.

Accordingly, the Annual Accounts & Financial Statements of the Authority, Capital Development Fund, P.S.S. for Coconut Oil Fund & Mill Development Fund, N.R.I. Project Fund for the year ending 31st December 2012, have been prepared and submitted on 31/03/2013. (Draft report submitted on 28/02/2013)

Necessary disclosures have been made in these Financial Statements in respect of Assets & Liabilities and Income & Expenditure for the year 2012. Salient features of accounts also have been shown in notes wherever appropriate& necessary.

These Statements of Accounts for the year 2012 have been prepared in accordance with the generally accepted accounting principles, polices, practices and assumptions which are followed in preparing Financial Statements. 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. There were no events subsequent to the Balance Sheet date that require disclosure.

The Board of Directors and the Authority, is responsible for the preparation and presentation of these Financial Statements.

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Chairman - *Approved & signed for and on behalf of the Board of Directors of the C.D.A.*
Coconut Development Authority
31/03/2013

COCONUT DEVELOPMENT AUTHORITY

BALANCE SHEET AS AT 31.12.2012

	Note No.	As at 31.12.2012 RS.	As at 31.12.2011 RS.
FIXED ASSETS			
Non Current Assets	*1*	658,684,103	495,047,542
LESS : Accumulated Depreciation		(137,496,750)	(116,465,644)
ADD : Work in Progress		-	-
		521,187,353	**378,581,898**
CURRENT ASSETS			
Inventories / Stocks			
Stocks	*2*	6,841,903	6,597,350
		6,841,903	**6,597,350**
Trade & Other Receivables			
Lady Lochore Loan Fund	*3*	1,601,595	1,557,288
Sundry Debtors	*4*	34,631,540	35,491,613
Provision for Doubtful Debtors		(20,058,045)	(16,046,436)
Staff Debtors	*5*	-	14,406,879
Advance payment to CMC		4,750,000	2,000,000
Advance against Fixed Assets		-	6,960
Loans	*6*	59,715,037	59,715,037
Loan Granted - Kapruka Nipayum Diriya	*7*	2,490,000	-
Sundry Advance	*8*	25,135	31,000
Sundry Deposits	*9*	653,853	653,052
Bank Deposits		109,360,838	67,330,550
Treasury Bills	*10*	218,164,276	294,566,474
		411,334,230	**459,712,418**
Prepayments	*11*	**2,649,772**	**2,633,563**
Cash & Cash Equivalent			
Cash Deposit - Dunkannawa		35,399	1,000
Cash at Bank		11,071,632	11,493,939
Stamp postage imprest		407	407
Stamp Franking Machine		32,594	42,548
		11,140,032	**11,537,894**
Inter Current Account Balance		1,732,122	**4,279,731**
		954,885,412	**863,342,854**
NON CURRENT LIABILITIES			
Provision for Gratuities		**(26,982,471)**	**(31,686,130)**
CURRENT LIABILITIES			
Payables			
Sundry Creditors	*12*	(10,251,528)	(5,945,583)
Refundable Deposits	*13*	(1,817,601)	(1,032,805)
Receipts in Advance	*14*	(7,093,218)	(7,908)
		(19,162,347)	**(6,986,295)**
Accrued Expenses	*15*	(1,733,216)	**(1,757,274)**
Inter Current Account Balance		(1,732,122)	**(4,279,731)**
		905,275,256	**818,633,423**
FINANCED BY			
Capital Reserves		6,970,409	6,970,409
Foreign Aid		4,102,257	4,102,257
Revaluation Reserve for Land	*16*	23,891,309	156,702,909
Revaluation Reserve for Building	*17*	164,965,219	87,081,311
Revaluation of Motor Vehicles	*18*	46,049,983	46,049,983
		245,979,177	**300,906,868**
Grants & Contributions	*19*	77,870,555	77,870,555
Government Grants Capital	*20*	82,672,635	64,825,802
		160,543,190	**142,696,357**
Grant from Capital Deve. Fund	*21*	**77,652,767**	**75,192,353**
Accumulated Fund		**395,831,200**	**441,300,177**
Accumulated Surplus	*22*	**(164,648,229)**	**(141,462,332)**
		715,358,106	**818,633,424**

DIRECTOR (FINANCE)
COCONUT DEVELOPMENT AUTHORITY

CHAIRMAN
COCONUT DEVELOPMENT AUTHORITY

COCONUT DEVELOPMENT AUTHORITY
BALANCE SHEET (ANALYSED BY FUNDS) AS AT 31.12.2012

	Note No.	GENERAL BOARD OPERATIONS RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	MILLDEV. FUND RS.	NRI FUND RS.	TOTAL RS.
FIXED ASSETS							
Fixed Assets	1	603,202,666	55,460,249	21,188	-	-	658,684,103
LESS : Accumulated Depreciation		(130,009,373)	(7,466,200)	(21,178)	-	-	(137,496,750)
							-
		473,193,294	**47,994,049**	**10**	**-**	**-**	**521,187,353**
CURRENT ASSETS							
Inventories / Stocks							
Stocks	2	5,728,609	1,113,294	-	-	-	6,841,903
		5,728,609	1,113,294	-	-	-	**6,841,903**
Trade & Other Receivables							
Lady Lochore Loan Fund	3	1,601,595					1,601,595
Sundry Debtors	4	6,123,028	748,760	26,089,858	1,664,769	5,124	34,631,540
Provision for Doubtful Debtors		-		(20,058,045)			(20,058,045)
Staff Debtors	5	-					-
Advance payment to CMC		4,750,000					4,750,000
Advance against Fixed Assets		-					-
Loans	6	-	33,000,000	26,715,037			59,715,037
Loan Granted -Kapruka Nipayum Diriya	7			2,490,000			2,490,000
Sundry Advance	8	25,135	-				25,135
Sundry Deposits	9	653,853					653,853
Bank Deposits		11,653,720		24,180,262	73,526,856		109,360,838
Treasury Bills	10	17,577,545	8,438,886	192,016,418	-	131,428	218,164,276
		42,384,877	**42,187,646**	**251,433,530**	**75,191,625**	**136,552**	**411,334,230**
Prepayments	11	2,649,772					**2,649,772**
Cash & Cash Equivalent							
Cash Deposit - Dunkannawa		-	35,399				35,399
Cash at Bank		4,878,035	6,193,597				11,071,632
Petty Cash		407	-				407
Stamp postage imprest		32,594	-				32,594
Stamp Franking Machine							-
Total Current Assets		**4,911,036**	**6,228,996**	**-**	**-**	**-**	**11,140,032**
Inter Current Account Balance		-	769,716		962,406		1,732,122
		528,867,588	**98,293,701**	**251,433,540**	**76,154,031**	**136,552**	**954,885,412**
NON CURRENT LIABILITIES							
Provision for Gratuities		(26,982,471)		-	-	-	**(26,982,471)**
CURRENT LIABILITIES							
Payables							
Sundry Creditors	12	(4,918,617)	(5,332,911)	-	-	-	(10,251,528)
Refundable Deposits	13	(1,817,601)		-	-	-	(1,817,601)
Receipts in Advance	14	(7,093,218)		-	-	-	(7,093,218)
							(19,162,347)
Accrued Expenses	15	(1,733,216)		-	-	-	(1,733,216)
Inter Current Account Balance		(769,716)	(962,406)	-	-	-	(1,732,122)
		485,552,749	**91,998,386**	**251,433,540**	**76,154,031**	**136,552**	**905,275,256**
FINANCED BY							
Capital Reserves		6,970,409				-	6,970,409
Foreign Aid		4,102,257				-	4,102,257
Revaluation Reserve for Land	16	-	23,891,309			-	23,891,309
Revaluation Reserve for Building	17	164,965,219				-	164,965,219
Revaluation Reserve for Motor Vehicles	18	46,049,983				-	46,049,983
							245,979,177
Grants & Contributions	19	77,870,555				-	77,870,555
Government Grants Capital	20	82,672,636				-	82,672,635
							160,543,190
Grant from Capital Deve. Fund	21	77,652,767				-	77,652,767
Accumulated Fund	22	-	68,107,077	251,433,540	76,154,031	136,552	395,831,200
Accumulated Surplus	22	(164,648,229)				-	(164,648,229)
		295,635,598	**91,998,386**	**251,433,540**	**76,154,031**	**136,552**	**715,358,106**

DIRECTOR (FINANCE)
COCONUT DEVELOPMENT AUTHORITY

CHAIRMAN
COCONUT DEVELOPMENT AUTHORITY

COCONUT DEVELOPMENT AUTHORITY
INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2012

	Note No.	Year Ended 31.12.2012 RS.	Year Ended 31.12.2011 RS.
INCOME			
Government Grant (Recurrent)		77,113,333	73,273,000
Government Grant (Capital)		82,653,166	47,260,197
OTHER INCOME		-	-
Grant from Cess Fund DC Sampling & Testing Charges)		17,500,000	16,500,000
Interest Income	*1*	27,631,055	29,485,099
Rental Income	*2*	8,339,651	1,450,400
Registration Fees	*3*	2,694,328	3,929,912
Lot Fees	*4*	4,573,263	2,925,873
Laboratory Income	*5*	4,191,880	3,083,523
Miscellaneous Income	*6*	1,774,677	2,048,451
Interest on B.C.C. Loan		4,011,609	4,011,609
Sale of Fixed Assets and Inventory items		33,194	63,806
Total other Income		70,749,657	63,498,673
Total Income		230,516,156	184,031,870
Less :- Taxes (V AT, NBT & Economic Service Charges)		(1,347,727)	(950,248)
Total Net income		**229,168,429**	**183,081,623**
EXPENDITURE			
Personal Emoluments		(63,480,215)	(59,227,473)
Travelling Expenses		(3,751,461)	(2,806,744)
Supplies & Requisites		(18,170,905)	(13,381,720)
Repairs & Maintenance		(9,682,158)	(7,544,424)
Contractual Service & Other		(18,815,036)	(16,488,839)
Financial charges		(35,113)	(36,810)
A.P.C.C. Contribution		(4,225,614)	(3,472,430)
Marketing Development - Capital Development Programme	*7*	(13,794,015)	(12,162,403)
Processing Development - Capital Development Programme	*8*	(52,796,640)	(18,848,354)
Quality Control & Quality Assurance- Capital Development Programme	*9*	(671,638)	(753,382)
DC Testing & Sampling charges		(17,500,000)	(16,500,000)
Duke Street Building partition & other expenses		(2,460,414)	(14,268,507)
		(205,383,210)	**(165,491,085)**
Surplus /(Deficit)		**23,785,220**	**17,590,538**
Depreciation		(24,134,471)	(22,608,908)
Under provision - Gratuity		(5,311,646)	(4,820,550)
Provision for doubtful Interest on loans to B.C.C. Lanka Ltd.		(4,011,609)	(4,011,609)
		(9,672,506)	**(13,850,530)**

COCONUT DEVELOPMENT AUTHORITY
INCOME &EXPENDITURE STATEMENT (ANALYSED BY FUND) FOR THE YEAR ENDED 31.12.2012

	Note No.	GENERAL BOARD OPERATIONS RS.	CAPITAL DEV. FUND RS.	P.S.S. OIL FUND RS.	NRI Fund RS.	RS.
INCOME		-				
Government Grant (Recurrent)		77,113,333				77,113,333
Government Grant (Capital)			82,653,166			82,653,166
OTHER INCOME		-				-
Grant from Cess Fund (DC Sampling & Testing Charges)		17,500,000				17,500,000
Interest Income	1	3,112,615	1,212,294	23,294,251	11,895	27,631,055
Rental Income	2	8,256,667	82,984			8,339,651
Registration Fees	3	2,694,328				2,694,328
Lot Fees	4	4,573,263				4,573,263
Laboratory Income	5	4,191,880				4,191,880
Miscellaneous Income	6	1,706,257	68,420			1,774,677
Interest on B.C.C. Loan		-		4,011,609		4,011,609
Sale of Fixed Assets and Inventory items		33,194				33,194
Total other Income		42,068,204	1,363,698	27,305,860	11,895	70,749,657
Total Income		119,181,537	84,016,864	27,305,860	11,895	230,516,156
Less :- Taxes (V AT, NBT & Economic Service Charges)		(1,347,727)				(1,347,727)
Total Net income		**117,833,810**	**84,016,864**	**27,305,860**	**11,895**	**229,168,429**
EXPENDITURE						
Personal Emoluments		(63,480,215)				(63,480,215)
Travelling Expenses		(3,751,461)				(3,751,461)
Supplies & Requisites		(18,170,905)				(18,170,905)
Repairs & Maintenance		(9,682,158)				(9,682,158)
Contractual Service & Other		(18,815,036)				(18,815,036)
Financial charges		(35,113)	(8,650)			(43,763)
A.P.C.C. Contribution			(4,225,614)			(4,225,614)
Marketing Development - Capital Development Programme	7		(13,794,015)			(13,794,015)
Processing Dev. - Capital Development Programme	8		(52,796,640)			(52,796,640)
Quality Control & Quality Assurance- Capital Dev. Programme	9		(671,638)			(671,638)
DC Testing & Sampling charges			(17,500,000)			(17,500,000)
Duke Street Building partition & other expenses			(2,460,414)			(2,460,414)
		(113,934,889)	**(91,456,971)**	**-**	**-**	**(205,391,860)**
Operating Profit		**3,898,921**	**(7,440,106)**	**27,305,860**	**11,895**	**23,776,570**
Depreciation		(21,773,173)	(2,361,298)			(24,134,471)
Under provision - Gratuity		(5,311,646)		-		(5,311,646)
Provision for doubtful Interest on loans to B.C.C. Lanka Ltd.		-	-	(4,011,609)		(4,011,609)
		(23,185,897)	**(9,801,404)**	**23,294,251**	**11,895**	**(9,681,156)**

Coconut Development Authority

Consolidated Cash Flow Statement for year ended 31st December 2012

2011		2012	
	Cash Flows from Operating Activities		
(13,850,529)	Surplus/(deficit) from ordinary activities		**(9,681,156)**
	Non - Cash movements		
22,608,909	Provision for Depreciation	24,134,471	
4,820,550	Provision for Gratuity	5,311,646	
(2,729,214)	Gratuity Payment	(10,015,305)	
(63,806)	Profit on sale of Fixed Assets	(33,194)	
(29,485,100)	Interest on Investment	(27,631,055)	(8,233,437)
18,178,469	**Operating Profit / Loss before Working Capital Changes**		(17,914,593)
(520,721)			
	Working Capital Changes		
1,071,544	Increase in Stocks	(244,553)	
(43,986)	Increase in Lady Loachor Loan	(44,307)	
(9,020,936)	Decrease in Sundry Debtors	4,871,682	
1,241,003	Decrease in Staff Debtors	1,512,429	
(2,019,760)	Increase in Advances	(2,737,175)	
(758)	Increase in Sundry Deposits	(801)	
	Increase in Loan Granted	(2,490,000)	
185,407	Increase in Prepayment	(16,209)	
6,176,885	Increase in Bank Deposits	(42,030,288)	
(28,880,817)	Decrease in Treasury Bills	76,402,197	
(2,816,063)	Increase Sundry Creditors	4,305,945	
849,481	Increase Refundable Deposit	784,796	
(1,062,492)	Increase Advance Received	7,085,310	
45,905	Decrease in Accrued Expenses	(24,058)	
	Net cash flows from operating activities		47,374,970
(34,795,308)			
	CASH FLOW FROM INVESTING ACTIVITIES		
(46,954,552)	Purchase of Fixed Assets	(19,010,850)	
	Sale of Fixed assets	188,027	
28,981,551	Capital work in Progress	-	
29,485,100	Interest on Investment	27,631,055	
	NET CASH FLOW FROM INVESTING ACTIVITIES		8,808,232
(23,283,209)	**CASH FLOWS FROM FINANCING ACTIVITIES**		
-	Capital Reserves	-	
2,164,802	Treasury Grants for Capital	17,846,834.34	
14,917,771	Cess Grants For Capital	2,460,414	
12,146,911	Mill development fund	11,423,207	
-	PSS Oil Fund transferred to Consolidated Fund	(70,000,000)	
	PSS Oil Fund	(396,926)	
64,755	Disposal of Fixed Assets	-	
29,294,239	**Net cash flows from financing activities**		**(38,666,471)**
6,011,030	**Net increase/(decrease) in cash and cash equivalents**		(397,862)
5,526,864	**Cash and cash equivalents at beginning of period**		**11,537,894**
11,537,894	**Cash and cash equivalents at end of period**		**11,140,032**

	Cash and cash equivalents as at 01.01.2012	31.12.2012
Cash Deposit - Dunkannawa	1,000	35,399
Cash at Bank	11,493,939	11,071,632
Stamp postage imprest	407	407
Stamp Franking Machine	42,548	32,594
	11,537,894	**11,140,032**

COCONUT DEVELOPMENT AUTHOITY
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2012

	Grant & Contribution Rs.	Government Grant Capital	Grant from Capital Dev. Fund Rs.	Capital Reserves Rs.	Foreign Aids Rs.	Revaluation Surplus Rs.	Accumulated Fund Rs.	Accumulated surplus/deficit Rs.	Total Rs.
Balance as at 01/01/2012	77,870,555	64,825,802	75,192,353	6,970,409	4,102,257	289,834,203	441,300,177	(141,462,332)	818,633,424
Funds received from Treasury	-	17,846,834	2,460,414	-	-	147,883,908			168,191,156
Project Contributions	-	-	-	-	-	-	-	-	-
Income & Expenditure	(1,683,424)	(235,918)	-	-	-	-	(45,233,059)	(21,502,473)	(68,654,874)
Total	**76,187,131**	**82,436,718**	**77,652,767**	**6,970,409**	**4,102,257**	**437,718,111**	**396,067,118**	**(162,964,805)**	**918,169,706**

ACCOUNTING POLICIES

(1) ACCOUNTING CONVENTION

The Financial Statements were prepared on the basis of Historical cost convention, in accordance with generally accepted accounting principals. No adjustments have been made for inflationary factors affecting these Financial Statements.

(2) GENERAL ACCOUNTING POLICIES

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 disclosured.

(3) VALUATION OF ASSETS

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 changed in the year of purchase.

Revaluation of Land & Building at Duke Street

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.

3.1 INVESTMENTS

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 Bankof Ceylon, Treasury division as per the decision given by the Board of Directors.

3.2 DEBTORS

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

3.3 STOCKS

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

(4) PROVISION FOR RETIREMENT BENEFITS

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.

Note I

NOTES TO THE FINANCIAL POSITION AS AT 31.12.2012
FIXED ASSETS AS AT 31.12.2012 - Head Office

ITEM	COST AS AT 01.01.2012	ADDITION / REVALUATION	DISPOSALS	COST AS AT 31.12.2012	ACCUMULATED DEP-N AS AT 01.01.2012	DISPOSALS	DEPRECIATION 2012	ACCUMULATED DEP-N AS AT 31.12.2012	W.D. VALUE AS.AT.31.12 2012
LAND	34,855,770.00	70,000,000.00	-	204,855,770.00	-	-	-	-	204,855,770.00
BUILDINGS	156,912,116.58	85,564,933.33	-	242,477,049.91	14,340,209.58	1,088,089.11	6,593,477.22	19,845,597.69	222,631,452.22
LABORATORY FITTINGS & EQUIPMENT	59,792,231.64	5,912,730.00	786,212.00	64,918,749.64	35,307,264.69	786,206.00	3,250,858.82	37,771,917.51	27,146,832.13
OFFICE FURNITURE & EQUIPMENT	18,891,614.56	3,088,526.05	1,383,897.32	20,596,243.29	11,928,785.66	1,229,069.92	1,575,479.87	12,275,195.61	8,321,047.68
MACHINERY& EQUIPMENT	3,363,900.00	-	-	3,363,900.00	1,744,235.28	-	336,390.00	2,080,625.28	1,283,274.72
BOOKS & PERIODICALS	762,013.65	-	-	762,013.65	680,920.35	-	14,405.48	695,325.83	66,687.82
MOTOR VEHICLES	66,228,940.00	-	-	66,228,940.00	47,338,148.87	-	10,002,561.77	57,340,710.64	8,888,229.36
TOTAL	**440,806,586.43**	**164,566,189.38**	**2,170,109.32**	**603,202,666.49**	**111,339,564.43**	**3,103,365.03**	**21,773,173.16**	**130,009,372.56**	**473,193,293.93**

FIXED ASSETS AS AT 31.12.2012- Dunkannawa Coir Research & Development Institute

ITEM	COST AS AT 01.01.2012	ADDITION	COST AS AT 31.12.2012	ACCUMULATED DEP-N AS AT 01.01.2012	DEPRECIATION 2012	ACCUMULATED DEP-N AS AT 31.12.2012	W.D. VALUE AS.AT.31.12 2012
LAND – DUNKANNAWA	21,449,599.25		21,449,599.25	-	-	-	21,449,599.25
DUNKANNAWA MODEL MILL BUILDING	25,285,853.40	-	25,285,853.40	1,973,105.67	632,146.34	2,605,252.01	22,680,601.40
MODEL MILL MACHINERY	7,448,015.70	1,001,600.00	8,449,615.70	3,128,166.59	1,689,923.14	4,818,089.73	3,631,525.97
MODEL MILL COMPUTER ACCESSORIES	-	117,100.00	117,100.00	-	23,420.00	23,420.00	93,680.00
OFFICE MACHINERY & EQUIPMENT	36,300.00	121,780.40	158,080.40	3,630.00	15,808.04	19,438.04	138,642.36
TOTAL	**54,219,768.35**	**1,240,480.40**	**55,460,248.75**	**5,104,902.26**	**2,361,297.52**	**7,466,199.78**	**47,994,048.98**

COCONUT DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL POSITION AS AT 31.12.2012

No.			
2	**Stocks**		Rs.
	G.B.O.		5,728,609.33
	Capital Dev. Fund		1,113,294.00
			6,841,903.33
3	**Lady Lohore Loan Fund**		
	The initial deposit and the accumulated interest (4% on Loans given to staff) is shown in this A/C.		**1,601,594.73**
4	**Sundry Debtors**		
	GBO	6,123,028.38	
	Capital Dev. Fund	748,759.92	
	P.S.S. Oil Fund	26,089,858.03	
	Mill Dev. Fund	1,664,769.10	
	N.R.I. Fund	5,124.43	**34,631,539.86**
5	**Staff Debtors**		
	Distress Loan	11,212,066.87	
	Festival Advance	139,500.00	
	Motor Cycle Loan	931,753.00	
	Cycle Loan	16,800.00	
	Special Salary Advance(I)	594,330.00	**12,894,449.87**
6	**Loan**		
	Capital Dev. Fund		
	B.C.C. Lanka Ltd.		
	A sum of Rs. 25,000,000/= has been approved by the Cess Committee on 07th March 2002 and		25,000,000.00
	released on 14th March 2002 as a loan to be repaid at a rate of Rs.2 Million per month, with a grace		50,000.00
	period of 6 months. Only a sum of Rs. 50,000/= has been received at the end of the year 2003 as repayment		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
	Hiriyala Govijana Samagama Loan		
	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
	P.S.S.Oil Fund		
	Loan granted to B.C.C. Lanka		26,715,037.00
			59,715,037.00
7	**Kapruka Nipayum Diriya Loan Scheme**		**2,490,000.00**
8	**Sundry advance**	21,535.00	
	Fuel Advance	3,600.00	**25,135.00**
9	**Sundry Deposits**		**653,853.34**
10	**Treasury Bills**		
	G.B.O		17,577,545.18
	Capital Dev. Fund		8,438,885.65
	P.S.S. Oil Fund		192,016,417.64
	N.R.I. Fund		131,427.84
			218,164,276.31

11	**Pre Payments**		
	GB.O.		
	Motor Vehicles Insurance	7,537.99	
	Cash in transits of Cash Insurance	3,627.08	
	Service charges on Office Equipments	460,147.38	
	Renew of National Insurance Policy	2,032,476.02	
	Fire Insurance	106,153.66	
	Telecommunication	39,830.00	**2,649,772.13**
12	**Sundry Creditors**		
	GB.O.		4,587,625.25
	PURCHASING CREDITORS AS AT 31.12.2012		330,992.05
			4,918,617.30
	Capital Dev. Fund		5,332,910.63
			10,251,527.93
13	**Refundable Deposits**		
	Security Deposits		16,425.84
	Tender Deposits		194,000.00
	Quality Certificates		32,174.83
	Refundable Deposits - Duke Street		
	State Plantation Ltd.	360,000.00	
	Chilaw Plantation Ltd	390,000.00	1,575,000.00
	Kurunegala Plantation Ltd.		**1,817,600.67**
14	**Receipt In Advance**		
	GB.O.		
	Registration of Oil Millers	1,650.00	
	Registration of Auctioneer/Brokers	4,000.00	
	Registration of Copra Dealer	3,350.00	
	Registration of Major Kernel Products	178,000.00	
	Registration of Minor Kernel Products	106,000.00	
	Registration of Suppliers	243,500.00	
	Registration of Coconut Estate	14,500.00	
	Exporter Fibre & Fibre Products	464,546.80	
	Capital Development Fund	6,077,671.22	**7,093,218.02**
15	**Accrued Expenses**		
	GB.O.		**1,733,216.03**
16	Revaluation of Land		
	Balance as at 01.01.2012	132,811,600.00	
	Revaluation of Duke Street Land	70,000,000.00	202,811,600.00
	Dunkannawa Land & Building		23,891,309.00
			226,702,909.00
17	Revaluation of Building		
	G.B.O.		
	Balance as at 01.01.2012	87,081,311.00	
	Revaluation of Duke Street Building	77,883,908.33	**164,965,219.33**
18	Revaluation of Motor Vehicles		**46,049,983.00**
19	**Government Grant & Contribution**		
	Balance as at 31.12-2012		**77,870,555.00**
20	**Government Grant Capital**		
	Balance as at 01-01-2012		64,825,802.09
	Add : Treasury Grants received for the year 2012		17,846,834.34
	Balance as at 31-12-2012		**82,672,636.43**

21	**<u>Capital Development Grant Rs.77,652,767.37</u>**	
	Balance as at 01-01-2012	75,192,353.43
	Add :Cess Grants during 2012	2,460,413.94
	Balance as at 31-12-2012	**77,652,767.37**
22	**<u>Accumulated Income over Expenses</u>**	
	GBO	
	Balance as at 01-01-2012	(141,462,332.00)
	(Deficit) Surplus	(23,185,897.40)
	Balance as at 31-12-2012	**(164,648,229.40)**
	Capital Dev. Fund	
	Balance as at 01-01-2012	77,908,481.28
	(Deficit) Surplus	(9,801,403.95)
	Balance as at 31-12-2012	**68,107,077.33**
	PSS Oil Fund	
	Balance as at 01-01-2012	298,536,215.01
	(Deficit) Surplus	(46,705,749.38)
	Interest Over calculated 2011	(396,925.70)
	Balance as at 31-12-2012	**251,433,539.93**
	NRI Fund	
	Balance as at 01-01-2012	124,657.22
	(Deficit) Surplus	11,895.05
	Balance as at 31-12-2012	**136,552.27**

COCONUT DEVELOPMENT AUTHORITY

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOMR FOR THE YEAR ENDED 31.12.2012

1	**Interest Income**		
	G.B.O.		
	Interest on Staff Loans	603,156.06	
	Interest on Lady Lochore Loan Fund	44,306.28	
	Interest on Investment (Treasury Bills)	1,523,240.76	
	Interest on Fixed Deposits	941,911.83	3,112,614.93
	Capital Dev. Fund		
	Interest on Treasury Bills	1,048,938.00	
	Interest on Fixed Deposits	163,356.14	1,212,294.14
	P.S.S. Oil Fund		
	Interest on Treasury Bills	9,032,537.91	
	Interest on S.I.T.S. Fund	12,591,451.00	
	Interest on Fixed Deposits	1,585,899.04	
	Interest on Servings Accounts	84,362.70	23,294,250.65
	N.R.I. Fund -Interest on Treasury Bills		11,895.05
			27,631,054.77
2	**Rental Income**		
	G.B.O.		
	State Plantation Ltd.	3,456,667.00	
	Chilaw Plantation Ltd.	3,240,000.00	
	Kurunegala Plantation Ltd.	1,560,000.00	8,256,667.00
	Capital Dev. Fund		
	Dunkannawa Estate		82,984.11
			8,339,651.11
3	**Registration Fees**		
	G.B.O.		
	Exporters of Major Kernel Products	463,145.60	
	Exporters of Minor Kernel Products	369,250.00	
	Exporters of Fibre & Fibre Products	938,477.20	
	Registration of Copra Dealers	22,462.00	
	Registration of Auctioneers & Brokers	40,000.00	
	Registration of Coconut Estates Owners	57,705.76	
	Registration of D.C. Millers	255,000.00	
	Registration of Coconut Oil Millers	94,398.80	
	Registration of Fibre Millers	162,579.08	
	Registration of Copra Manufacturers	34,550.00	
	Registration of Charcoal Manufacturers	3,000.00	
	Manufactures & Export of partly defatted granulated coconut	18,500.00	
	Registration of Suppliers	184,000.00	
	Registration of Activated Carbon Miller	18,000.00	
	Registration of Coconut Shell Products & Finish Products	33,260.00	**2,694,328.44**
4	**Lot Fees Income -Copra & fresh Coconut**		**4,573,262.96**
5	**Laboratory Income**		
	Quality Certificates	2,957,211.87	
	Sale of D.C. Samples	101,532.09	
	Analysis Charges of Fibre Dust	229,830.00	
	Water Sampling charges	903,305.70	**4,191,879.66**

6	**Miscellaneous Income**			
	G.B.O.			
	Tender Deposits		51,500.00	
	Sale of Bulletins		123,679.70	
	Sundry Income		326,760.02	
	Label Charges		1,043,500.00	
	Sale of a scrap items		55,851.02	
	Surcharges		104,966.34	1,706,257.08
	Capital Dev. Fund			68,420.16
				1,774,677.24
7	**Marketing Development & Research Programmes**			
	Market Facilitation Exhibition Expenses & Foreign Travel		(4,953,005.97)	
	Advertisement & Market Promotion			
	Field Officer's Salary & Expenses			
	Exhibition Expenses - Deyata Kirula & Others			
	Survey & Research Expenses			
	Coconut base products Promotion in Sri Lanka		(8,362,840.68)	(13,315,846.65)
	King Coconut Promotion Programme Expenses			
	Kapruka Isurusala - Narahenpita			
	Sales		2,094,700.00	
	Less : Stock as at 01-01-2012	393,256.82		
	Purchases	2,295,816.94		
		2,689,073.76		
	Less : Stock as at 31-12-2012	(463,294.00)	2,225,779.76	
	Cost of Sales		(131,079.76)	
	Gross Profit/Loss			
	Expenses		(347,088.62)	
	Net Profit / (Loss)		**(478,168.38)**	(478,168.38)
				(13,794,015.03)
8	**Processing Development Programmes**			
	Development Project / Programmes		(39,961,438.83)	
	Fund transfers to Mill Development Fund Accounts		(8,151,444.60)	(48,112,883.43)
	Coir Research & Dev. Institute- Dunkannawa			
	Sales		940,415.11	
	Purchases -Rawmaterial	1,203,840.00		
	Less:Stock as at 31-12-2012	(650,000.00)		
	Cost of Sales		553,840.00	
	Gross Profit		386,575.11	
	Salary	(2,651,002.95)		
	ETF/EPF	(910,635.80)		
	Electricity	(325,982.15)		
	Security	(334,345.43)		
	Insurance	(172,953.39)		
	Other	(675,412.32)	(5,070,332.04)	
	Net Profit / (Loss)			**(4,683,756.93)**
				(52,796,640.36)
9	**Quality Control & Quality Assurance**			
	Laboratory Expenses on ISO Accreditation Programme & Other Expenses		(671,637.67)	**(671,637.67)**

6. Audit and Management Committee Report

6.1. Composition and Quorum

Audit and Management Committee consists of three Non – executive Directors of the Board. The following Directors were functioned as committee members during the year under review.

1.	Mrs. S.M. Rajapaksa	-	President / Representative of the Treasury
2.	Mr. Janaka Dharmakeerthi	-	Member / Representative of the Ministry
3.	Mr. D.M.L. Bandaranayaka	-	Member / Representative of the Ministry
4.	Mr. L.P.K.W. Weliwatta	-	Member
5.	Mr. R.S. Weeraman	-	Member

A representative of the Auditor General and the Chief Internal Auditor participated in the meetings. There are no members representing the management in the committee. The Director General participates in meetings at invitations made to him. When the committee needs the participation of the other members of the management and the other members of the staff. They are invited to participate in the meetings. Quorum of the committee is three (03) members.

6.2. The role of the committee

- Reviewing the formants and the controls and monitoring the creditability of the financial statements and financial reporting system of the Coconut Development Authority.
- Regulation and review of the procedures adopted to certify the objectivity and efficiency in the external and internal functions of the Audit.
- Reviewing the appropriateness and the success of internal control and forwarding recommendations.
- Reviewing internal audit reports, external audit queries and steps taken in relation to that.
- To be in conformity with regulatory and requirements in financial reporting and reviewing ethical standards and procedures for certifying relationships with regulatory authorities and forwarding recommendations.

6.3. Meetings and Activities

The committee met for 8 times during the year under review. The attendance of members of the committee for meetings has been given below.

Name of Directors	No. Participated
Mr. S.M. Rajapaksha	08
Mr. Janaka Dharmakeerthi	03
Mr. D.M.L. Bandaranayaka	03
Mr. L.P.K.W. Weliwatta	08
Mr. R.P. Weeraman	08
Superintendent of Audits (Invitee)	07

The following activities are executed by the committee during the year under review.

6.3.1. Internal Audit

- The productivity in the implementation of the Internal Audit plans for the year 2012 was monitored.
- Special internal audit findings and responses of the management for such findings are reviewed with a view to taking steps for timely. Corrections that should be made to them for the predation of re – occurrence of them in the future.
- The internal audit plan for the year 2012 was reviewed.

6.3.2. External Audit

- The Report, Letter of Management, responses made by the management in relation to that which was submitted by the Parliament by the Auditor General in regard to the Coconut Development Authority for the year under on 31.12.2012 were reviewed and rectifying reasons adopted by the management for avoiding the re – occurrence of such problems that were out specially.

6.3.3. Financial Reporting

- Assisted the Board in the certification that financial statements audited annually are prepared as per the requirements stipulated by the monitoring and regulatory authority and as per the respective Accounting Standards.

6.3.4. Reports about meetings / Reporting to the Board

- Reports of the meetings regarding the conduct of committees are being maintained at the Secretariat of the Board. All the reports of the meetings were tabled and Approval of the Cabinet of Ministers ins sought recommendations made by the committee and passed in the Director Board meetings. Following up activities are executed regarding significant issues on a formal basis.

The Audit and Management Committee have the opinion that an adequate internal control is being implemented efficiently and assets are sufficiently protected. Further, the committee satisfies that framework of the authority and rectifying and preventive measures taken at appropriate occasions.

This report was approved on 04th of April 2013 by the Audit and Management Committee.

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය
எனது இ
My No My No. YS/F/CDA/FA/2012

ඔබේ අංකය
உமது இல
Your No.

දිනය
திகதி
Date 29 August 2013

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 2012 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 2012 comprising the statement of financial position as at 31 December 2012 and the income statement, statement of changes in equity and cash flow 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 Finance 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) of the Finance Act was furnished to the Chairman of the Authority on 10 May 2013.

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 Generally Accepted Accounting Principles 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.

අංක 306/72 පොල්දූව පාර, බත්තරමුල්ල , ශ්‍රී ලංකාව
இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை
No.306/72, Polduwa Road, Battaramulla , Sri Lanka

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மின்-அஞ்சல்
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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. 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 judgement, including the assessment of the 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 the 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 financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

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

1:4 Basis for Qualified Audit Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements

2:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Coconut Development Authority as at 31 December 2012 and its financial performance and cash flows for the year then ended an accordance with Generally Accepted Accounting Principles.

2:2 Comments on Financial Statements

2:2:1 Accounting Deficiencies

Accounting deficiencies amounting to Rs 642,561 revealed at the test checks of transactions were brought to the notice of the Chairman. The financial statements amended by the adjustment of those deficiencies had been furnished again. As such the possibility of further accounting deficiencies outside the sample cannot be ruled out.

2:2:2 Accounts Receivable

The following observations are made.

(a) The Authority had granted a loan of Rs.2,000,000 to an Agrarian Company in the year 2006 and according to the agreement, the loan should have been settled within 06 months from the date of loan in interest free equal installments. Nevertheless, a sum of Rs.550,000 only had been received in two instances.

(b) A sum of Rs.1,664,769 inclusive of interest awaiting recovery from the year 1998 on account of the money misappropriated by an officer had been shown in the accounts continuously due to the inability to recover.

(c) Interest amounting to Rs. 20 million recoverable for the years 2008 to 2012 on a loan of Rs.26,715,037 recoverable from a limited company since the year 1985 had been shown in the accounts of the Coconut Oil Price Stabilization Fund due to the inability the recover. In addition, an interest free loan of Rs.31.55 million granted to that company in the year 2004 remained without being recovered by the Authority.

(d) The Authority had failed even up to the end of the year under review to recover the fees recoverable from the desiccated coconut millers and the ground rent recoverable on fresh coconut and copra auctions amounting to Rs.3,321,715.

(e) The rent amounting to Rs.1,086,667 receivable from a Plantation Corporation and a Plantation Company in respect of the year 2012 on the building belonging to the Authority situated on Duke Street, Colombo Fort had not been recovered.

(f) The debtors balance included debtors balances amounting to Rs.180,485 older than three years.

3. Financial Review

3:1 Financial Results

According to the financial statements presented, the operations of the Authority for the year under review had resulted in a deficit of Rs.9.68 million as compared with the corresponding deficit of Rs.13.85 million for the preceding year, thus indicating an improvement of Rs.4.17 million. The increase of the Treasury grants and the other income by sums of Rs.39,23 million and Rs.6.86 million respectively , despite the increase of the overall expenditure by sum of Rs 41.92 million , had affected the improvement of the financial results.

3:2 Analytical Financial Review

(a) The total income of the Authority comprised Treasury grants amounting to 69 per cent, interest income amounting to 12 per cent, operating income amounting to 16 per cent and sundry income amounting to 03 per cent.

(b) Provision for bad debt had been made in this year for the entire sum of Rs. 04 million receivable as interest for the year under review on the loan granted from the Coconut Oil Price Stabilization Fund to a Company.

(c) Out of the total sundry debtors of the Authority amounting to Rs.35 million, provision for bad debts had been made for Rs.20 million or 57 per cent.

4. Operating Review

4:1 Performance

4:1:1 Physical and Financial Review

(a) Even though financial provision amounting to Rs. 1.6 million had been spent on the Project "Optimum Exploration of the Foreign Market in Collaboration with the Private Sector" implemented under the Marketing Development and Research Division, its physical performance as at 31 December 2012 had been at the minimum level.

(b) The following observations are made in connection with the projects planned for implementation under the Processing Development Division.

(i) The performance of 04 projects had been at a level less than 50 per cent.

(ii) A single activity "Orders placed for five pairs of drums for Production Centres" had been stated as the physical performance of three projects.

(iii) The physical performance of 56 per cent had been stated for the Project "Modernization and Standardization of the Coconut Oil, Coir and Coir related Industries without stating the financial progress.

4:1:2 Loss incurring Projects

Dunkannawa Coir Research and Development Project implemented under the Authority had incurred losses amounting to Rs.2,670,717, Rs.1,365,368 and Rs.4,683,757 in the years 2010, 2011 and 2012 respectively.

4:1:3 Registration of the Coconut Oil Industrialists

The following observations are made.

(a) According to the survey conducted within Sri Lanka in the year 2007 by the Coconut Development Authority, the number of Coconut Oil Mills producing coconut oil had been identified as 589. Nevertheless, 42 mills only had been registered annually up to the end of the year 2012 at the Coconut Development Authority

(b) As such, those engaged in the coconut oil production industry had not registered annually with the Authority and the coconut oil produced by them had not been tested for quality and standard. In view of the situation and the lack of a general procedure for the testing of the quality and standards of all coconut oil produced in Sri Lanka, there is a risk of coconut oil of low quality and standards available in the market existed.

4:2 Dormant Funds

The balance of the Desiccated Coconut Mills Development Fund implemented under the Authority had increased from Rs.60 million in the year 2011 to Rs. 73.5 million as at the year 2012. As the money had not been utilized for the achievement of the expected objectives of the Fund, the money had been idling.

4:3 Expenditure Contrary to Objectives

A sum of Rs.05 million had been allocated under the capital expenditure in the Action Plan of the year 2012 for the Project for the "Establishment of Energy Saving Units in the Coir and Coir Goods Production Industries" of the Coir Research and Development Centre at Dunkannawa implemented under the Processing Development Division of the Authority. As the entire amount had been utilized for the recurrent expenditure of the Project, it was observed that expenditure contrary to the objectives stated in the Action Plan had been incurred.

4:4 Staff Administration

The position of the staff of the Authority had been as follows.

Grade	Approved	Actual	Number of Vacancies
Senior Level	07	06	01
Tertiary Level	09	03	06
Secondary Level	58	40	18
Primary Level	96	72	24
Total	170	121	49

Vacancies in 49 posts relating to operating activities existed even by the end of the year under review.

05. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Authority from time to time. Special attention is needed in respect of the following areas of control.

(a) Utilization of Fund
(b) Accounts Receivable
(c) Human Resources Management

H.A.S. Samaraweera
Auditor General