

2011



வார्षிக வார்தாவ
Annual Report
ஆண்டறிக்கை

லீ சூரலி மலீவல
நெல் சந்தைப்படுத்தல் சபை
PADDY MARKETING BOARD



PADDY MARKETING BOARD

**ANNUAL REPORT
2011**

Mahinda Chinthanaya

Dawn of the paddy field under Mahinda Chinthana

Purchase of paddy and storage.

The Paddy Marketing Board will be re-established in order to purchase paddy and mediate to the rice market.

The assured price of a kilo of Nadu variety will be increased up to Rs. 16.50 and a kilo of red variety up to Rs. 17.50 from the next 'Maha' season.

Under the programme of "re-cultivating the abandoned paddy lands", special measures will be implemented to upgrade the paddy cultivation in the wet zone by this programme, I will take steps to beef up the national rice security.

Mahinda Chinthana Forward Vision

A prosperous country with food security sans poverty

During the past 4 years, I have implemented an steady process to increase local food production by re-establishing the Paddy Marketing Board, setting up economic centres in the major cities and empowering the institutions like 'Sathosa' and Cooperative Movement. As a result of this, income generating ways of the farming community have been expanding. This process should be carried forward continuously for steady decrease of the inflation.

I am extremely happy that I have been able to increase the income levels of the farming community by giving them an assured price of Rs 28-30 for a kilo of their paddy harvest, which they were unable sell at least Rs. 13-14 a kilo earlier.

"His Excellency President Mahinda Rajapaksa"

Established under Parliamentary Act No. 14 of 1971 Report to be submitted to the Hon. Minister of Co-operatives & Internal Trade Affairs related to the implementation of powers, liabilities, functions, policies and programmes of the Paddy Marketing Board for the year 2011, under the Section 31(1) of the Paddy Marketing Board Act.

VISION

To be the leading national institution in purchasing and handling Agro-based products

MISSION

Implementation of a trading mechanism towards the satisfaction of agro-producer and consumer

Aims and objectives of the Paddy Marketing Board

1. Purchase, sales and supply of grain products and maintaining distribution activities.
2. Motivation to keep up the quality of grain products.
3. Preparing and distribution of grain products for consumption.
4. Maintaining a buffer stock for food security.
5. Making arrangements to provide quality grain products to consumers at reasonable prices.
6. Enhancement of livelihood of farmers by providing assured prices for grain products.

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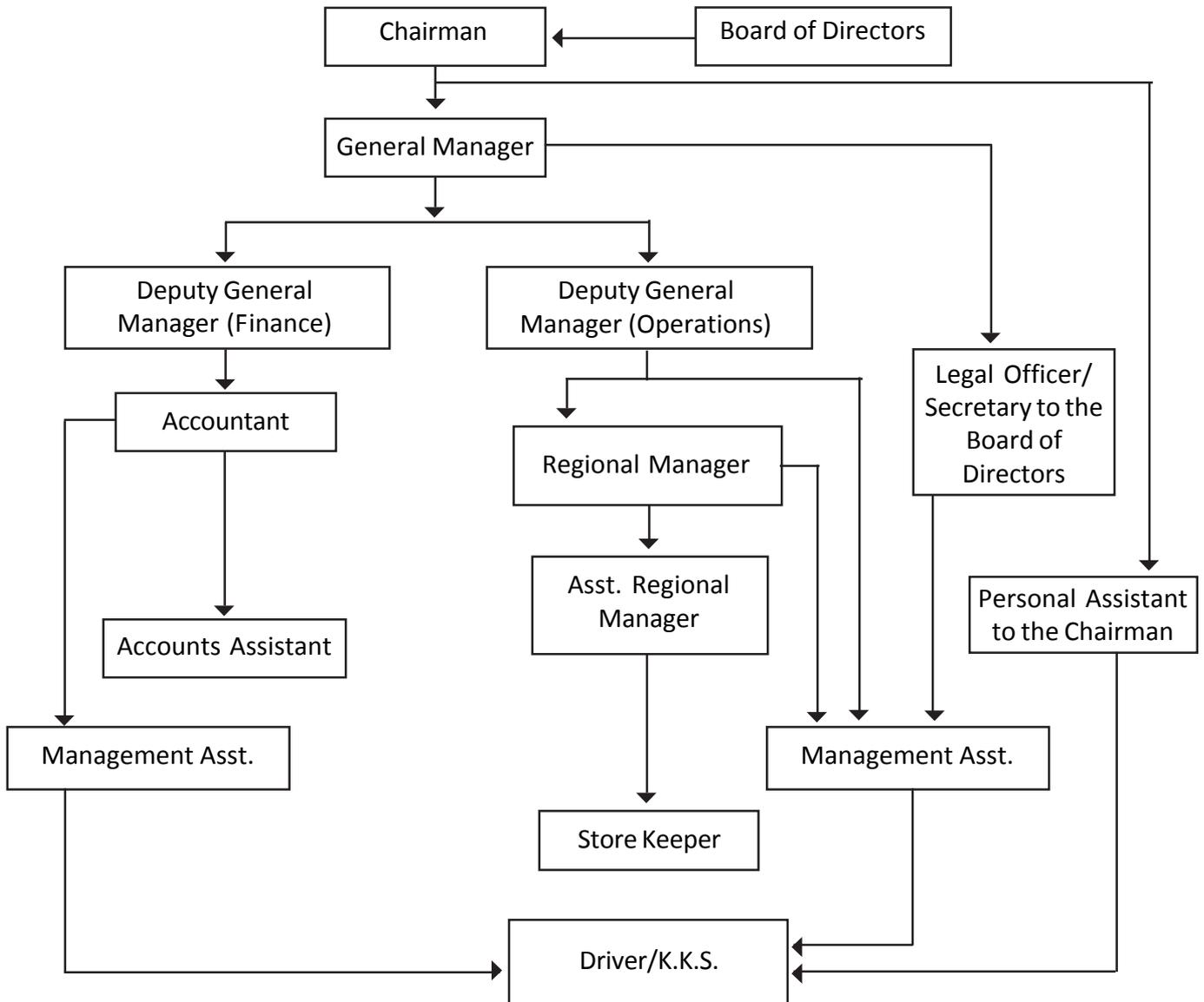
Director Board of the Paddy Marketing Board in the year 2011.

The Director Board of the Paddy Marketing Board was comprised of the following officers at the commencement of the year 2011.

1. K. B. Jayasinghe Chairman, Paddy Marketing Board
2. Mrs. M.T.I.V. Amarasekera Assistant Director State Enterprises Department
3. Ravindra Hewavitharana Agrarian Development Commissioner General
Agrarian Development Commissioner's Department
4. Mr. A. P. G. Kithsiri Commissioner for Co-operative Development
Up to May 2011
Co-operative Development
Commissioner's Department
5. Mrs. Nimalka Dias Food Commissioner
Food Commissioner's Department
6. Mr. M. K. Susantha Member of the Board of Directors
7. Mr. A. R. M. Haris Member of the Board of Directors
8. Mr. P. H. Ananda Commissioner for Co-operative Development – From
21.07.2011
Co-operative Development Commissioner's
Department

The Board of Directors of the Paddy Marketing Board conducted 09 meetings in the year 2011. There occurred a change in the Board of Directors due to the fact that the Co-operative Development Commissioner, Mr. A. P. G. Kithsiri received a promotion from May 2011 and the new Co-operative Development Commissioner, Mr. P. H. Ananda was appointed a member of the Board of Directors from 21.07.2011. The Legal Officer of the PMB Mrs. Ruwanthika, Gunawardana functioned as the Secretary to the Board of Directors.

Organizational Structure of the Paddy Marketing Board



Criteria used for the purchase of paddy in the year 2011

1. Moisture (Maximum) : 14%
2. Waste Material : 1%
3. Mixing of varieties : 6%
4. Amount of chaff : 9%
5. Devoid of discolored grains of paddy
6. Devoid of waste material such as stones and sand
7. Devoid of harm caused by insects or eggs of insects
8. Devoid of harm caused by fungus

The Paddy Marketing Board purchased Samba rice and Nadu rice prepared on proper standards at prices such as 30 rupees and 28 rupees respectively in the year 2011. The prices of Nadu rice and Samba rice in the market were around 28 – 29 rupees and 34 – 37 rupees respectively during the aforesaid period of time. Even though the amount of paddy received by the Paddy Marketing Board was less , a price was guaranteed for the farmer community.

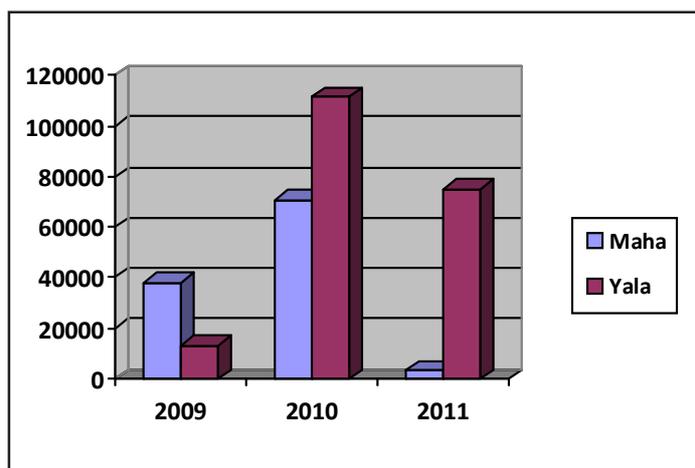
The amount of paddy produced in the Maha season in 2010/11 was 1,996,184 metric tons and the amount of paddy produced in Yala season was 1,898,040 metric tons. Therefore the total amount of paddy produced in the year 2011 was 3,894,224 metric tons. The Paddy Marketing Board purchased 3,470 metric tons of paddy in the 2010/11 Maha season and 75,1752 metric tons of paddy in the 2011 Yala season out of the total amount of paddy produced in Sri Lanka.

Purchase of Paddy

Purchase of paddy was done in a successful manner through the Paddy Marketing Board in the year 2010 as well as in the year 2011. The Paddy Marketing Board purchased paddy in both seasons in the year 2011. Accordingly, the Paddy Marketing board purchased 3,470 metric tons of paddy in the 2010/2011 Maha season. Also, 75,172 metric tons of paddy were purchased in the Yala season in 2011. The objectives of the paddy Marketing Board were met by the purchase of paddy produced by farmers directly from them at certified prices of 28 rupees for a kilogram of Nadu rice and 30 rupees for a kilogram of Samba rice.

Metric tons

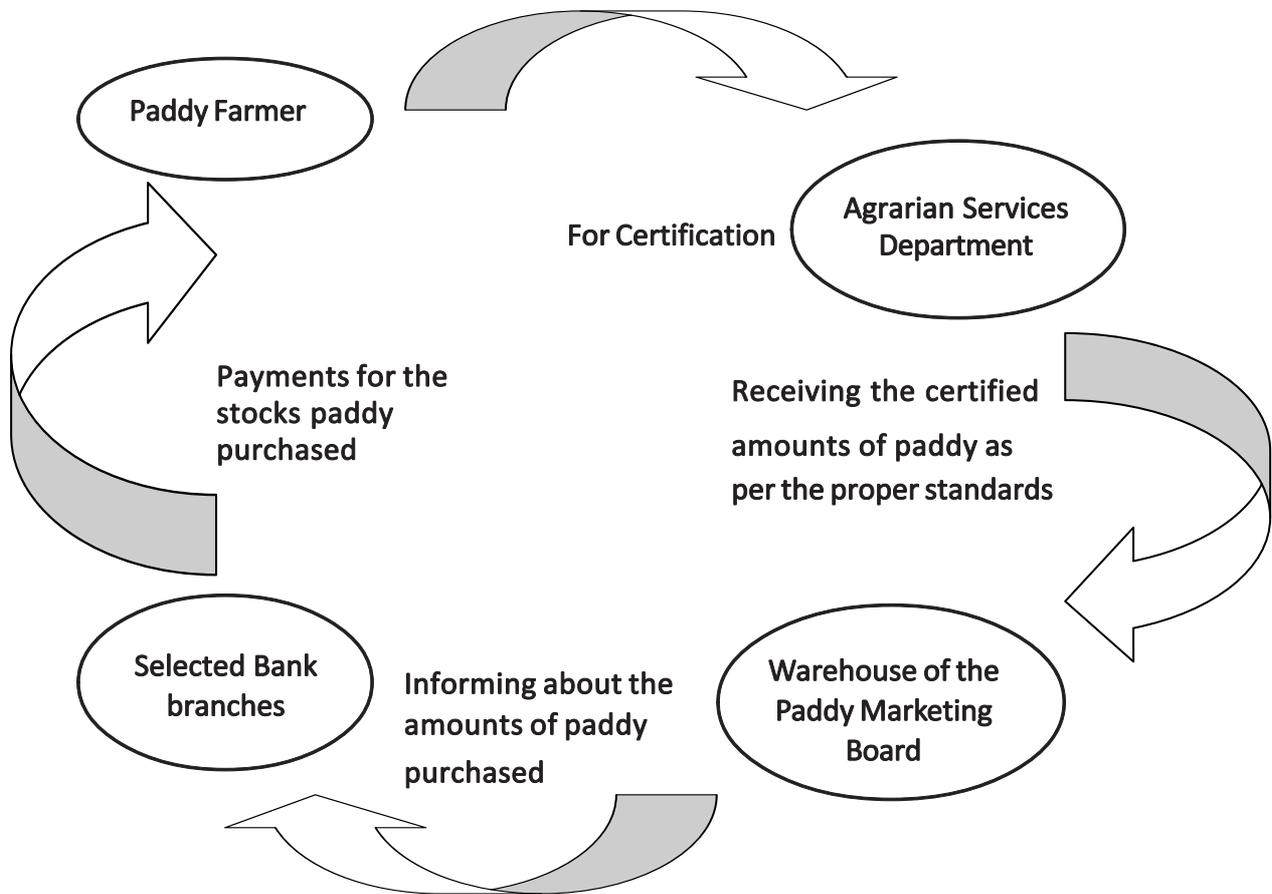
Year	2009	2010	2011
Maha	38000	70771	3470
Yala	13374	111756	75172



A sum of 2,235 million rupees has been paid to the farmers in the year 2011 by purchasing 78,642 metric tons paddy from them.

The methodology was formulated in the year to enable farmers to sell paddy directly to warehouses of the paddy marketing Board. Farmers could provide paddy to the warehouse of the Paddy Marketing Board independently without the interference of a third party.

The Methodology adopted in the purchase of paddy



Since purchase of paddy was commenced in the year 2008, the paddy Marketing Board has taken steps to purchase paddy in every season. We were able to create a good price for paddy in the open market. Even though the Paddy Marketing Board did not enter the competition directly, it could fulfill its objectives by creating a good market for paddy due to the fact that it purchased paddy at the certified price of the government. The paddy Marketing Board was able to ensure that there would not be a shortage of paddy in the market due to various climatic changes and also to control the price of paddy in case of an excess production of paddy.

According to Mahinda Chinthana policy framework steps were taken to intervene the rice market whenever necessary and maintain a stock of 100,000 metric tons of paddy and rice.

As per Mahinda Chinthana Policy framework the certified price of a kilo of paddy has been increased up to 20 – 35 rupees by now from the earlier price of 13- 14 rupees. Steps have been taken to maintain buffer stocks that would be sufficient for a period of about one year. Measures were taken to enhance the quality of rice and encourage the private sector to commence rice mills of international standard.

Arrangements were made in the year 2011 to purchase paddy by constructing 03 new warehouses and renovating 29 warehouses which had been constructed around 30 years ago. Strength of the staff was enhanced by recruiting new employees in the aforesaid year.

Challenges

The Paddy Marketing Board had to encounter a number of challenges due to the shortage of warehouses of proper standard, non receipt of enough allocations for the renovation of warehouses, shortage of the officers required for the field, difficulty in finding funds for the purchase of paddy at the time of reaping the harvest, non availability of a good market price for paddy.

The economic status of the Paddy Marketing Board is at risk in a perspective in which it is considered to be the buyer as the last resort only. Due to that fact redefining the role of the Paddy Marketing Board is an essential thing. Receipt of assistance from the government is very essential for the continuity of the service section of the Paddy Marketing Board.

The higher operational cost incurred as a result of largest amount of loans obtained, payments made for the services obtained, supply of rice to the low income groups in the country at a subsidized price through Laksathosa outlets, and export of rice at a lower price under international market prices can be viewed as the challenge in converting the Paddy Marketing Board into a commercially profitable institution.

If the Paddy Marketing Board is to run as a Commercial Institution it should be provided with the facility of acting on an economically profitable basis. However, if this procedure is adopted the Paddy Marketing Board fails to assist the Production Section at times when the paddy price is lower in the market and similarly it fails to fulfill the expectations of customers during the periods in which rice prices in the market are higher. In such case the Service Section of the Paddy Marketing Board has to be run with the assistance of the government.

Obstacles

1. At present the compound threshing machine is mainly used in harvesting paddy. The following shortcoming can be viewed in this when compared with manual harvesting.
2. Moisture is in the range of 20% - 25% at the time of harvesting.

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3. The percentage of waste and chaff has risen up to around 6% from 4% and there are instances in which this percentage is as high as 8%.
 4. Farmers sell paddy to the private sector to repay their loans and paddy need not be dried up to be sold to the private sector. Farmers are not compelled to dry up paddy due to the reasons that an extra expense has to be made for that and the weight of paddy is reduced in the range 8 – 10 kilograms per 100 kg. of paddy when dried up.
 5. Therefore rice producers are compelled to sell paddy to the private sector, no matter a stable price has been fixed by the government, due to the fact that private sector buys paddy irrespective of the reduction in the weight of paddy when drying, but at a lower price.

Future Prospects

Future prospects are taking measures to construct warehouses with proper standard in necessary places, making arrangements to create a market for Sri Lanka's rice in the world market, commencing rice processing centres required for that purpose.

By purchasing around 10% of the local price produce a stable price could be created in the market and it would make room for enhancing the economy of producers whilst consumers would be given the opportunity to purchase rice at a reasonable price from Sathosa and Lak Sathosa sales outlets.

The End

The assistance provided by the Ministry of Finance, Ministry of Agriculture, Agrarian Services Department, Department of Co-operatives, Department of Food, Sathosa, Lak Sathosa, District Secretaries, Sri Lanka Mahaweli Authority, People's Bank, Bank of Ceylon, National Savings Bank, Regional Development Bank, Sri Lanka Police, Civil Defence Department, Auditor General's Department and other institutions is appreciated.

Paddy Marketing Board achieved a huge progress in purchasing paddy due to the special supervision of the Hon. Minister of Co-operatives and Internal Trade in regard to the activities of the Paddy Marketing Board in the year 2011.

Assistance provided by the Secretary, Additional Secretary and the whole staff of the Ministry of Co-operatives and Internal Trade in carrying out these activities should be appreciated. We shall remember in a sense of thankfulness the co-operation given by the Board of Directors who encouraged us to achieve the aims and objectives of the Paddy Marketing Board carrying out all necessary activities, the General Manager and his staff who were committed for the development of Paddy Marketing Board, the Regional Managers, Assistant Regional Managers and the staff in Regional Offices who contributed to the service rendered by the Paddy Marketing Board in a practical manner by purchasing paddy in both seasons.

K. B. Jayasinghe

Chairman
Paddy Marketing Board

Annexures

1. Progress of purchasing paddy in 2010/11 Maha season and 2011 Yala season.
2. Purchase of paddy in 2010/11 Maha season and 2011 Yala season on regional basis.
3. Warehouses of the Paddy Marketing Board
4. Newly constructed warehouses - Renovated warehouses
5. Varieties of paddy recommended by the Department of Agriculture

Paddy Marketing Board
2010/11 Maha Season – Paddy Purchasing Programme
Performance Report

Quantity in Kilograms

Region	Nadu		Samba		Total	
	Quantity Kg	Value	Quantity Kg	Value	Quantity	Value
Polonnaruwa Region						
Polonnaruwa District	0	00'0	0	0'00	0	0'00
Trincomalee District	10,750	301,000.00	550	16,500.00	11,300	317,500.00
Matale District	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
	10,750	301,000.00	550	16,500.00	11,300	317,500.00
North Western Region						
Kurunegala District	0	0.00	0	0.00	0	0.00
Puttalam District	0	0.00	0	0.00	0	0.00
	0	0.00	0	0.00	0	0.00
Eastern Region						
Ampara District	126,368	3,538,304.00	46,955	1,408,650.00	173,323	4,946,954.00
Kandy District	0	0.00	0	0.00	0	0.00
Badulla District	0	0.00	0	0.00	0	0.00
Batticaloa District	0	0.00	0	0.00	0	0.00
	126,368	3,538,304.00	46,955	1,408,650.00	173,323	4,946,954.00
Anurathapura Region						
Anurathapura District	0	0.00	0	0.00	0	0.00
Trincomalee District	12,454	348,698.00	1,408	42,240.00	13,862	390,938.00
Mannar District	666,056	18,649,568.00	124,879	3,746,370.00	790,935	22,395,938.00
	678,510	18,998,266.00	126,287	3,788,610.00	804,797	22,786,876.00
Southern Region						
Hambantota District	0	0.00	0	0.00	0	0.00
Moneragala District	597,724	16,736,272.00	13,197	395,910.00	610,921	17,132,182.20
Ratnapura District	1,050	29,400.00	0	0.00	1,050	29,400.00
	598,774	16,765,672.00	13,197	395,910.00	611,971	17,161,582.00
Northern Region						
Kilinochchi District	1,499,594	41,988,632.00	369,094	11,072,820.00	1,868,688	53,061,452.00
Full total	2,913,996	81,591,874.00	556,083	16,682,490.00	3,470,079	98,274,364.00

The Report has been prepared on 20th of June 2011 according to information given by the head officeChairman
Paddy marketing board

Paddy Marketing Board
2010/11 Yala Season – Paddy Purchasing Programme
Performance Report

Quantity in Kilograms

Region	Nadu		Samba		Total	
	Quantity Kg	Value	Quantity Kg	Value	Quantity Kg	Value
Polonnaruwa Region						
Polonnaruwa District	17,076,572	478,144,016.00	10,724,610	321,738,300.00	27,801,182	799,882,316.00
Matala District	1,287,400	36,047,200.00	329,300	9,879,000.00	1,616,700	45,926,200.00
Wayamba region	18,363,972	514,191,216.00	11,053,910	331,617,300.00	29,417,882	845,808,516.00
Kurunagala District	2,848,790	79,766,120.00	340,160	10,204,800.00	3,188,950	89,970,920.00
Puttalam District	2,526,200	70,733,600.00	147,700	4,431,000.00	2,673,900	75,164,600.00
Ampara Region	5,374,990	150,499,720.00	487,860	14,635,800.00	5,862,850	165,135,520.00
Ampara District	14,632,901	409,721,228.00	1,976,001	59,280,030.00	16,608,902	469,001,258.00
Kandy District	779,530	21,826,840.00	203,573	6,107,190.00	983,103	27,934,030.00
Badulla District	261,100	7,310,800.00	122,950	3,688,500.00	384,050	10,999,300.00
Anuradapura Region	15,673,531	438,858,868.00	2,302,524	69,075,720.00	17,976,055	507,934,588.00
Anuradapura District	8,561,286	239,715,994.00	678,397	20,351,895.00	9,239,682	260,067,889.00
Vavuniya District	181,559	5,083,652.00	54,270	1,628,100.00	235,829	6,711,752.00
Mannar District	0	0.00	0	0.00	0	0.00
Southern Region	8,742,845	244,799,646.00	732,667	21,979,995.00	9,475,511	266,779,641.00
Hambantota District	1,765,112	49,171,136.00	830	24,900.00	1,756,942	49,196,036.00
Monaragala District	3,136,432	87,820,096.00	214,219	6,426,570.00	3,350,651	94,246,666.00
Ratnapura District	487,896	13,661,088.00	5,724	171,720.00	493,620	13,832,808.00
Northern Region	5,380,440	150,652,320.00	220,773	6,623,190.00	5,601,213	157,275,510.00
Kilinochchi Mullai Teevu District	538,716	15,084,034.00	321,681	9,650,430.00	860,397	24,734,464.00
Eastern Region						
Trincomalee District	3,592,716	100,596,048.00	629,933	18,897,990.00	4,222,649	119,494,038.00
Batticalo District	1,299,945	36,398,460.00	455,169	13,655,070.00	1,755,114	50,053,530.00
Full total	4,892,661	136,994,508.00	1,085,102	32,553,060.00	5,977,763	169,547,568.00
	58,697,154	1,651,080,312.00	16,204,517	488,135,495.00	75,171,671	2,137,215,807.00

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Chairman
Paddy marketing board

Paddy Marketing Board
2010/11 Maha Season – Paddy Purchasing Programme
Performance Report

Trincomale Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Trinco	Kantalai 01	0.00	0.00	0.00	0.00	0.00	0.00
	Kantalai 02	10,750.00	301,000.00	550.00	16,500.00	11,300.00	317,500.00
	Total	10,750.00	301,000.00	550.00	16,500.00	11,300.00	317,500.00

Ampara Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Ampara	Kohombana 01	126,368.00	3,538,304.00	46,955.00	1,408,650.00	173,323.00	4,946,954.00
	Total	126,368.00	3,538,304.00	46,955.00	1,408,650.00	173,323.00	4,946,954.00

Anuradhapura Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Mannar	Alkaddiweli	6,66056.00	18,649,568.00	124,879.00	3,746,370.00	790,935.00	22,395,938.00
Anuradhapura	Thambuthegama	0.00	0.00	0.00	0.00	0.00	0.00
Trinco	Gomarankadawala	12,453.50	348,698.00	1,408.00	42,240.00	13,861.50	390,938.00
	Shanthipuram	0.00	0.00	0.00	0.00	0.00	0.00
	Total	67850950	18,998,266.00	126,287.00	3,788,610.00	804,796.50	22,786,876.00

Southern Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Hambantota	Weeravila	0.00	0.00	0.00	0.00	0.00	0.00
Monaragala	Hulandawa	593,510.00	16,618,280.00	4,734.00	142,020.00	598,244.00	16,760,300.00
	Mthukandiya 2	4,214.00	117,992.00	8,463.00	253,890.00	12,677.00	371,882.00
Rathnapura	Kaltota (Kongahamagkada)	1,050.00	29,400.00	0.00	0.00	1,050.00	29,400.00
	Total	598,774.00	16,765,672.00	13,197.00	395,910.00	611,971.00	17,161,582.00

Northern Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Kilinochchi	Kilinochchi	780,075.00	21,842,100.00	120,220.00	3,606,600.00	900,295.00	25,448,700.00
	Wattakachchi	158,085.00	4,426,380.00	124,035.00	3,721,050.00	282,120.00	8,147,430.00
	Thunukkai	344,121.00	9,635,388.00	117,296.00	3,518,880.00	461,417.00	13,154,268.00
	Mankulam	217,313.00	6,084,764.00	7,543.00	226,290.00	224,856.00	6,311,054.00
	Total	1,499,594.00	41,988,632.00	369,094.00	11,072,820.00	1,868,688.00	53,061,452.00

Paddy Marketing Board
2010-11 Yala Season – Paddy Purchasing Programme
Performance Report

Polonnaruwa Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Polonnaruwa	Weerapura	1,319,595	36,948,660.00	166,700	5,001,000.00	1,486,295	41,949,660.00
	ZD Store 2	102,500	2,870,000.00	546,950	16,408,500.00	649,450	19,278,500.00
	Dhamanewewa	214,250	5,999,000.00	92,600	2,778,000.00	306,850	8,777,000.00
	Medirigiriya	941,300	26,356,400.00	157,700	4,731,000.00	1,099,000	31,087,400.00
	Viralanda	51,150	1,432,200.00	100,700	3,021,000.00	151,850	4,453,200.00
	Bogashandiay	174,650	4,890,200.00	194,500	5,835,000.00	369,150	10,725,200.00
	Diyabeduma	754,300	21,120,400.00	88,900	2,667,000.00	843,200	23,787,400.00
	Abegasweva	901,442	25,240,376.00	92,000	2,760,000.00	993,442	28,000,376.00
	Dhibulane	86,950	2,434,600.00	88,050	2,641,500.00	175,000	5,076,100.00
	Mawanaweve 1	54,850	1,535,800.00	109,700	3,291,000.00	164,550	4,826,800.00
	Paranagama	148,950	4,170,600.00	88,300	2,649,000.00	237,250	6,819,600.00
	Dhiyaviddagama	134,250	3,759,000.00	192,900	5,787,000.00	327,150	9,546,000.00
	Welikanda	672,145	18,820,060.00	720,060	21,601,800.00	1,392,205	40,421,860.00
	Sathose 1	2,311,600	64,724,800.00	289,500	8,685,000.00	2,601,100	73,409,800.00
	Kaduruwela food 2	949,350	26,581,800.00	1,603,900	48,117,000.00	2,553,250	74,698,800.00
	Jayanthipura 1	786,400	22,019,200.00	162,500	4,875,000.00	948,900	26,894,200.00
	Mawanavele 2	44,050	1,233,400.00	97,250	2,917,500.00	141,300	4,150,900.00
	Kadirapura	72,050	2,017,400.00	92,400	2,772,000.00	164,450	4,789,400.00
	Siripura	135,950	3,806,600.00	193,250	5,797,500.00	329,200	9,604,100.00
	Giripokuna	88,250	2,471,000.00	70,650	2,119,500.00	158,900	4,590,500.00
	Viranagama	100,500	2,814,000.00	22,950	688,500.00	123,450	3,502,500.00
	Aralagavila	108,700	3,043,600.00	159,350	4,780,500.00	268,050	7,824,100.00
	Divulapelasa	30,400	851,200.00	117,750	3,532,500.00	148,150	4,383,700.00
	Aselapura	100,150	2,804,200.00	93,700	2,811,000.00	193,850	5,615,200.00
	Kusumpokuna	887,850	24,859,800.00	133,050	3,991,500.00	1,020,900	28,851,300.00
	Pahala yakkure	168,700	4,723,600.00	79,500	2,385,000.00	248,200	7,108,600.00
	Dholakanda	69,900	1,957,200.00	83,200	2,496,000.00	153,100	4,453,200.00
	Vijayapura	924,435	25,884,180.00	229,610	6,888,300.00	1,154,045	32,772,480.00
	Thalpottha 1	789,730	22,112,442.00	171,350	5,140,500.00	961,080	27,252,940.00
	Lihiniyagame	85,150	2,384,200.00	52,600	1,578,000.00	137,750	3,962,200.00
	Lihiniyagame	469,350	13,141,800.00	341,500	10,245,000.00	810,850	23,386,800.00
	Dhibulagala 4	75,800	2,122,400.00	98,700	2,961,000.00	174,500	5,083,400.00
	Ginnoruwa	127,750	3,577,000.00	35,650	1,069,500.00	163,400	4,646,500.00
	Vijayabapura	74,700	2,091,600.00	68,150	2,044,500.00	142,850	4,136,100.00
	Belagawewa	90,300	2,528,400.00	42,800	1,284,000.00	133,100	3,812,400.00
	Theldeniyaya	93,600	2,620,800.00	148,100	4,443,000.00	241,700	7,063,800.00
	Singapura	106,500	2,982,000.00	91,950	2,758,500.00	198,450	5,740,500.00
	Rakkinda	60,000	1,680,000.00	82,300	2,469,000.00	142,300	4,149,000.00
	Mahasenpura	104,250	2,919,000.00	96,600	2,898,000.00	200,850	5,817,000.00
	Bihisorouwa	24,100	674,800.00	133,700	4,011,000.00	157,800	4,685,800.00

	Mahaweli stock	219,350	6,141,800.00	352,700	10,581,000.00	572,050	16,722,800.00
	Sadunpura	25,850	723,800.00	127,750	3,832,500.00	153,600	4,556,300.00
	Nuwaragale	98,200	2,749,600.00	82,000	2,460,000.00	180,200	5,209,600.00
	Welikkanda 05	578,925	16,209,900.00	1,070,690	32,120,700.00	1,649,615	48,330,600.00
	Kadawatamuduwa	108,350	3,033,800.00	103,700	3,111,000.00	212,050	6,144,800.00
	Malwilla	70,650	1,978,200.00	106,850	3,205,500.00	177,500	5,183,700.00
	Mahaulpatha	69,700	1,951,600.00	116,450	3,493,500.00	186,150	5,445,100.00
	Jayanthipura 2	37,300	15,044,400.00	248,150	7,444,500.00	785,450	22,488,900.00
	Pihitiwewa	90,250	2,527,000.00	85,650	2,569,500.00	175,900	5,096,500.00
	Nawagaela	125,700	3,519,600.00	107,650	3,229,500.00	233,350	6,749,100.00
	Nagasthenna	111,050	3,109,400.00	105,350	3,160,500.00	216,400	6,269,900.00
	Pallegama	31,950	894,600.00	52,500	1,575,000.00	84,450	2,469,600.00
	Jayasiripura	13,050	365,400.00	20,800	624,000.00	33,850	989,400.00
	Warayepitiya	32,250	903,000.00	62,000	1,860,000.00	94,250	2,763,000.00
	Meewathpura	107,100	2,998,800.00	97,300	2,919,000.00	204,400	5,917,800.00
	Nikawatalanda	26,100	730,800.00	92,800	2,784,000.00	118,900	3,514,800.00
	Sooriyawewa	44,500	1,246,000.00	65,500	1,965,000.00	110,000	3,211,000.00
	Aluthoya	59,900	1,677,200.00	96,250	2,887,500.00	156,150	4,564,700.00
	Pihitiwewa 2	64,150	1,796,200.00	89,400	2,682,000.00	153,550	4,478,200.00
	Mythrigama	57,550	1,611,400.00	43,900	1,317,000.00	101,450	2,928,400.00
	Nelumwewa	23,250	651,000.00	35,350	1,060,500.00	58,600	1,711,500.00
	Rakinda seed farm	30,450	852,600.00	57,750	1,732,500.00	88,200	2,585,100.00
	Abagaswewa 2	82,150	2,300,200.00	0	0.00	82,150	2,300,200.00
	Mahaulpata 2	4,150	116,200.00	23,650	709,500.00	27,800	825,700.00
	Sandamadulla	28,850	807,800.00	49,450	1,483,500.00	78,300	2,291,300.00
Matale	Kandalama	1,287,400	36,047,200.00	329,300	9,879,000.00	1,616,700	45,926,200.00
	Total	18,363,972	514,191,216.00	11,053,910	331,617,300.00	29,417,882	845,808,516.00

Wayamba Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total		
		Quantity	Value	Quantity	Value	Quantity	Value	
Kurunegala	Nikawarattiya 2	923,910	25,869,480.00	120,710	3,621,300.00	1,044,620	29,490,780.00	
	Mahawa	113,600	3,180,800.00	31,000	930,000.00	144,600	4,110,800.00	
	Narammala	2,750	77,000.00	0	0.00	2,750	77,000.00	
	Meegaleva	528,680	14,803,040.00	2,500	75,000.00	531,180	14,878,040.00	
	Ma-eliya	111,450	3,120,600.00	26,500	795,000.00	137,950	3,915,600.00	
	Rajanganaye	835,700	23,399,600.00	111,650	3,349,500.00	947,350	26,749,100.00	
	Rajanganaya sandahala	142,850	3,999,800.00	14,050	421,500.00	156,900	4,421,300.00	
	Rajanganaya Bambare	41,000	1,148,000.00	5,000	150,000.00	46,000	1,298,000.00	
	Galewela	45,100	1,262,800.00	14,900	447,000.00	60,000	1,709,800.00	
	Dhabadeniya	3,850	107,800.00	4,450	133,500.00	8,300	241,300.00	
	Galgamuwe	0	0.00	1,000	30,000.00	1,000	30,000.00	
	Palugolla	42,150	1,180,200.00	1,350	40,500.00	43,500	1,220,700.00	
	Solewewa	57,750	1,617,000.00	7,050	211,500.00	64,800	1,828,500.00	
	Puttalam	Thambowe	743,000	20,804,000.00	60,800	1,824,000.00	803,800	22,628,000.00
		Wanathavilluwa	6,600	184,800.00	0	0.00	6,600	184,800.00
Puttalam		1,491,300	41,756,400.00	56,650	1,699,500.00	1,547,950	43,455,900.00	
Puttalam2 (thabowa)		276,200	7,733,600.00	30,250	907,500.00	306,450	8,641,100.00	
Eluwankulama		9,100	254,800.00	0	0.00	9,100	254,800.00	
	Total	5,374,990	150,499,720.00	487,860	14,635,800.00	5,862,850	165,135,520.00	

Ampara Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Ampara	Komariye	1,070,800	29,982,400.00	150,000	4,500,000.00	1,220,800	34,482,400.00
	Damana	975,550	27,315,400.00	281,950	8,458,500.00	1,257,500	35,773,900.00
	Ampara 01	977,250	27,363,000.00	206,600	6,198,000.00	1,183,850	33,561,000.00
	Inginiyagala	764,118	21,395,304.00	17,350	520,500.00	781,468	21,915,804.00
	Palamkandura	950,114	26,603,192.00	98,250	2,947,500.00	1,048,364	29,550,692.00
	Nellikele	1,354,950	37,938,600.00	168,700	5,061,000.00	1,523,650	42,999,600.00
	Palamkandura 2	579,732	162,632,496.00	28,500	855,000.00	608,232	17,087,496.00
	Kohambane	455,650	12,758,200.00	28,600	858,000.00	484,250	13,616,200.00
	Pothuvil	575,966	16,127,048.00	54,553	1,636,590.00	630,519	17,763,638.00
	Gonagolla	505,000	14,420,000.00	41,300	1,239,000.00	556,300	15,659,000.00
	Ampara 2	1,104,150	30,916,200.00	112,800	3,384,000.00	1,216,950	34,300,200.00
	Mahaoaya	425,475	11,913,300.00	162,876	4,886,280.00	588,351	16,799,580.00
	Morayaya	325,904	9,125,312.00	66,702	2,001,060.00	392,606	11,126,372.00
	Samanthurai	1,204,550	33,727,400.00	11,350	340,500.00	1,215,900	34,067,900.00
	Addalachchenai	294,485	8,245,580.00	7,370	221,100.00	301,855	8,466,680.00
	Mahanagepura	381,200	10,673,600.00	0	0.00	381,200	10,673,600.00
	Walagampura	164,550	4,607,400.00	21,500	645,000.00	186,050	5,252,400.00
	Damana 2	143,000	4,004,000.00	68,800	2,064,000.00	211,800	6,068,000.00
	Kohambane 2	350,650	9,258,200.00	26,500	795,000.00	357,150	10,053,200.00
	Viragoda	859,750	24,073,000.00	259,900	7,797,000.00	1,119,650	31,870,000.00
	Viragoda 2	445,500	12,474,000.00	148,300	4,449,000.00	593,800	16,923,000.00
	Ninthavur	734,557	20,567,596.00	14,100	423,000.00	748,657	20,990,596.00
	Karametiya	261,100	7,310,800.00	122,950	3,688,500.00	384,050	10,999,300.00
	Pallewaththa	499,596	13,988,688.00	125,018	3,750,540.00	624,614	17,739,228.00
	Kolangoda	279,934	7,838,152.00	78,555	2,356,650.00	358,489	10,194,802.00
	Total	15,673,531	438,858,868.00	2,302,524	69,075,720.00	17,976,055	507,934,588.00

Anuradhapura Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Anuradhapura	Thambuttegama	246,754,000	6,909,112.00	5,800	174,000.00	252,554	7,083,112.00
	Rajanganaya	285,9920,00	8,227,776.00	13,945	418,350.00	299,937	8,426,126.00
	Bulnewe	1,105,343	30,949,604.00	83,884	2,516,520.00	1,189,227	33,466,124.00
	Pathaviparakramepura	471,207	13,193,796.00	82,450	2,473,500.00	553,657	15,667,296.00
	Galnewa	359,654	10,070,284.00	24,056	721,680.00	383,709	10,791,964.00
	Nochchiyagama	570,454	15,972,712.00	5,425	162,750.00	575,879	16,135,462.00
	Vilachiya	272,537	7,631,022.00	17,444	523,305.00	289,980	9,154,327.00
	Vilachiya Mannar	130,675	3,658,900.00	4,650	139,500.00	135,325	3,798,400.00
	Horowpothana	231,734	6,488,552.00	8,813	264,390.00	240,547	6,752,942.00
	Senanayake moll	245,814	6,882,792.00	93,816	2,814,480.00	339,630	9,697,272.00
	Thalawa	727,385	20,366,780.00	51,934	1,558,020.00	779,319	21,924,800.00
	Kekirawe	295,366	8,270,248.00	5,271	158,130.00	300,637	8,428,378.00
	Senepura	261,482	7,321,496.00	15,204	456,120.00	276,686	7,777,616.00
	Rambewa	501,077	14,030,156.00	13,000	390,000.00	514,077	14,420,156.00
	Katiyawe	90,959	2,546,768.00	8,450	253,500.00	99,406	2,800,268.00
	Yakkala	300,451	8,412,628.00	29,065	871,950.00	329,516	9,284,578.00
	Srawastipura	204,528	5,726,784.00	21,110	633,300.00	225,638	6,360,084.00
	Kebithigollewa	614,996	17,219,888.00	15,925	477,750.00	630,921	17,697,638.00
	Kahatagasdigiliya	142,650	3,994,200.00	16,205	486,150.00	158,855	4,480,350.00
	Medawachchiya	798,119	22,347,332.00	45,750	1,372,500.00	843,869	23,719,832.00
	HalmillaKulama	107,983	3,023,524.00	2,750	82,500.00	110,733	3,106,024.00
	Pelwehera	91,330	2,557,240.00	90,075	2,702,250.00	181,405	5,259,490.00
	Galenbinunuwewa	388,900	10,889,200.00	10,325	309,750.00	399,225	11,198,950.00
	Theladhinawewa	115,900	3,245,200.00	13,050	391,500.00	128,950	3,636,700.00
Vavuniya	Mamaduwa	181,559	5083,652.00	54,270	1,628,100.00	235,829	6,711,752.00
	Total	8,742,845	244,799,646.00	732,667	21,979,995.00	9,475,511	266,779,641.00

Southern Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Hambantota	Weeravila	232,855	6,519,940.00	0	0.00	232,855	6,519,940.00
	Dehigahalanda	21,871	612,388.00	0	0.00	21,871	612,388.00
	Pannegamuwa	776,213	21,733,964.00	830	24,900.00	777,043	21,758,864.00
	Sooriyawewa	280,020	7,840,560.00	0	0.00	280,020	7,840,560.00
	Kahandawa	135,528	3,738,784.00	0	0.00	135,528	3,738,784.00
	Pallemalala	146,362	4,098,136.00	0	0.00	146,362	4,098,136.00
	Meddawaththa	165,263	4,627,364.00	0	0.00	165,263	4,627,364.00
Monaragala	Medagama	74,974	2,099,272.00	17,998	539,940.00	92,972	2,639,212.00
	Athimale	27,038	757,064.00	12,091	36,2730.00	39,129	1,119,794.00
	Hulandawa	1,071,286	29,996,008.00	20,520	615,600.00	1,091,806	30,611,608.00
	Thodamwatha 2	1,104,105	30,914,940.00	14,597	437,910.00	1,118,702	31,352,850.00
	Hulandawa 2 (waipe)	207,856	5,819,968.00	68,578	2,057,340.00	276,434	7,877,308.00
	Kachigalara	485,882	13,604,696.00	0	0.00	485,882	13,604,696.00
	Weherayaya	17,453	488,684.00	0	0.00	17,453	488,684.00
	Randeniya	63,873	1,788,444.00	1,131	33,930.00	65,004	1,822,374.00
	Muthukandiya	83,965	2,351,020.00	79,304	2,379,120.00	163,269	4,730,140.00
	Rathnapura	Kuttigala 1	289,514	8,106,392.00	0	0.00	289,514
	Kalthota	146,458	4,100,824.00	5,724	171,720.00	152,182	4,272,544.00
	Amlipitiya sathosa	51,924	1,453,872.00	0	0.00	51,924	1,453,872.00
	Total	5,380,440	150,652,320.00	220,773	6,623,190.00	5,601,213	157,275,510.00

Northern Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total	
		Quantity	Value	Quantity	Value	Quantity	Value
Kilinochchi	Kandavalai	178,476	4,997,328.00	75,798	2,273,940.00	254,274	7,271,268.00
	Ramanathapuram	237,393	6,646,990.00	194,682	5,840,460.00	432,075	12,487,450.00
	Mankulam	122,847	3,439,716.00	51,201	1,536,030.00	174,048	4,975,746.00
	Total	538,716	15,084,034.00	321,681	9,650,430.00	860,397	24,734,464.00

Eastern Region

Quantity in Kilograms

District	Stores	Nadu		Samba		Total		
		Quantity	Value	Quantity	Value	Quantity	Value	
Trincomalee	Kantale	482,352	13,505,856.00	76,833	2,304,990.00	559,185	15,810,846.00	
	Thirappane (Gomarankand)	150,300	4,208,400.00	12,600	378,000.00	162,900	4,586,400.00	
	Thambalagamuwa	354,390	9,922,920.00	21,050	631,500.00	375,440	10,554,420.00	
	Thambalagamuwa 4	6,300	176,400.00	6,450	193,500.00	12,750	369,900.00	
	Kinniya	232,693	6,515,404.00	18,250	547,500.00	250,943	7,062,904.00	
	Morawewa	566,850	15,871,800.00	197,400	5,922,000.00	764,250	21,793,800.00	
	Sugar store	345,414	9,671,592.00	47,500	1,425,000.00	392,914	11,096,592.00	
	Pulikandikulam	19,100	534,800.00	0	0.00	19,100	534,800.00	
	Serunuwara Kallar	779,850	21,835,800.00	195,800	5,874,000.00	975,650	27,709,800.00	
	Mollipathane	228,700	6,403,600.00	7,400	222,000.00	236,100	6,625,600.00	
	Aalagkani	329,667	9,230,676.00	36,650	1,099,500.00	366,317	10,330,176.00	
	Kalyanepura	97,100	2,718,800.00	10,000	300,000.00	107,100	3,018,800.00	
	Batticalo	Vaunathevu	229,200	6,417,600.00	41,300	1,239,000.00	270,500	7,656,600.00
		Valachchenai	833,785	23,345,980.00	370,119	11,103,570.00	1,203,904	34,449,550.00
Arasadithiv		236,960	6,634,880.00	43,750	1,312,500.00	280,710	7,947,380.00	
Total		4,892,661	136,994,508.00	1,085,102	32,553,060.00	5,977,763	169,547,568.00	

Stores of Paddy Marketing board by ended year 2011

Nos.	Stores	Capacity in Metric tons	Other Informations
	Ampara Region		
	Ampara District		
1	Mahaoaya 1	1040	Paddy Marketing Board
2	Mahaoaya 2	1040	Paddy Marketing Board
3	Gonagolle	1040	Paddy Marketing Board
4	Kohombane1	1040	Paddy Marketing Board
5	Kohombane 2	1040	Paddy Marketing Board
6	Palamkadawure 1	1040	Paddy Marketing Board
7	Palamkadawure 2	1040	Paddy Marketing Board
8	Komariye 1	1040	Paddy Marketing Board
9	Komariye 2	1040	Paddy Marketing Board
10	Kumarigama	1040	Paddy Marketing Board
11	Weeragoda 1	1040	Paddy Marketing Board
12	Weeragoda 2	1040	Paddy Marketing Board
13	Ampara 1	1040	Paddy Marketing Board
14	Ampara 2	1040	Paddy Marketing Board
15	Damana 1	1040	Paddy Marketing Board
16	Damana 2	1040	Paddy Marketing Board
17	Samanthurai 1	1040	Paddy Marketing Board
18	Samanthurai 2	1040	Paddy Marketing Board
19	Pothuvil 1	1040	Paddy Marketing Board
20	Pothuvil 2	1040	Paddy Marketing Board
21	Addalachchenai	1045	Paddy Marketing Board
22	Akkaraipattu	1600	Paddy Marketing Board - Repaired
23	Ninthavur	1045	Paddy Marketing Board
24	Nillikele	1500	Paddy Marketing Board - Repaired
	Kandy District		
25	Pallewatha 2	1040	Paddy Marketing Board
26	Pallewatha 3	1040	Paddy Marketing Board
27	Pallewatha 4	1040	Paddy Marketing Board
28	Pallewatha 5	1040	Paddy Marketing Board
29	Pallewatha 6	800	Paddy Marketing Board
30	Kologgoda 2	1040	Paddy Marketing Board
31	Hasalaka Mill Building	600	Paddy Marketing Board
32	Morayaye 1	1040	Paddy Marketing Board - Repaired
33	Morayaye 2	1040	Paddy Marketing Board - Repaired
	Badulla District		
34	Mahiyanganaya 1	1040	Paddy Marketing Board
35	Mahiyanganaya 2	1040	Paddy Marketing Board
36	Methayaye	1040	Paddy Marketing Board
37	Karamatiya 1	1040	Paddy Marketing Board

Nos.	Stores	Capacity in Metric tons	Other Informations
38	Karamatiya 2	1040	Paddy Marketing Board
39	Giradurukotte 1	1040	Mahaweliya Authority - Polonnaruwa Region
40	Giradurukotte 2	1040	Mahaweliya Authority - Polonnaruwa Region
	North western		
	Puttalam District		
41	Rajakandaluwa	1000	Paddy Marketing Board
42	Anamaduwa 1	1000	Paddy Marketing Board
43	Anamaduwa 2	1000	Paddy Marketing Board
44	Thambowe 1	1000	Paddy Marketing Board
45	Thambowe 2	1000	Paddy Marketing Board
	Kurunegala District		
46	Nikaweratiya 1	1000	Paddy Marketing Board
47	Nikaweratiya 2	1000	Paddy Marketing Board
48	Nikaweratiya 3	1300	Paddy Marketing Board - New constructions
49	Nikaweratiya 4	800	Paddy Marketing Board - Repaired
50	Nikaweratiya 5	200	Paddy Marketing Board - Repaired
51	Nikaweratiya 6	2000	Paddy Marketing Board - Repaired
52	Mahawa 1	2000	Paddy Marketing Board - Repaired
53	Mahawa 2	1000	Paddy Marketing Board - Repaired
54	Mahawa 3	1000	Paddy Marketing Board
55	Galgamuwa	1045	Paddy Marketing Board
56	Ma Eliya 1	1000	Paddy Marketing Board
57	Ma Eliya 2	1000	Paddy Marketing Board
58	Ma Eliya 3	1000	Paddy Marketing Board
	Matale District		
59	Galewela 1	1000	Paddy Marketing Board
60	Galewela 2	1000	Paddy Marketing Board
	Southern Reigon		
	Hambantota District		
61	Weeravila 1	1000	Paddy Marketing Board
62	Weeravila 2	1000	Paddy Marketing Board
63	Pallemalala	1000	Paddy Marketing Board
64	Sooriyawewa	1000	Paddy Marketing Board
65	Dehigahalanda 1	1000	Paddy Marketing Board
66	Dehigahalanda 2	1000	Paddy Marketing Board
67	Dehigahalanda 3	1000	Paddy Marketing Board
68	Ambalantota 1	500	Paddy Marketing Board
69	Kachchigalara 1	1000	Paddy Marketing Board
70	Kachchigalara 2	1000	Paddy Marketing Board

Nos.	Stores	Capacity in Metrictons	Other Informations
	Monaragala District		
71	Medagama	1000	Paddy Marketing Board
72	Muthukandiya 1	1000	Paddy Marketing Board
73	Muthukandiya 2	500	Paddy Marketing Board - Thapolin
74	Athimale	1000	Paddy Marketing Board
75	Dodamwatha 1	1000	Paddy Marketing Board
76	Dodamwatha 2	1000	Paddy Marketing Board
77	Wellawaya	1500	Paddy Marketing Board
78	Hulandawa	3000	Food Department - Repaired
79	Weerakettiya	1000	
	Rathnapura District		
80	Kuttigala 1	1000	Paddy Marketing Board
81	Kuttigala 2	1000	Paddy Marketing Board
82	Kuttigala 3	1000	Paddy Marketing Board
83	Embilipitiya	1000	Paddy Marketing Board
84	Kalthota	1000	Paddy Marketing Board
85	Morakketiya	1000	Paddy Marketing Board
86	Morakketiya Rice mill	750	Paddy Marketing Board
	Polonaruwa Region		
	Polonaruwa District		
87	Medirigiriya	1358	Paddy Marketing Board
88	Manampittiya 1	1045	Paddy Marketing Board - Repaired
89	Manampittiya 2	1045	Paddy Marketing Board
90	Hingurakgoda 1	1045	Paddy Marketing Board
91	Hingurakgoda 2	1045	Paddy Marketing Board
92	Hingurakgoda 3	730	Paddy Marketing Board
93	Hingurakgoda 4	1045	Paddy Marketing Board
94	Hingurakgoda 5	1000	Paddy Marketing Board
95	Hingurakgoda 6	1000	Paddy Marketing Board
96	Hingurakgoda 7	1000	Paddy Marketing Board
97	Bakamune	1045	Paddy Marketing Board
98	Kusumpokune	1568	Paddy Marketing Board
99	Araligagvila 9 post	1000	Paddy Marketing Board - Repaired
100	Vijayapura	1045	Paddy Marketing Board
101	Weerapura 1	1568	Paddy Marketing Board
102	Thalpothe 1	1358	Paddy Marketing Board
103	Thalpothe 2	1045	Paddy Marketing Board
104	Jayanthipura 1	1045	Paddy Marketing Board
105	Jayanthipura 2	1045	Paddy Marketing Board
106	Abeyapura	1000	Paddy Marketing Board
107	Diyabedume	1045	Paddy Marketing Board
108	Kaduruwewa 1	1045	Paddy Marketing Board
109	Kaduruwewa 2	1045	Paddy Marketing Board

Nos.	Stores	Capacity in Metric tons	Other Informations
110	Kaduruwela 3	730	Paddy Marketing Board
111	Kaduruwela 4	3000	Paddy Marketing Board
112	ZD 1 Store	1000	Mahaweli Authority - Repaired
113	ZD 2 Store	750	Mahaweli Authority - Repaired
114	ZD 3 Store	1000	Mahaweli Authority - Repaired
115	Wijayabapura	1000	Mahaweli Authority
116	Welikanda 1	1045	Mahaweli Authority
117	Welikanda 2	1045	Mahaweli Authority
118	Welikanda 3	1045	Mahaweli Authority
119	Welikanda 4	1045	Mahaweli Authority
120	Abagaswewa	750	Mahaweli Authority
	Matale District		
121	Handungamuwa	1045	Paddy Marketing Board
122	Hettipola 1	1000	Paddy Marketing Board
123	Hettipola 2	1000	Paddy Marketing Board
124	Hettipola 3	1000	Paddy Marketing Board
125	Pelwehera 1	1568	Paddy Marketing Board
126	Pelwehera 2	1000	Paddy Marketing Board
127	Kandalama 1	1045	Paddy Marketing Board
128	Kandalama 2	730	Paddy Marketing Board
	Anrathapura Region		
	Anrathapura District		
129	Thalawa 1	1000	Paddy Marketing Board
130	Thalawa 2	1000	Paddy Marketing Board
131	Thalawa 3	1000	Paddy Marketing Board
132	Senanayake 3A	1045	Paddy Marketing Board
133	Senanayake 3B	1045	Paddy Marketing Board
134	Senanayake 3C	1045	Paddy Marketing Board
135	Senanayake Rice mill	1045	Paddy Marketing Board
136	AnuradhapuraSenanayake	2000	Paddy Marketing Board - Repaired
137	Thambuttegama	1500	Paddy Marketing Board
138	Rajanganaya	1000	Paddy Marketing Board
139	Bulnewa 1	1000	Paddy Marketing Board
140	Bulnewa 2	1000	Paddy Marketing Board
141	Bulnewa Rice mill	2000	Paddy Marketing Board
142	Negama 1	1500	Paddy Marketing Board
143	Katiyawe	1000	Paddy Marketing Board
144	Kekirawa 1	1500	Paddy Marketing Board
145	Kekirawa 2	1500	Paddy Marketing Board
146	Srawasthipura 1	1000	Paddy Marketing Board
147	Nochchiyagama 1	1000	Paddy Marketing Board - Repaired
148	Nochchiyagama 2	1000	Paddy Marketing Board - Repaired
149	Yakalla	1500	Paddy Marketing Board

Nos.	Stores	Capacity in Metric tons	Other Informations
150	Kahatagasdigiliya	1000	Paddy Marketing Board
151	Rambewa	1000	Paddy Marketing Board
152	Kebithigollewa	1000	Paddy Marketing Board
153	Medawachchiy Mill	2000	Paddy Marketing Board
154	Pemaduwe	1000	Paddy Marketing Board
155	Mahalkade	400	Paddy Marketing Board - Thapolin
156	Anuradhapura Central	1000	Paddy Marketing Board
157	Horowpothana	1500	Paddy Marketing Board
158	Kalawewa (Vijithapura)	2000	Paddy Marketing Board - Repaired
159	Padavi Parakram 1	1000	Paddy Marketing Board
160	Padavi Parakram 2	1000	Paddy Marketing Board
161	Padavi Parakram 3	1000	Paddy Marketing Board
162	Senepura 1	1000	Paddy Marketing Board
163	Senepura 2	1000	Paddy Marketing Board
164	Vilichiya	1000	Paddy Marketing Board - New Construction
165	Padaviya	1000	Paddy Marketing Board
166	Galenbinduwewa 1	1000	Paddy Marketing Board
	Northern Region		
	Vavuniya District		
167	Vavuniya	2100	Paddy Marketing Board
168	Mamaduwe	745	Paddy Marketing Board
169	Veppakulam 01	840	Paddy Marketing Board
170	Veppakulam 02	840	Paddy Marketing Board
171	Veppakulam 03	1045	Paddy Marketing Board
172	Veppakulam 04	525	Paddy Marketing Board
	Mannar District		
173	Alkadiweli 1	1045	Paddy Marketing Board
174	Alkadiweli 2	1045	Paddy Marketing Board
175	Alkadiweli 3	1045	Paddy Marketing Board
	Anuradapura Region		
	Kilinochchi District		
176	Ramanathepuram 1	1000	Paddy Marketing Board
177	Wattakachi 1	250	Paddy Marketing Board
178	Wattakachi 2	250	Paddy Marketing Board
179	Kilinochchi 1	250	Paddy Marketing Board
180	Kilinochchi 2	250	Paddy Marketing Board
181	Kilinochchi 3	250	Paddy Marketing Board
	Mullaitivu District		
182	Mankullam 1	250	Paddy Marketing Board
183	Mankullam 2	250	Paddy Marketing Board
184	Thunukkai 1	250	Paddy Marketing Board

Nos.	Stores	Capacity in Metric tons	Other Informations
185	Thunukkai 2	250	Paddy Marketing Board - Temporary
186	Mullative Town	1000	Paddy Marketing Board
187	Udayarkattu	1000	Paddy Marketing Board
	Eastern Region		
	Batticoala District		
188	Valachenai 1	2000	Paddy Marketing Board - Repaired
189	Valachenai 2	1000	Paddy Marketing Board
	Trincomalee District		
190	Kallaru 1	1000	Paddy Marketing Board
191	Kallaru 2	1000	Paddy Marketing Board
192	Kantalai 1	1000	Paddy Marketing Board
193	Kantalai 2	1000	Paddy Marketing Board
194	Kantalai 3	500	Paddy Marketing Board
195	Kantalai 4	1000	Paddy Marketing Board
196	Padavi Sri Pura	1000	Paddy Marketing Board
197	Gomarankadawala	1000	Paddy Marketing Board
198	Love lane 1	1500	Paddy Marketing Board
199	Love lane 2	1500	Paddy Marketing Board
200	Love lane 3	1500	Paddy Marketing Board
201	Love lane 4	735	Paddy Marketing Board
202	Love lane 5	735	Paddy Marketing Board
203	Love lane 6	735	Paddy Marketing Board
204	Love lane 7	1045	Paddy Marketing Board
	Colombo District		
205	Meethotamulla store	5000	Paddy Marketing Board

The stores Repaired by Paddy Marketing Board in 2011

Nos.	Region	Stores	Capacity in Metric tons	Other information
1	Polannaruwa	Aralangvila 9 Post	1000	Repaired
2		Manampitiya 1	1045	Repaired
3		Manampitiya 2	1045	Repaired
4		ZD Store 1	1000	Repaired
5		ZD Store2	750	Repaired
6		ZD Store 3	1000	Repaired
7		Nikaweratiya 4	800	Repaired
8		Nikaweratiya 5	200	Repaired
9		Nikaweratiya 6	2000	Repaired
10		Mahawa 1	2000	Repaired
11		Mahawa 2	1000	Repaired
12	Anuradhapuraya	Senanayaka	2000	Fully Repaired
13		Vijithapura/Kalawewa	2000	Fully Repaired
14		Anuradhapura Senanayaka	2000	Repaired
15		Nochiyagama 1	1000	Repaired
16		Nochiyagama 2	1000	Repaired
17	Southern	Kuttigala 1	1000	Repaired
18		Kuttigala 1	1000	Repaired
19		Hulandawa	3000	Repaired
20	Ampara	Nellikela	1500	Repaired
21		Akkaraipathu	1600	Repaired
22		Morayaya 1	1040	Repaired
23		Morayaya 2	1040	Repaired
24	Eastern	Love Lane 2	1500	Repaired
25		Love Lane 3	1500	Repaired
26		Love Lane 4	1500	Repaired
27		Love Lane 5	1500	Repaired
28		Love Lane 6	1500	Repaired
29		Love Lane 7	1500	Repaired

The store constructed by Paddy Marketing Board in 2011

Nos.	Region	Stores	Capacity in Metric tons	Other information
1	Anuradhapuraya	Vilachi	1000	Constructed in 2011
2	North western	Nikaweratiya 3	1300	Constructed in 2011
3	Southern	Veeraketiya	1000	Constructed in 2011

Important features of the varieties of rice recommended by the Department of Agriculture

Variety of Paddy (White)	Yield from an acre (bushels)	Special facts
03 months B.G.300	100-120	A variety of rice of which the grain of rice is of medium length and is white in colour. Resistant to blight. Has moderate resistance to the damage done by mites which turn paddy plants brown.
A.T. 304	100-120	A variety of rice of which the grain of rice is long and white in colour. Has resilience to the diseases caused to the paddy plants by "Gop Massa" and the mites which turn paddy plants into brown
B.G.305	110-130	The grain of rice is long and is white in colour. Resistant to "Kolapaluwa", blight "Gop Massa" and the mites which turn paddy plants into brown colour
3 ½ months BG 94-1	150	The grain of rice is long and white. A higher amount of yield which is proportional to the amount of fertilizer applied can be obtained. May be subject to the disease called "Kola Paluwa" This variety is very popular in Ampara. These are instances in which a yield of 200 bushels per acre has been received.
D.W. 267-3	70-80	The grain of rice is long and white in colour. Paddy lands with sand and in marshy condition are more suitable for this variety. Resistant to iron poisoning.
B. G. 352	150	The grain of rice is of medium length and is white in colour. Resistant to "Kola Paluwa" May be subject to bacteria blight to some extent. The variety is very popular in Polonnaruwa district.
A.T. 354	150	The grain of rice is white in colour. Resistant to salinity. There are instances in which a yield of more than 200 bushels per acre has been received.
B. G. 357	160	The grain of rice is of medium length and is white in colour. Resistant to "Gok Massa" and the mites which turns paddy plants into brown colour. Also resistant to blight and Kolapaluwa. There are instances in which a yield of 200 bushels per acre has been received.
B. G. 359	150	The grain of rice is white in colour. Resistant to "Kola Paluwa", "Gok Massa", the mites which turn paddy plants into brown colour and iron poisoning. This variety has been recommended for the wet zone.

Variety of Paddy (White)	Yield from an acre (bushels)	Special facts
B. G. 357	160	The grain of rice is of medium length and is white in colour. Resistant to "Gok Massa", the mites which turn paddy plants into brown colour, blight and 'Kolapaluwa". There are instances in which yield of more than 200 bushels per acre has been obtained.
4-4 1/2 months B. G. 379-2	150	The gram of rice is of medium length and is white in colour. Highly resistant to "Gok Massa" and the mites which turn paddy plants into brown colour. Resistant to blight. A higher yield can be obtained in proportion to the amounts of fertilizer applied. Separation of grains from the ears of paddy is somewhat difficult.
B. G. 403 (Mahasen)	150	The grain of rice is of medium length and is white in colour. Resistant to the mites which turn paddy plants into brown colour. Somewhat resistant to "Kola Paluwa" and bacteria blight.

Important features of the varieties of rice recommended by the Department of Agriculture

Variety of Rice	Yield that could be obtained from an acre in bushels	Special facts
L.D. 356	120	A Variety of samba rice. The grain of rice is red in colour. Suitable for the wet zone.
L.D. 355	120	A variety of samba rice. The grain of rice is white in colour. Resistant to brown spot disease and blight. Suitable for the low country wet zone.
B.G. 358	160	A variety of samba rice. The grain of rice is white in colour. Resistant to the mites which turn paddy plants into brown colour, blight and kolapaluwa. Harvesting should not be delayed. There are instances in which a yield of more than 200 bushels per acre has been received.
B.G. 360	150	A variety of high quality samba rice. The grain of rice is white in colour. Resistant to "Kola paluwa" and Gok massa" This variety is known as Keeri Samba in the market.
B.G. 450	140	A variety of samba rice. The grain of rice is white in colour. Resistant to "Gok Massa" and iron poisoning. Subject to "Kola paluwa" Harvesting should not be delayed.
A.T401	150	Resistant to salinity
A.T. 405 (Lanka Samurdhi)	120	A variety of rice which is of the quality of Basmathi rice. Some what Subject to blight.

**Important features of the varieties of rice recommended by the
Department of Agriculture**

Variety of Rice (Red Variety)	Yield that could be obtained from an acre in bushels	Special facts
B.W. 272-6	60-70	A variety of red rice of higher quality. Resistant to iron poisoning.
B.G. 350	150	A variety of red rice. A higher amount of yield proportional to the amount of fertilizer applied can be obtained. Subject to the disease called "Kola Paluwa". This variety is very popular in Ampara district.
B.W. 351	150	A variety of red rice. Somewhat resistant to "Kola Paluwa" and blight. Resistant to iron poisoning as well.
A.T. 353	150	A variety of red rice. Suitable for kinds of soil with problems. Somewhat subject to the disease called Kola paluwa
B.W. 361	150	A variety of red rice. Moderately resistant to Kola Paluwa and the mites which turn paddy plants into brown colour. This variety has been recommended to the dry zone.
A.T. 402	150	A variety of red rice. This can be cultivated instead of the variety called "H4".
A.T. 362	150	A variety of red rice. Resistant to Kola Paluwa, blight and the mites which turn paddy plants into brown colour.
B.W. 400	120	A variety of red rice. Resistant to salinity.

Renovating Senanayaka store in Anuradhapura region



Under construction of Vilachchi Store in Anuradhapura region



Vilachchi store has been renovated



Renevating kalaveva vijithapura store of Anuradhapura region



Renewed love lane store of Trincomalee region





Hon.Minister is discussing with Farmers



Paddy stocke was processed with nitrogen assimilation and fumigation



Paddy stocke piled at board store in order to sale



Store has been attacked by wild Elephant



PADDY MARKETING BOARD

ANNUAL ACCOUNTS - 2011

PADDY MARKETING BOARD**INCOME STATEMENT FOR THE YEAR ENDED 31st DECEMBER 2011**

	Notes	2011 Rs.	2010 Rs.
TURN OVER	01	3,500,200,907	138,947,952
COST OF SALES-PADDY	02	1,687,092,055	118,133,492
MANUFACTURING COST - RICE	02-1	1,563,468,837.87	
GROSS PROFIT (LOSS)		249,640,014	20,814,460
OVERHEAD OF PADDY OPERATION	03	202,839,519	(244,410,496)
		46,800,496	(223,596,036)
PROFIT/LOSS ON RICE SALES	04	(2,462,468)	3,157,266
PROFIT ON SOYA SALES	05	12,294,218	
OTHER INCOME	06	575,345,859	85,376,669
		631,978,105	(135,062,101)
SELLING AND DISTRIBUTION COST	07	(4,011,856)	(3,424,313)
ADMINISTRATION EXPENSES	08	(53,463,379)	(46,706,929)
OTHER EXPENSES	09	(3,113,217)	(1,539,439)
FINANCE COST	10	(307,263,861)	(160,014,253)
		(367,852,313)	(211,684,934)
PROFIT/(LOSS) BEFORE TAXATION		264,125,792	(346,747,035)
TAXATION		-	
PROFIT/(LOSS) AFTER TAXATION		264,125,792	(346,747,035)

**PADDY MARKETING BOARD
BALANCE SHEET AS AT 31ST DECEMBER 2011**

	Notes	31.12.2011 Rs.	31.12.2010 Rs.
ASSETS			
NON CURRENT ASSETS			
Property Plant and Equipment	11	13,710,714	121,217,381
Investments	12	283,044,402	327,875,478
		296,755,116	449,092,860
CURRENT ASSETS			
Inventry	13	4,555,191,889	5,497,387,501
Other Receivables	14	1,086,844,771	87,542,809
Advances	15	150,676,283	24,146,852
Purchase control A/C		49,743,530	49,743,530
Suspense	16	2,922,707,556	632,112,315
Cash & Cash Equivalents	17	56,997,132	13,008,919
		8,822,161,162	6,303,941,927
TOTAL ASSETS		9,118,916,278	6,753,034,786
EQUITY AND LIABILITIES			
CAPITAL & RESERVES			
Contributed Capital		-	404,877,451
Funds	18	-	226,607,067
Retained Profit / (Loss)		57,061,790	(2,161,559,743)
		57,061,790	(1,530,075,224)
CURRENT LIABILITIES			
Creditors	19	5,487,454,030	5,695,236,588
Other Payables	20	13,179,791	225,107,454
Provisions	21	207,862,708	147,638,492
Retirement Benefit Obligations	22	2,724,617	2,724,617
Suspense	23	3,103,501,893	2,118,205,195
Bank deposit control		-	2,158,690
Bank Overdraft	24	247,131,449	92,038,976
		9,061,854,488	8,283,110,010
TOTAL EQUITY AND LIABILITIES		9,118,916,278	6,753,034,786

The Accounting Policies on page no. 04 - 08 and the Notes on page nos. 09 - 24 form an Integral part of these Financial Statements. Account has been prepared in according with general exceptional Accounting Principles.

.....
Accountant

.....
DGM (Finance)

The Preparation and presentation of Financial Statements are the responsibility of the Board of Directors.

.....
Chairman
Date

.....
Director
Date

PADDY MARKETING BOARD**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2011**

	Stated Capital Rs.	General Reserve Rs.	Retained Profit/ (Loss) Rs.	Total Rs.
Balance as at 01.01.2010	631,484,518	-	(1,802,099,629)	(1,170,615,111)
Transfers			-	
Prior year adjustments			(12,713,079)	(12,713,079)
Net Profit/(Loss) for the year	-	-	(346,747,035)	(346,747,035)
Balance as at 31.12.2010	631,484,518	-	(2,161,559,743)	(1,530,075,225)
Balance as at 01.01.2011	631,484,518	-	(207,064,002)	424,420,516
Transfers	-	-	-	-
Prior year adjustments	-	-	-	-
Net Profit / (Loss) for the year	-	-	264,125,792	264,125,792
Balance as at 31.12.2011	631,484,518	-	(57,061,790)	(688,546,308)

Note :

The Accumilated losses included prior to recharging the Paddy Marketing Board in December 2007
Last 03 years the profit or Loss are as follows.

Year	2008	(14,738,607)	Loss
Year	2009	150,717,260	Profit
Year	2010	(346,747,034)	Loss

PADDY MARKETING BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2011

1. CORPORATE INFORMATION

1.1 Domicile and legal Form

The Paddy Marketing Board is a Board established under the provisions of Paddy Marketing Board Act No. 14 of 1971, and domiciled in Sri Lanka. The registered office of the Board is located at No. 330, Union Place, Colombo 02. The Paddy Marketing Board was under liquidation during the period 2000 to 2007, and was reactivated by the Minister of Agricultural Development and Agrarian Services, Hon. Maithripala Sirisena with effect from 1st December 2007.

1.2 Principal Activities and Nature of Operations

The Board's principal activity is buying and selling of paddy.

1.3 Number of Employees,

The number of employees at the year was 123
(corresponding figures for the year 2008 was 06)

2. GENERAL

Significant of Accounting Policies

2.1 Statement of compliance

The financial statements presented in Sri lankan Rupees have been prepared in accordance with Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (ICASL), and the requirements of the Companies Act No. 07 of 2007.

Basis of Preparation

The company financial statements have been prepared under the historical cost convention. No. other adjustment has been made for inflationary factors affecting the financial statements.

2.2 Assets and Bases of their valuation

2.2.1 Property, Plant & Equipment

Items of Property, Plant & Equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Depreciation

Depreciation is charged to the income statement on a straight-line basis for all assets at the following rates:

Land & Building	2.5% per annum
Motor Vehicles	20% per annum
Office Equipment	20% per annum
Fixtures	20% per annum
Temporary Building	20% per annum
Computer & Accessories	20% per annum

The value of land and building are not stated separating in the accounts from the initial stage of the Board. Therefore the value of both land & buildings have been considered for purpose of providing for depreciation.

The rice mills have not been depreciated since 1990, as those are not in use.

The company provides depreciation from the date the assets are available for use where as depreciation of assets ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized, at the above mentioned rates on a straight line basis over the period appropriate to the estimated useful lives of the different types of assets.

The appropriateness of useful lives of the assets and the depreciation rules are assessed annually.

The carrying amount of all assets is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.2.2. Investment Property

2.2.2.1. Classification

The land and buildings held to earn rental income and for capital appreciation are classified as investment properties.

2.2.2.2. Valuation

Investment properties are initially recognized at cost. Subsequent to the initial recognition the investment properties are stated at fair values which reflect the market condition as at balance sheet date. Gains and losses arising from changes in fair value are included in the income statement in the year which they arise.

Fair value of the investment property will be determined once in every 3 year on the basis over valuation by an independent valuer while the annual fair value of the investment property will be carried out by an entity's Board of Directors. However, if market conditions change in such a way where the directors of the company are unable to carry out a reasonable valuation, a valuation of an independent valuer will obtained for that year too.

Investment properties are derecognizing when disposed of, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses retirement or disposal are recognize in the income statement in the year of retirement of disposal. Transfers are made to and from investment property only when there is a change in use in accordance with the criteria listed in SLAS 40.

2.2.3. Trade and Other Receivables

Trade and other receivables are stated at their estimated realizable value.

2.2.4. Inventories

Inventories are stated at the lower of the cost and net realizable value. Cost is generally determined by reference to weighted average cost. Net realizable value is the estimated selling price in the ordinary course of business less the estimated selling expense.

2.2.5. Investments

Short term investments are stated at lower of cost and market value, on an aggregate portfolio basis, with any resultant gain or loss recognized in the income statement.

2.2.6. Cash and Cash equivalents

Cash and cash equivalents comprise cash balances, demand deposits, fixed deposits and call deposits.

Bank overdraft that is repayable on demand and form as integral part of the Company's cash management is included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.2.7. Liabilities and Provisions

Employee Benefits

(a) Defined Benefit Plan – Gratuity

The Board makes full provision on account of gratuity that may fall due for payment under the Payment of Gratuity Act No. 12 of 1983 for all employees who have completed one year of service in accordance with Sri Lanka Accounting Standard No. 16, Employee Benefits. The liability is not externally funded.

(b) Defined Contribution Plans – Employees' Provident Fund and Employees' Trust fund

All employees of the Board are members of Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF), to which Board contributes 12% and 3% of employee salaries respectively, and charged against the income.

2.2.8. Trade and other Payables

Trade and other payables are stated at their cost.

2.2.9. Provisions

Provisions are made for all obligations existing as at the Balance Sheet date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

2.2.10. Grants and subsidies related to assets, including non-monetary grants at fair value are deducted at arriving at the carrying value of the asset.

2.3. Income Statement

2.3.1. Revenue

The revenue represents the invoiced value of goods and services to customers, accounts for on an accrued basis.

Revenue Recognition

Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

2.3.2. Expenses

The profit earned by the Board before taxation as shown in the income statement is after making provision for all known liabilities and for depreciation of property, plant and equipment.

All expenditure incurred in running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at profit for the year.

Gain or losses of a revenue nature on the disposal of Property, Plant and Equipment have been accounted for in the income statement.

2.3.3. Dividend Income

Dividend income comprises dividends receivable in shares invested.

2.3.4. Rental Income

Rental Income is recognized on an accrual basis.

2.3.5. Income Tax Expenses

Income Tax

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 10 of 2006.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date.

Deferred Tax

Deferred taxation is provided on the liability method. The tax effect of all temporary timing differences which occur where items are allowed for income tax purposes in a period different from that when they are recognized in the financial statements is included in the provision for deferred taxation at current rates of taxation.

Deferred tax assets (debits) are recognized for all deductible temporary timing differences and carried forward unused tax losses, to the extent that it is probable that future taxable profit will be available, against which such deductible temporary timing differences can be utilized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

All material events occurring after the balance sheet date have been considered and where necessary, adjustments to or disclosure have been made in the financial statements.

4. CASH FLOW STATEMENT

The cash flow statement has been prepared using the “indirect method”

5. CAPITAL COMMITMENTS AND CONTINGENCIES

All material capital commitments and contingent liabilities of the company are disclosed in the respective notes to the financial statements.

6. COMPARATIVE INFORMATION

Previous year’s figures and phrases have been re-arranged wherever necessary to conform to the current year’s presentation.

7. UNECONOMIC ASSETS / LIABILITIES

The balances appearing in the accounts, of which either the liabilities or the value, existence and ownership cannot be established due to non availability of documents and / or misplaced during the period under liquidation have been transferred to Uneconomic Assets / Liabilities Account.

8. Committee on public enterprises held on 5th December 2012 and advised to paddy marketing board year 2008 balance transfer to suspense accounts.

Transfer as follows,

SUSPENSE - FIXED ASSETS	277,911,623.58
Land & Buildings	219,210,005.00
Machinery	21,620,640.00
Equipments	618,291.00
Motor Vehicles	4,700,864.00
Furniture & Fittings	3,576,341.00
Moisture Meters	3,672,142.00
Fogging Equipment	4,223,547.00
Electrical & Telephone Fittings	8,105,603.00
Weighing Machines	2,165,772.00
Laboratory Equipment	436,487.00
Books and Maps	440.00
Poly sealers	18,180.00
Open air storage covers	6,295,022.00
Temporary Buildings	90,377.00
Fumigation Equipment	1,062,966.00
Dunnages	2,113,979.00
Bicycles	970.00
	277,911,624.00

SUSPENSE - PROVISION FOR DEPRECIATION	166,994,519.58
Land & Buildings	112,523,823.58
Machinery	19,017,219.00
Equipments	618,289.00
Motor Vehicles	4,437,531.00
Furniture & Fittings	2,236,684.00
Moisture Meters	3,672,141.00
Fogging Equipment	4,223,547.00
Electrical & Telephone Fittings	8,105,600.00
Weighing Machines	2,165,771.00
Laboratory Equipments	436,487.00
Books and Maps	439.00
Poly sealers	18,179.00
Open air storage covers	6,295,021.00
Temporary Buildings	65,876.00
Fumigation Equipment	1,062,965.00
Dunnages	2,113,978.00
Bicycles	969.00
	166,994,519.58

SUSPENSE - ASSESTS ACCOUNT**632,489,314.56**

Work in Progress US Aid	5,833,341.00
Work in Proress PMB Mills	100,000.00
Work in Progress PMB Stores	76,550.00
Debtors (Schedule No. 02)	477,432,325.00
Cash Reimbrustment	3,327.00
Deposits for Services	2,079,664.00
Goods in Transit	2,906,718.00
Stamp Reimbrustment - Regional Offices	5,284.00
People's Bank - Deposits	65,576.00
Investment - Rajarata Food Grain Processing Co. Ltd	1,032,900.00
Accrued Revenues	42,109,890.00
Pre payments	1,282,301.00
Terrorist Abductons - Assets	80,995,173.00
Suspense - General	1,652,925.00
Motor Vehicle Loan	39,171.00
Distress Loan	811,405.00
Festival Advance	107,171.00
Travelling Advance	80,887.00
Flood Advance	22,037.00
Special Salary Advance	3,200.00
Special Loan Advance	421,440.00
Return cheques	872,169.00
Wages Advance	17,255.00
Advances	6,518,662.00
Machinery Spareparts & Others	3,523,306.56
Gunny Bags	1,175,830.00
Cash in Hand - Head Office (Schedule No. 03)	28,501.00
Cash in Hand - Paddy Mills Complex (Schedule No. 04)	27,552.00
Cash in Hand - District Offices (Schedule No. 05)	22,773.00
People's Bank - Head Quarters 1320100318	7,559.00
People's Bank - Foreign Branch 5801	94,552.00
People's Bank - Badulla 472	1,602.00
People's Bank - Badulla 123	1,251.00
People's Bank - Maradana 120	22,565.00
People's Bank - Trincomalee 511	9,925.00
Bank of Ceylon - Badulla 888	50.00
People's Bank - Head Quarters 1-499-944-0055	3,040,037.00
People's Bank - Head Quarters 6-600-102-573	29,440.00
Receivable from SLAPMA	35,000.00
	632,489,314.56

SUSPENSE - LIABILITIES ACCOUNT	2,118,205,195.48
Terrorist Abductions - Depreciation	768,460.00
Accured expenditure	188,055,986.61
E.P.F. Payable	533,033.83
Pre Receipts	4,187,090.09
Deposits paddy	8,671,853.42
Return cheques - Meethotamulla	4,566.47
Deposits for sale	2,198,645.76
Security Deposite	218,422.58
Security Deposite - Contractors & Suppliers	1,752,564.54
Tender Deposit	1,726,2098.80
Retention	2,701,281.96
Unpaid Salaries	1,685,216.28
Unpaid Wages	3,350.12
Cancelled cheques	549,785.15
Other Deposits	9,474,712.64
Rice sale con. A/C	38,135.22
Suspense - Salary & Advances	1,043,457.58
People's Bank - Rathnapura 267	14,725.05
People's Bank - Trincomalee 502	0.20
Other Creditors (Schedule No. 01)	28,518,711.74
Stock adjustment	2,279,071.21
Refinancing A/C People's Bank	1,639,814,151.44
Refinancing A/C People's Bank	204,776,492.41
Refinancing A/C Bank of Ceylon	3,041,049.20
Provision for Bad Debtors	10,028,673.57
Treasury on A/C of compensation	6,119,549.61
	2,118,205,195.48

SUSPENSE - INVESTMENTS	55,838,264.64
Sri Lanka Agricultural Products Marketing Authority	55,711,264.64
The Associated Newspapers of Ceylon Ltd.	127,000.00
	55,838,264.64

SUSPENSE - CAPITAL	631,484,518.32
Contributed Capital	404,877,451.00
Foreign Aid	142,743,522.78
Value of Assets taken over from CAS,RVDB,MDB	63,553,816.65
Development Reserve	11,509,727.75
Common agricultural Fund	8,800,000.00
	631,484,518.32

SUSPENSE - PAYABLE TO SLAPMA	184,658,969.52
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SUSPENSE - PROFIT/LOSS A/C **1,953,405,595.00**

SUSPENSE - BANK DEPOSIT CONTROL A/C **2,158,689.86**

SUSPENSE - DEBTORS **3,062,758.72**

WHT Receivable 3,020,249.00

Receivable from SLAPMA 35,000.00

Payable to Commission & Transport 7,509.72

3,062,758.72

9. Case Filled by Paddy Marketing Board - 2011/2012

Case No	Value	Discription
DMR/2019/11	1,780,226.62	Hasalaka Rice Mill rent areas against Super drag Precured Company was closed uncover able court ordered to take steps & move
DMR/2010/12	12,790,000	Hasalaka circuit - rent areas against B, Indrani Sepalika next date - 31.05.2013 for answer.
DMR/00194/12	449,500	Madayaya store - against Tharindu Bandara Amarasinghe exparte affidevit has been field.
B/226/12	24,000,000	Diyabeduma Case - against Paddy marketing Board store keeper N.A.L. Jayakody next date - 03.06.2013 - calling advice for Attorney General

Cases Against 2012

Case No	Value	Discription
3473/12	Rs. 126,384.12	Deposited areas Gratuity Rs. 126,384.12
3470/12	Rs. 282,441.25	Deposited areas Gratuity
73679/12	Rs. 32,302	Deposited areas EPF
73680/12	Rs. 158,490	Deposited areas EPF
73681/12	Rs. 55,571	Deposited areas EPF

PADDY MARKETING BOARD**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2011****NOTE 01 - TURNOVER**

	2011	2010
	Rs.	Rs.
Paddy Sales	1,844,152,377	140,351,467
Rice Sales		
- Food Department	1,281,892,217	
- Lanka Sathosa	335,830,414	
- Sri Lanka Air Force	4,425,000	
- Sri Lanka Port Authority	4,476,250	
- Sri Lanka Navy	28,703,500	
- Narahenpita Rice Shop	721,150	
	<u>1,656,048,531</u>	140,351,467
Less - Turnover Tax	-	(1,403,515)
	<u>3,500,200,907</u>	<u>138,947,952</u>

NOTE 02 - COST OF SALES (PADDY)

	Rs.	Rs.
Opening Stock	5,233,460,059	179,596,102
Purchases - Paddy	2,278,199,615	5,171,997,449
Less - Transfers out of Paddy during the year	(1,340,648,880)	130,473,988
Add -	-	-
	<u>6,171,010,794</u>	<u>5,482,067,539</u>
Less: Paddy closing stock	(4,483,918,739)	(5,233,460,059)
Soya been closing stock	-	(130,473,988)
	<u>1,687,092,055</u>	<u>118,133,492</u>

NOTE 02 - 1 MANUFACTURING ACCOUNT (RICE)

	Rs.
Opening Stock - Rice	132,566,434
Add - Transfers from Paddy during the year	1,340,648,880
	<u>1,473,215,314</u>
Less - Paddy closing stock	(67,706,816)
Cost of Sales - Rice	1,405,508,498
Add - Direct Cost	
Milling & Transport	136,260,564
Rice Bags	21,699,776
	<u>157,960,340</u>
Cost of Production - Rice	<u>1,563,468,838</u>

NOTE 03 - DIRECT OVERHEADS OF PADDY OPERATIONS

	Rs.	Rs.
Agent Commission & Transport	295,928	38,153,887
Driage 3%	134,517,562	-
Bank charges for paddy operations	22,380,293	-
Labour cost for paddy purchasing	17,722,894	37,972,742
Repairs & Maintenance -Stores	1,293,121	2,163,794
M/M & Scales repairs	384,271	-
Transport charges	3,871,068	10,053,966
Contract payment for paddy purchasing	1,384,069	3,498,468
Paddy Stock Maintenance expenses	1,277,515	409,701
Paddy Insurance charges	3,255,329	1,043,085
Direct paddy purchasing expenses	10,024,066	5,651,517
Consumable Items -Stores	1,166,424	-
Paddy purchasing advertising expenses	106,300	974,385
Weighing charges	-	410,250
Stores Rent expenses	1,156,000	586,500
Security charges - stores	3,504,100	-
Polysacks bags expenses	-	141,888,188
Other expenses	398,345	-
Paddy purchasing document expenses	-	1,604,013
Printing & Stationaries	138,236	-
	202,839,519	244,410,496

	2011	2010
NOTE 04 - PROFIT / LOSS RICE SALES	Rs.	Rs.
Loss on Narahenpita Rice Shop - Note 04-1	(134,762)	-
Loss on Rice sale of S.L. Port Authority 04-2	(419,206)	-
Loss on Rice sale of S.L. Navy 04-3	(1,908,500)	-
Net Profit on Rice Sales	<u>(2,462,468)</u>	<u>-</u>
 Note 04-1 Narahenpita Rice Shop		
Sales	566,977	-
Rice Receives	721,150	
Loss: Rice closing stock	<u>(152,842)</u>	<u>-</u>
	(1,331)	
Expenses		
Electricity expenses	(13,724)	
Transport charges	(8,807)	
Advertising	(110,900)	
Loss on Rice sale	<u>(134,762)</u>	<u>-</u>
 Note 04-2 Sri Lanka Port Authority		
Sales	4,057,044	-
Cost of Sales	(4,476,250)	
Loss on Rice sale of S.L. Port Authority	<u>(419,206)</u>	<u>-</u>
 Note 04-3 Sri Lanka Navy		
Sales	26,795,000	-
Cost of Sales	28,703,500	-
Loss on Rice sale of S.L. Navy	<u>(1,908,500)</u>	<u>-</u>

	2011	2010
	Rs.	Rs.
NOTE 05 - SOYA SALES		
Soya Sales	147,915,000	-
Opening stock	130,473,988	-
Add - Purchases	<u>5,173,865</u>	
	135,647,853	
Less - Closing stock	<u>(3,302,853)</u>	-
	15,570,000	-
Less - Direct cost		
Maintenance expenses	(481,610)	-
Transport charges	(1,993,025)	-
Labour charges	(798,564)	-
Others	<u>(2,583)</u>	-
Profit on Soya Sales	<u>12,294,218</u>	-

NOTE 06 - OTHER INCOME

	Rs.	Rs.
Rent on Circuit bungalows & Stores	6,015,400	5,231,300
Distress Loan Interest Income	37,299	-
Tender Deposit Income	32,500	636,000
Service Charges Income	-	275,280
Moisture Meters sales	-	131,473
Fixed Deposit Interest	14,549,943	16,550,343
Bank Interest Income	144,316	134,518
Treasury Grants	-	35,000,000
- For Recurrent expenditure	25,000,000	
- For Capital expenditure	182,900,000	
- For Lone Interest Recovery	346,190,000	
Polysacks bags sale Income	-	2,281,755
Refund of Bank Garantees	-	24,450,000
Others	476,402	686,001
	<u>575,345,859</u>	<u>85,376,669</u>

NOTE 07 - SELLING & DISTRIBUTION COST

	Rs.	Rs.
Vehicle Hire Charges	2,265,333	1,891,997
Advertising	824,839	858,314
Travelling and Subsistance	821,974	503,129
Transport charges	99,710	170,873
	<u>4,011,856</u>	<u>3,424,313</u>

PADDY MARKETING BOARD**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2011**

	2011	2010
	Rs.	Rs.
NOTE 07 - ADMINISTRATION EXPENSES		
Salaries	19,851,281	17,030,183
Cost of Living Allowance	7,903,900	6,212,600
Other Allowance	2,151,910	896,159
EPF	3,462,062	2,869,289
ETF	847,799	695,032
Overtime	1,900,455	1,162,573
Directors Fees	807,000	522,000
Audit Fees	50,000	50,000
Legal Fees	619,404	170,501
Consultancy fees	28,500	-
Servey Charges	28,112	-
Compensation charges	333,250	-
Casual labour charges	142,918	94,190
Refreshment Charges	463,131	219,814
Postage & Communication	108,106	89,230
Printing & Stationery	2,167,421	1,208,255
Fuel Chargers	2,723,905	3,451,674
Repairs & Maintenance	1,870,423	1,089,892
Consumables Items	342,863	1,420,895
Medical report charges	7,800	6,500
Janitorial charges	368,209	-
Telephone	739,391	842,332
Electricity	627,994	292,784
Water	262,767	160,781
Translate Fees	156,843	38,820
Rent, Assessment tax	15,400	-
Vehicle Insurance & License Fees	332,449	318,327
Staff Welfare	132,824	147,506
Staff Training & Related Expenses	299,099	225,295
Security Charges	924,593	1,428,807
Periodicals & Newspapers	53,440	42,665
Vehicle Maintenance	1,254,402	1,059,090
Depreciation - Buildings (Office)	177,715	2,676,850
Depreciation - Motor Vehicles	575,973	1,293,546
Depreciation - Furniture & Fittings	492,165	435,030
Depreciation - Office Equipments	122,779	-
Depreciation - Computer & Accessories	374,630	-
Depreciation - Moisture Meters	742,470	556,308
	53,463,379	46,706,929

PADDY MARKETING BOARD**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2011**

	2011	2010
	Rs.	Rs.
NOTE 09 - OTHER EXPENSES		
Bank Charges	125,675	112,168
Dayata Kirula expenses	826,831	161,600
Other Expenses	2,160,712	1,265,671
	<u>3,113,217</u>	<u>1,539,439</u>

NOTE 10 - FINANCE COST

	Rs.	Rs.
Loan Interest Charges - BOC	186,467,341	46,116,869
- PB	120,756,853	29,219,746
- RDB	39,666	7,417,724
- NSB	-	5,356,046
Bank OD Interest	-	61,826,718
Debit tax	-	3,280,917
Interest Expenses - Farmer's Trust Fund	-	6,796,234
	<u>307,263,861</u>	<u>160,014,253</u>

PADDY MARKETING BOARD
NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31ST DECEMBER 2011

**NOTE 11
PROPERTY, PLANT & EQUIPMENT**

Description	Cost	Cost	Disposals	Cost	Accumulated	Depreciation	Less	Balance	Net Book
	as at 01.01.2011	as at 31.12.2011	Rs.	as at 31.12.2011	Depreciation 01.01.2011	for the Year	Depreciation on Disposal	31.12.2011	Value 31.12.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Buildings	5,812,246	1,296,337	-	7,108,583	533,144	177,715	-	710,860	6,397,723
Office Equipment - Note 11-01	66,764	547,133	-	613,896	-	122,779	-	122,779	491,117
Motor Vehicles	2,879,865	-	-	2,879,865	74,346	575,973	-	650,319	2,229,546
Furniture & Fittings	239,726	2,221,099	-	2,460,825	1,288,424	492,165	-	1,780,589	680,236
Moisture Meters	3,712,350	-	-	3,712,350	556,308	742,470	-	1,298,778	2,413,573
Computer & Accessories	41,550	1,831,600	-	1,873,150	-	374,630	-	374,630	1,498,520
	12,752,500	5,896,168.06	-	18,648,668	2,452,221	2,485,732	-	4,937,954	13,710,714

Note 11 - 01 - Office Equipments

Opening Balance	66,764
Additions	
- Narahenpita Rice Shop	28,284
- Head Office & Regions	518,849
	<u>547,133</u>
	<u><u>613,896</u></u>

**NOTE 12
INVESTMENTS**

	2011 Rs.	2010 Rs.
Organizations		
Sri Lanka Agricultural Products Marketing Authority	-	55,711,265
The Associated Newspapers of Ceylon Ltd.	-	127,000
Fixed Deposits		
Bank of Ceylon - Rajagiriya	283,044,402	272,037,214
	283,044,402	327,875,478

**NOTE 13
INVENTORY**

	Consumable & Stationary Stock	Paddy Stock	Soya Been Stock	Rice Stock	Goods in Transit	Total
P.M.B. Stores	-	4,483,918,739	3,302,853	-	67,706,816	4,554,928,409
Office	110,639	-	-	152,842	-	263,481
	110,639	4,483,918,739	3,302,853	152,842	67,706,816	4,555,191,889

PADDY MARKETING BOARD**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2011**

	2011	2010
Note 13		
OTHER RECEIVABLE	Rs.	Rs.
Accrued Stores Rent	-	342,000
Accrued F/D Interest	-	987,674
W.H.T. Receivable	-	3,020,249
Receivable from - Lanka Sathosa (for rice sales)	90,409,713	72,566,049
CWE (for paddy sales)	341,388,591	-
Receivable from SLAPMA	-	35,000
Receivable from Food Department (for Rice)	10,591,838	-
Receivable from Food Department (for Rice)	611,986,069	-
Receivable from S.L. Port Authority (for Rice)	750,000	-
Receivable from S.L. Navy (for Rice)	26,795,000	-
Receivable from S.L. Air Force (for Rice)	4,425,000	-
Receivable from S.L. Thripasha Limited (for soya sales)	498,560	-
	1,086,844,771	87,542,809

Note 15		
ADVANCES	Rs.	Rs.
Festival Advance	230,550	96,000
Distress Loan	2,393,026	-
Advances for capital expenses	131,701,968	3,237,727
Unsettled Sub Imprest	-	12,123
Unsettled petty cash balances - Polonnaruwa Region	-	527
- South Region	-	4,846
- North Western Region	-	51
- Anuradhapura Region	-	1
- Kilinochchi Region	-	-
Advances -Polonnaruwa		-
- Hambantota		-
- Anuradhapura		-
- Ampara	45,940	-
- Head Office	88,000	-
- Road Development Authority	2,421,271	-
- R.P.M. System "B"	795,578	795,578
- Co. Wholesale Establishment	3,000,000	3,000,000
- Lanka Sathosa Limited	1,000,000	1,000,000
- Commissioner of Co-operative Development	9,000,000	9,000,000
- Ass. Commissioner of Co-Operative Development -Polonnaruwa	-	6,700,000
- Ass. Commissioner of Co-Operative Development -Anuradhapura	-	300,000
	150,676,283	24,146,852

	2011	2010
Note 16		
Suspense	Rs.	Rs.
Suspense Fixed Assets	277,911,624	
Suspense Other Assets	632,489,315	
Suspense - Investment	55,838,265	
Suspense - Profit/Loss 2010	1,953,405,595	
Suspense - Debtors	3,062,759	
	2,922,707,556	-

Note 17

CASH & CASHEQUIVALENTS		Rs.	Rs.
Bank of Ceylon - Rajagiriya	3270933	842,826	4,141,946
Bank of Ceylon - Battaramulla	6662403	3,702,292	3,473,548
Bank of Ceylon - Rajagiriya	7723940	43,238,224	-
Bank of Ceylon - Rajagiriya	7768187	1,553,330	524,524
Bank of Ceylon - Rajagiriya	7767985	-	1,391,303
Bank of Ceylon - Rajagiriya	7768144	227,080	2,324,513
Bank of Ceylon - Rajagiriya	7768265	2,159,006	445,594
Bank of Ceylon - Rajagiriya	7768246	601,811	660,129
Bank of Ceylon - Rajagiriya	71642573	1,223,588	-
Bank of Ceylon - Rajagiriya	72115531	1,705,772	-
Bank of Ceylon - Rajagiriya	70639454	193,486	-
People's Bank - Union Place	014-1-002-7-0002717	125,309	-
People's Bank - Union Place	014-1-001-8-0002717	1,424,407	47,362
		56,997,132	13,008,919

Note 18

FUNDS	Rs.	Rs.
Foreign Aid	-	142,743,523
Value of Assets taken over from CAS,RVDB,MDB	-	63,553,817
Development Reserve	-	11,509,728
Common Agricultural Fund	-	8,800,000
	-	226,607,067

Note 19

CREDITORS	Rs.	Rs.
Treasury (Reg. paddy purchase)	1,900,000,000	1,300,000,000
Loans - Bank of Ceylon	2,185,200,000	2,250,000,000
- People's Bank	1,354,451,749	1,496,960,318
- National Savings Bank	47,802,282	267,802,282
- Regional Development Bank	-	380,473,988
	5,487,454,030	5,695,236,588

PADDY MARKETING BOARD**NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31st DECEMBER 2011****Note 20****OTHER PAYABLES**

	Rs.	Rs.
Accrued Expenditure	11,567,291	11,421,477
E.P.F. Payable	514,616	455,659
E.T.F. Payable	77,192	68,349
Payable to SLAPMA	-	184,658,970
Commission & Transport Payable	-	7,510
Payable to G.A.	-	26,016,640
Salary abetments	-	5,227
M.M. Refundable deposit	372,925	541,125
Refundable Tender deposit	353,550	28,550
Unclaim Salaries	38,031	31,973
Advances - Polonnaruwa Region	-	1,074,75
- Ampara Region	-	423,016
- North Western Region	-	129,243
- Kilinochchi Region	-	-
- Walpita Region	6,185	-
Pre Receipts	-	5,000
Other Deposits - Refundable	250,000	240,000
	13,179,791	225,107,454

Note 21**PROVISIONS**

	Rs.	Rs.
Provision for Turn over Tax	19,355,269	19,355,269
Provision for Driage - 3%	183,151,394	48,633,832
Provision for Milling charges	-	6,582,965
Provision for Transport charges	-	1,927,704
Provision for Bank Interest	5,356,046	71,138,721
	207,862,708	147,638,492

Note 22**RETIREMENT BENEFIT OBLIGATIONS (GRATUITY)**

	Rs.	Rs.
Balance at the beginning of the year	2,724,617	2,787,005
Provision made during the year	-	-
	2,724,617	2,787,005
Payments made during the year	-	(62,388)
Balance at the end of the year	2,724,617	2,724,617

Note 23**Suspense**

	Rs.	Rs.
Suspense - Provision for Deprecoation	166,994,520	
Suspense - Liabilities Acc.	2,118,205,195	
Suspense - Capital	631,484,518	
Suspense - Payable to SLAPMA	184,658,970	
Suspense - Bank Deposit Control Account	2,158,689.86	
	3,103,501,893	

Note 24**BANK OVERDRAFT**

		Rs.	Rs.
Bank of Ceylon - Rajagiriya	7723940	-	160,853
Bank of Ceylon - Rajagiriya	70639454	-	91,878,123
Bank of Ceylon - Rajagiriya	7767985	14,605	-
Bank of Ceylon - Rajagiriya	71615439	247,116,844	-
		247,131,449	92,038,976



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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය }
எனது இல } TC/E/PMB/FA/2011
My No }

මගේ අංකය }
உமது இல }
No. }

දිනය }
திகதி } 23th October 2013
Date }

Chairman,
Paddy Marketing Board.

The report of the Auditor General on the Financial Statements of the Paddy Marketing Board for the year ended 31.12.2011 in terms of Section 14 (2) (c) of the Finance Act No. 38. Of 1971

The audit of the consolidated financial statements of the Paddy Marketing Board for the year ended 31 December 2011 comprising the consolidated balance sheet as at 31 December 2012 and the consolidated 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 which should be read together with Section 13(1) of the Finance Act No 38 of 1971 and Section 30 of the Paddy Marketing Board Act No 14 of 1971. My observations which I consider should be published with the annual report of the Board 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 issued to the Chairman of the Board on 13 September 2013.

1.2 Reactivating operational activities of the Paddy Marketing Board

As per the budget proposal 12 (D) of the budget speech of the year 2006, it was proposed that the Paddy Marketing Board should be reestablished with a seed capital of Rs. 2,000 million. The cabinet decision to reestablish the Paddy Marketing Board as per cabinet Paper No. 07/1199/315/031 presented in accordance with the said budget proposal was announced on 25th July, 2007. Accordingly the operational activities of the Paddy Marketing Board were resumed from September 2008.

1.1 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and designing and implementing of internal controls relevant to the preparation and fair presentation 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

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1.4 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit conducted as per the Sri Lanka Auditing Standards. However I was not able to procure sufficient appropriate audit evidence to form a basis for an audit opinion owing to the matters set forth in this paragraph.

1.5 Basis for disclaimer of opinion

I am unable to decide whether there was a need to make any adjustments in respect of items or elements reported or unreported in the income statement, changes in equity statement and cash flow statement as a result of the matters set out in paragraph 2.2.5 of this report.

2. Financial Statements

2.1 Disclaimer of Opinion

On account of the important matters outlined in paragraph 2.2.5 of this report, I was not able to procure adequate and appropriate audit evidence to provide a basis for an audit opinion. Hence, I do not express an opinion on these financial statements.

2.2 Comments on Financial Statements

2.2.1 Institution as a going concern

The Board has continually adopted the method of obtaining loans from the Treasury and banks to find required funds for the purchase of paddy of the next season and to recover losses from sales as a result of the sale of paddy stocks purchased by the board often at lower prices. Therefore it is observed that the going concern of the Board is uncertain.

2.2.2 Non – compliance with Sri Lanka Accounting Standards

The following accounting standards have not been followed.

- (a) Though the stocks of paddy, soy beans and rice should be accounted at the lower value of the cost or the net unrealized value as per Sri Lanka Accounting Standard 05, the stock had been valued at Rs 4,555,081,250 on the basis of reports obtained from regional managers and brought to accounts.
- (b) Provisions had not been made for gratuity payments as per Sri Lanka Accounting Standard 16.
- (c) Though lands and buildings should be identified separately and accounted as per Sri Lanka Accounting Standard 18, lands and buildings to the cost of Rs. 13,710,714 had been accounted as single balance. Annually 2.5 percent had been depreciated on that cost.

2.2.3. Accounting deficiencies

The following observations are made.

- (a) The total of assets and liabilities of Rs 277,911,624 and Rs. 166,994,520 before the year 2008 had been retained in a suspense account without being identified and assets valued at Rs. 1,135,701 and liabilities valued at Rs. 26,239,640 derived from transactions after 2009 too had been retained in the same suspense account.
- (b) Of Rs. 346,190,000 and Rs. 110,000,000 received from the Treasury respectively for the payment of loan interest and paddy milling and transport charges, Rs. 307,263,861 and Rs.91,321,775 respectively had been settled and the cumulative balance of Rs 57,604,384 had been brought to accounts as an income of the year under review.

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- (c) Due to the wrong calculation of rice sale cost in the income statement, the sale cost had been overstated by Rs. 601,547,073. As a result, the profit for the year had been indicated less this amount.
 - (d) As per the decision taken by the Cost of Living and Food Security Committee, a stock of rice amounting to Rs. 1,281,892,217 had been handed over to be stored in the warehouses of the Food Commissioner's Department on the instructions of the secretary of the line ministry. This entire stock of rice had been accounted erroneously as sales in the year under review. However, a stock of rice to the value of Rs. 611, 986,069 out of this entire stock had remained in stores unsold even by 31 December 2011.
 - (e) As a result of accounting a sum of Rs. 182,900,000 received from the Treasury for capital expenditure as 'other income' in the income statement, the profit for the year had been overstated by the same value.
 - (f) Rs 3,697,500 of lease rent receivable at the end of the year under review had been overlooked in the accounts.
 - (g) The sum of Rs. 71,076,719 paid for 08 constructions carried out during the year under review had been shown as advances in financial statements without accounting as work in progress or under the lands and buildings.
 - (h) Adequate provisions had not been made on bad or doubtful debtor balances carried forward over a long period of time.

2.2.4 Accounts Receivable

The following observations are made.

- (a) Out of Rs. 1,086,844,771 receivable from 8 public sector institutions including a sum of Rs. 10,591,838 brought forward from the year 2009, only Rs. 579,247,996 had been recovered by the Board even by 24th September 2013. Accordingly, action had not been taken to recover Rs.507, 596,775.
- (b) The Board had not taken action even by 30 September 2013 to recover advances amounting to Rs. 150,676,283 including Rs.20,795,578 receivable from 06 institutions from the year 2010.

2.2.5 Lack of evidence for audit

Due to the absence of evidence indicated against each of the following accounting items, they could not be satisfactorily vouched or verified.

Accounting Item	Value. (Rs.)	Evidence not Presented
Fixed Assets	13,710,714	Fixed Assets registers, title deeds
Paddy, Soya bean, paddy and Stocks in transit	4,555,191,889	Stocks registers, stock survey reports, documents for confirming stocks in transit
Rice, paddy and Soya beans sales debtors	1,086,844,771	Debtor registers, Time analysis, balance confirmation
Bank loans and treasury advances	5,487,454,030	Time analyses, confirmation of balances

Bank overdraft	247,131,449	Details relevant to seeking approval, documents confirming balances, time analysis
Investments	283,044,402	Investment Certificates and time analysis
Investment Interest Income	14,549,943	How the interest income was calculated

2.2.6 Non-compliance with laws, rules, regulations

Non-compliance observed are as follows.

References to laws, rules and regulations	Non - compliance
(a) Section 13(5) (d) of Finance Act No. 38 of 1971	Though a minimal internal audit programme should have been implemented with the concurrence of the Auditor General, the Board has failed to comply with this requirement
(b) Financial regulations of the Democratic Socialist Republic of Sri Lanka (i) F.R. 135 – 139	The Board had neither assigned functions connected with financial control nor delegated financial powers.
(ii) F.R. 188(2)	Though the Chairman had informed the audit that legal action had been taken with regard to the non-realization of 07 cheques even by August 2012 to the value of Rs. 12,140,745 deposited in the bank during the year under review, those cheques had not been settled even by 30 September 2013.
(c) Cabinet decision No. 07/1199/315/31 dated 25 th July, 2007.	Though the Sri Lanka Agricultural Products Marketing Authority should have been liquidated and all assets of the Authority should have been acquired by the Board which was reactivated on 25 July 2007; only fixed assets, savings accounts, cash in hand balances, employee advances amounting to Rs. 184,658,970 had been acquired and action had not been taken even by 31 December of the year under review to take over other assets and liabilities and to execute liquidation activities of the Authority.
(d) paragraph 6.5.1 of Public Administration circular No. PED/12 dated 02 June 2003	Draft annual report had not been presented with financial Statements.

(e) Treasury Circular No. 1A1/2002/02 28 th November,2002 and Financial Regulation No. 756.	Fixed assets with a total of Rs. 13,710,714/- had
(f) Cabinet Decision No. CN/10/2762/447/013 dated 16 th December, 2016	Though action should have been taken to settle advances amounting to Rs.2,000 million granted by the Treasury with money earned through the sale of rice, action had not been taken during the year under review to settle this advance from Rs. 708,232,048 generated from the sale of rice.
(g) Paragraph VI of Establishment Code	As personal files of 04 recruited officials were not complete, they did not contain medical reports, approval of salary increments, duties and satisfactory conduct reports.
(h) Assets and Liabilities Declaration Act No. 74 of 1988.	All four above officials had not submitted the assets and liabilities declaration.

3. Financial Review

3.1 Financial results

According to the financial statements presented, the operating profit of the Board for the year under review amounted to Rs.264, 125,792 as compared with the operating loss of Rs. 346,747,035 of the preceding year, thus recording a growth of Rs.610, 872,827. However if the sum of Rs. 247 million which had been overstated as indicated from paragraph 2.2.3 (b) to (f) had been adjusted, the profit of Rs.264 million of the year under review would be reduced to Rs. 17 million.

3.2 Extraordinary increase in expenditure

During the year 2011, the total financial cost borne by the Board on loans amounted to Rs. 329,644,154 and as a percentage it was 52 percent of the total income of Rs. 631,978,105. However, within the income of the year 2011 was a Treasury grant of Rs. 554,090,000. Accordingly, had that amount was removed and compared with the net operational profit of Rs. 77,888,105, the total financial cost would have been 423% of the total income.

4. Operating Review

4.1 Performance

The following observations are made.

- (a) According to information presented, though it was targeted to purchase 400,000 metric tons of paddy during the year under review spending Rs. 11,955 million, only 80,144 metric tons of paddy had been purchased spending Rs. 2,278 million. This was only 20% of the targeted amount. In comparison to the preceding year, the purchase of paddy had declined by 47 percent.

- (b) Though the Board had purchased 'Nadu' rice at percentages of 78 percent and 84 percent respectively during the Yala and Maha seasons of the year 2011, the Board had not taken much action to purchase 'Samba' rice which had a higher consumption locally. The varieties of rice purchased by the Board as per percentages are given here.

Season	Samba M.T	Nadu M.T	Total purchases M.T.	Percentage of each variety of rice of the total paddy purchases	
				Samba %	Nadu %
Yala	16,516.9	60,103.9	76,620.8	22	78
Maha	556.6	2,967.4	3,524.0	16	84

- (c) Though the target of the government was to purchase a minimum of 5 percent to 10 percent of the total paddy production directly from farmers through the Board in line with the paddy purchasing programme, the Board had failed to achieve this target. According to the information provided, except for the Yala season of 2010, the percentage of the paddy purchased out of the total production remained at a level below 5 percent. Details are given below.

	2009/2010 Maha M. Ton	2010 Yala M. Ton	2010/2011 Maha M. Ton	2011 Yala M. Ton	Total M. Ton
Total production	2,630,000	1,671,000	1,996,000	1,879,000	8,176,000
Purchase of paddy by Board	73,192	115,714	3,524	76,621	269,051
Percentage purchased by Board out of the total production	2.8	6.9	0.2	4.1	3.3

- (d) Though the Board should have released old paddy stocks first in line with the accepted practice, there had been instances where new stocks had been released disregarding this practice despite the availability of old stocks in warehouses. The following observations are made in this regard.
- Contrary to the above practice, 3,032,005 kilograms of new paddy to the value of Rs. 85,048,150 had been released despite the availability of 2,626,113 kilograms of old paddy stocks in the warehouse valued at Rs. 73,548,914.
 - The Board had to incur additional expenditure to maintain old stocks as discolouration, damage by insects, expiry of stocks, decaying of stocks and mixing with impurities occurred as a result of keeping old paddy stocks in the warehouse.

4.2. Management Inefficiencies

The following observations are made.

- (a) Losses amounting to Rs. 369.49 million had been caused to the Board as a result of selling rice stored in warehouses of the Food Commissioner's Department to 04 private companies at a lower price. The Chairman of the Board informed the audit that this sale was not carried out by the Board but by the Food Commissioner with the approval of the Secretary to the Ministry.

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- (b) As per sections 3 and 10 of the Paddy Marketing Board Act No 14 of 1971, though the Board should have carried on the business of milling, hulling and processing of paddy and rice and the registration of private paddy mills, it had not acted accordingly. Further, paddy to the value of Rs. 1,340,648,888 had been issued during the year to haphazardly selected paddy mill owners. Of them, rice to the value of Rs. 67, 706,816 had not been received back by the Board by the end of the year under review. This stock of paddy had been indicated as stocks in transit in financial statements.

4.3 Transactions of contentious nature

The following observations are made.

- (a) Legal action had not been constituted during the year under review to establish the rights of warehouse buildings and 142 premises utilized by the Board and to acquire the quiet possession of 44 buildings being illegally used by external parties.
- (b) Though a sum of Rs. 3,255,329 had been paid to an insurance company for insuring stocks of paddy during the year under review, the Board had failed to claim compensation as against the damages to paddy stocks owing to non-storage of paddy as per the instructions and standards laid down by the insurance company.

4.4. Irregular Transactions

The following observations are made.

- (a) Though the period of lease agreement of 07 out of the 19 stores of belonging to the Board which had been leased out on a lease agreement had expired, the lessees had been using the buildings without payments even by 30 September 2013 as action had not been taken either to take the buildings back or renew the lease.
- (b) Lease rent of 16 out of the 19 buildings was in arrears by the end of the year under review and the rent in arrears amounted to Rs 5,173,950. Of this amount, Rs. 3,641,250 was in arrears from 02 to 05 years. Adequate measures had not been taken even by 14 October 2013 to recover the rent in arrears.
- (c) Permission had been granted to set off a sum of Rs. 6,314, 659 spent on refurbishing one of the buildings by a private company without the prior approval of the Board in monthly installments of Rs. 30,000 from the lease rent. Accordingly, the total lease rent deprived to the Board was Rs, 360,000.

4.5 Visual Irregularities

The following irregularities were observed as regards the paddy stocks released to mill owners by the Board.

- (a) Though the Board should have obtained an unconditional bank guarantee from a recognized bank with a validity period of 90 days before releasing paddy stocks to mill owners as per the agreement, no such guarantee had been obtained from any of the mill owners. Instead of these bank guarantees, the Board had obtained undated cheques with no value and released paddy stocks amounting to Rs. 1,340,648,888 to them. However, it could not be disregarded in the Audit that state funds had not been misused through this.
- (b) Due to various reasons, banks had rejected to make payments for cheques given by some mill owners. However no legal action had been taken against these mill owners even by 14 October 2013. As per the sample testing, the value of cheques for which payments were rejected amounted to Rs. 3,742,220.

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- (c) By not taking action to compare copies of issue orders when paddy stocks were released from stores with issue receipts in releasing paddy stocks, haphazard selection of mill owners, non-maintenance of records and non-introduction of proper control mechanisms, doors had been left open for various types of frauds and irregularities.

4.6 Non-economical Transactions

The following observations are made.

- (a) The savings account opened by the Sri Lanka Agricultural Product Marketing Authority to deposit money received from the sale of paddy had been transferred to the Board on 26 April 2010 and the balance to date was Rs. 5,338,284. From that day up to 30 September 2013, this money had not been channeled on a fruitful investment.
- (b) Shares amounting to Rs. 127,000 invested by the Board on the shares of the Associated Newspapers Company Limited had been credited to a suspense account and action had not been taken to claim the entitled benefits thereof.

4.7 Identified Losses

The following observations are made.

- (a) As a result of not settling bank overdrafts and loan balances, the Board had spent Rs. 22,380,293 as overdraft interest and Rs. 307,263,860 as loan interest during the year under review.
- (b) Citing high cost as a reason, the Board had disregarded the annual survey of paddy stocks. The practice adopted by the Board was to calculate deficiencies of paddy stocks after the purchased paddy stocks had been fully issued. However the release of paddy stocks purchased in the Maha season of 2009/2010 during which the staff of the Board had started purchasing paddy following the reactivation of paddy purchasing activities had already been completed by 15 June 2012, and the audit was able to calculate the stock deficiencies of that season. Accordingly, the stock deficiency of 12 paddy stores inspected in the Anuradhapura zone was 296,876 kilograms. Its cost was Rs 8,312,528. Therefore the fact that there could have been similar deficiencies in the other 130 stores belonging to the Board could not have been disregarded at the audit.

4.8 Non implementing the orders of the Committee on Public Enterprises

The following observations are made on the non-implementation of the orders of the Committee on Public Enterprises.

- (a) Though audits should have been carried out by the internal audit division of the line ministry until the appointment of an internal auditor as per orders 06 and 15 of the meeting of the Committee on Public Enterprises held on 05 December 2012, the relevant reports had not been presented to the audit even by 30 September 2013.
- (b) Though a committee should have been appointed as per order No. 14 to identify unrecoverable and unidentified debtor balances that had been carried forward before the year 2008 and a new balance sheet should have been prepared by writing off such balances on the recommendation of that committee and with proper approval, action had not been taken accordingly.
- (c) Though it was expected to prepare registers of identifiable fixed assets and other assets in preparing the financial statements of the Board in the future as per the above orders, this requirement remained unfulfilled as a result of the failure of the Board to furnish detailed schedules for the items included in the financial statements presented for the audit.

4.9 Staff Administration

Though the approved cadre of the Board was 134, accurate details of the staff employed and the number of vacancies as at 31 December 2011 had not been presented to the audit.

- (a) The approved cadre of the Regional Manager of middle management level was 07 and all such posts remained vacant. Though more than 03 years have lapsed since the appointment of assistant regional managers to cover the duties of the said post, action had not been taken to fill those vacancies.
- (b) The number of stores used by the Board for storing paddy was around 180 and the number of regional managers and stores assistant officers deployed for efficient administration of stock control activities was 78. Attention had not been paid to have new posts approved.
- (c) Though an official had been recruited for the post of General Manager which was one of the key executive posts of the Board on 03 May 2011, it had been done in an irregular manner. However this appointment had become controversial as the relevant official had not fulfilled the required educational qualifications or experience.

5. Accountability and Good Governance

5.1 Presentation of financial statements

Though financial statements for every fiscal year should be presented for audit within 60 days of the completion of the financial year as per paragraph 6.5.1 of Public Enterprise circular No PED 12 dated 02 June 2003, financial statements for the year 2011 had been presented to the audit only on 13 May 2013 after a delay of 15 months.

5.2 Budgetary Control

A budget had not been prepared so as to indicate the income estimated cash flow statement as per paragraph 5.2.1 of Public Administration circular No. PED 12 dated 02 June 2003. As the expenditure classification of the budget was not corresponding to the classification of financial statements, the variances between the budgeted and actual expenditure could not be calculated. Accordingly this was an indication that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

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

- (a) Accounting
- (b) Financial control
- (c) Assets control
- (d) Stores control
- (e) Budget control
- (f) Staff
- (g) Issuance of licenses to paddy mill owners

W.G.C. Wickramaratne
Acting Auditor General

PMB/ FI/ 05/ 2013

The Auditor General
Auditor General's Department
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Battaramulla

**Auditor General's Report on the Financial Statements of the Paddy Marketing Board
for the year ended as at 31st December 2011, as per section 14(2)C of Finance
Act No. 38 of 1971.**

Auditor General's Report has reference to your letter dated 19.08.2013 bearing number TC/ E/PMB/ FA 2011 in regard to the aforesaid matter.

2.2. Comment on Financial Statements

2.2.1. Continuity of the Paddy Marketing Board

The main objective of establishing the Paddy Marketing Board was to provide a higher price for the produce of farmers and establish that price in the market and there by compel the private rice mill owners provide a price which excels the certified price of the Paddy Marketing Board and protect the paddy farmers through it. At the same time the paddy stored by the Paddy Marketing Board could be released to the market at the certified price and make rice greatly available in the market as a strategy of controlling the cost of living of people due to the increase of the price of rice as a result of the increase of the price of paddy, in case a scarcity of paddy occurs in the market making price of rice go up.

According the government's **expectations** to be achieved through the Paddy Marketing Board is to ensure the welfare of people, not earning profits. In case liquefy problems arise in regard to the Paddy Marketing Board, the treasury intervenes in that matter in order that problems would not arise regarding the **continues** of the Paddy Marketing Board.

2.2.2 Non conformity with the Accounting standards

- (a) According to Sri Lanka Accounting Standard No. 05 even through the paddy stocks should be valued at the lowest price out of paddy stock cost or net value, stock costs were calculated as per the reports of the regional manager due to the fret that a large cost had to be incurred for physical stock calculation as at 31.12.2011 and it was not possible to do it upon the shortage of staff members.
- (b) Allocations were made for gratuity payments as per Sri Lanka Accounting Standard no 16 and steps were taken to keep them recorded in accounts from the year 2012.
- (c) Due to the feat that fixed assets of the Paddy Marketing Board have not revalued it has not been able to separately identify the values of lands and buildings. Due to feat that the legal section is taking steps to identify the property definitely owned by Paddy Marketing Board, action will be taken to clear the fixed assets separately having the assets been revalued in due course.

2.2.3 Accounts Deficiencies

- (a) It was decided to record the assets and responsibilities before five year 2009 in an indefinite account as was shown by the Committee on Public Enterprises. Action has been take accordingly and, it has been noted down to correct the values that have been mentioned.
- (b) The treasury reimbursed the expenditures made for milling the paddy possessed by the Paddy Marketing Board to be released to the market with a view to keeping stable price of rice in the market. It has been recorded as an income due to the fact that it really was an additional receipt.
- (c) Action will be taken to rectify the matter.
- (d) These stocks of rice were stored in the ware houses of the Food Commissioner's Department and these stocks were sold by the Food Commissioner upon the instructions of the Ministry and the aforesaid money has been provided to the Paddy Marketing Board by the Ministry and the Food Commissioner's Department.
- (e) Financial allocations were provided by the Treasury for salaries and capital expenditures and they have been recoded in accounts as other receipts.
- (f) Necessary action will be taken to record a sum of 3,697,500 rupees in accounts as receivables.
- (g) It has been recorded in accounts correctly.
- (h) Due to the fact that paddy owned by Paddy Marketing Board is sold to government institutions, it has been confirmed that all the relevant money will be received. So allocations have not been made for bad debts in any year.

2.2.4 Receivable Accounts

- (a) A large sum of money has been collected by now and, the aforesaid balances are indicated due to the fact that recoveries have not been received during the accounting year under review.
- (b) Even though action has been taken to recover the debts, the aforesaid balanced remains as repayments have not been properly made. However bad debts are being recovered at present.

2.2.5 Non availability of evidence for Audit

The information requested from us for audit, was submitted as answers to audit queries and the information which was specially asked from us was provided on each relevant occasion. However the following explanations are submitted for your kind consideration in regard to the items indicated by you under the heading non availability of evidence for audit.

Accounting Item	Amount (Rs.)	Explanation
Fixed Assets	13,710,714	Answers were provided to the Auditor General's Report in regard do the Accounts for the year 2011. A fixed assets register was being prepared as at 12.09.2013 and the analyses have been finalized in that regard by now. Accordingly a report is being prepared regarding the fixed assets that have been purchased and built. However

		Paddy Marketing Board is taking action to settle the matters in regard to the entitlement of lands and buildings.
Paddy, Soya Beans Rice and the Stock of Road Paddy	4,483,918,739	<p>The aforesaid stock of paddy has been stored by the Paddy Marketing Board in about 200 warehouses. Approximately about 154,617 metric tons of paddy has been stored in warehouses. The aforesaid amount is 3,092,340 bags of 50 kilograms each. It is practically a difficult task to physically verify such a big amount of paddy and the shortage of staff also was an obstacle for the implementation of such a task. At the same time physical stocks were not able to be verified on that occasion itself due to the heavy cost to be incurred on it.</p> <p>However there were 4,292.9 metric tons paddy in warehouses by February 2014. (Including unusable paddy) and the stocks of paddy stored in warehouse of the Paddy Marketing Board could be physically verified and the real amounts of paddy and its quality could be specified due to the fact that 60 new officers had been recruited by that time. In case there are variations between the physical stock and the balances mentioned in the books show cause notices are summoned from responsible officers and necessary future action is being taken in that regard.</p>
Stock of Soya Beans	3,302,853	The Stock of Soya Beans at the commencement of the year was 1,534,988 kg out of that amount 1,557,000 kg of Soya beans had been sold and the sum of 3,302,853 rupees when was the value of 38,857 kg of Soya bean, indicated as the balance of books by 31.12.2011 is shown in final accounts as the stock of Soya beans. However no physical stocks had been found by that date and the amount shown as balance in books was later revealed to be the amount related to the reduction in the dry weight of Soya beans.
Stock of Transit Paddy	67,706,816	Stocks of paddy which had been provided to rice mill owners to make rice for export and to be given under World Food Programme, but rice was not provided out of them until that time, has been indicated as transit paddy. The receipts relevant for the issue of these stocks of paddy are included in the files of each rice mill owner. The value of the amount of transit paddy could be calculated by examining the aforesaid receipt included the files mentioned above.

Stock of Rice	152,842	The stock of rice mentioned as last tocks is the rice stock at Narahenpita Rice Sales outlet. The aforesaid stock of rice had not been physically verified.
Stock of Office stationery	110,639 4,455,191,889	Printed forms, stock books and other printed documents are indicates as the stock of office stationery. Stock documents are being maintained in regard to them.
Rice, Paddy and Soya Beans Sales debtors	1,086,844.771	The receivables occurred as result of providing rice and paddy to the Food Department and C.W.E. respectively are indicated as sales debtors. A higher percentage of the total value relates to the sales made in the year 2011 and the remaining amount relates to the year 2010. It has been noted down submit time analysis letters and the letters for the confirmation of balances in the coming years.
Bank Loans and Treasury Advances	5,487,454,030	The amounts of money given by Bank of Ceylon, Peoples Bank, National Savings Bank and the Treasury as credit for purchasing paddy are indicated here as bank loans. The Treasury has provided 1.3 billion rupees in the year 2010 and 600 million rupees in the year 2011 for purchasing paddy. These figures are indicated in note No. 19 in the financial reports submitted by the Paddy Marketing Board for the year 2011. The loans obtained from Bank of Ceylon, People's Bank and National Savings bank are used for purchasing paddy and the money received by selling the aforesaid paddy are deposited in the relevant accounts again. So the balances of these accounts are always at a fluctuating state making time analysis an impractical thing in that regard Further more reports obtained from each bank on a monthly basis have been included in the files maintained by the Paddy Marketing Board in regard to each bank and it is kindly informed that the last balance of bank report for December 2011 can be considered as the confirmation of the balance of the account.
Bank Overdraft	247,131,449	A big sum of money was needed to purchase paddy in the year 2011. and due to the fact that the aforesaid amount of a money was to be found within a few days, bank draft facility was obtained over a covering approval and the approval of the Board of Directors was obtained later. If such immediate action had not been taken, the institution may have to face the protests of farmers due to the non payment of money to them

		for their paddy. The bank statement of December 2012 in which the transactions of the aforesaid bank overdraft are included has been provided in order to confirm the balance of the account and separate balance confirmation letter has not been provided. The act of purchasing paddy over a bank overdraft has not been included in to the time analysis. However the time in which the aforesaid overdraft was obtained the manner in which it was used would be clarified by the bank statements.
Investments	283,044,402	This fixed deposit has been commenced in the year 2009. These investment certificates could not be submitted to the audit due to the fact that a bank overdraft had been obtained having kept the aforesaid fixed deposit as a security in the bank.
Investment interest income	14,549,943	The interest has been calculated based on the interest rate provided by the bank to the fixed deposit and the period of time the aforesaid fixed deposit existed in the bank. The calculations are recorded in the file which has been prepared in regard to our financial statements.

2.2.6 Nonconformity with rules, regulations and management decisions.

- (a) Through this task was not able to completed within the year under review due to the fact that an internal auditor was not available, necessary arrangements have been made by now to recruit an internal auditor. Accordingly the aforesaid matter will be rectified in due course.
- (b)
 - (i) Due to the fact that there was no opportunity to complete the staff during the year under review, 2011, steps have been taken to rectify that shortcoming in time to come.
 - (ii) These are cheques submitted for paddy purchased by private rice mill owners and, legal action has been taken in this regard by now.
 - (iii) This is a statutory board. Overdrafts have often been obtained to make payments for the paddy purchased from farmers. Overdraft facility has been obtained using the fixed deposits which are under the name of the Paddy Marketing Board.
- (c) The assets and responsibilities of Sri Lanka Agri Products Marketing Authority have been taken over by Paddy Marketing Board.
 - (i) Draft annual report has been prepared
 - (ii) Necessary arrangements have been made to recruit and internal auditor, one Audit and Management Committee Meeting was held in the year 2012 until it was done.
- (d) Through fixed assets survey had not been conducted during the year under review, survey of goods is being conducted in the year 2012. Though it could not be completed due to the delays which occurred during the period in which paddy was purchased. It will be completed within the next month.

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- (e) Instructions have been given to capitalize this amount which has been provided by the Treasury and the advances obtained from the Treasury earlier have been duly repaid.
 - (f) The necessary orders for rectifying this activity has been given to the relevant offices. Accordingly they were informed to complete the relevant files and submit them to the audit. This task is being done at present.
 - (g) The aforesaid point itself.

3. Financial and Operational Review

3.1 Financial Review

3.1.1. Financial Results

Financial statements have been submitted through real transactions that have been done. However the Paddy Marketing Board is not an institution established with the sale purpose earning profits and its prime objective is to create a market for the paddy harvest of the paddy farmer.

It is confirmed that the Paddy Marketing Board has been able to achieve its object by the fact that the price of rice has not increased and the paddy farmer has received a reasonable price during the last several years.

3.1.2 Unusual increase in expenditures

The Paddy Marketing Board does not possess a big amount of capital and the Treasury makes financial allocations for paying salaries from time to time while approved amounts are determined for obtaining credit facilities from banks for the purchase of paddy.

Accordingly a financial cost has to be incurred due to the obstacles in selling the aforesaid stocks. Even though the said data is correct as per the aforesaid audit analysis, the Paddy Marketing Board has precisely implemented the state policy.

3.1.3 Continuity of the institution

Issue of paddy and the purchase of paddy during the next season were done as per the decisions of the committee of food security and cost of living, which was held under the guidance of His Excellency the President in accordance with the decisions of the Cabinet of Ministers and the food requirement of the country under the instructions of the Secretary to our Ministry. This has merely been done with a view to ensuring the food security of the country whilst protecting the farmer.

The main aims and objectives of the Paddy Marketing Board, which was established to implement a task of national importance, are protecting the farmer providing him with a better price and providing customers with agricultural produce of higher quality at a low and reasonable price whilst ensuring the food security of customers. Accordingly action has been taken to fulfill both of the aforesaid aims and objectives.

All these activities have been carried out as per the instructions of the Committee on Cost of Living and Food Security and the Ministry.

The farmer has been strengthened by providing him with a higher price for paddy than the price in the market and rice has been provided to the customer at a low price. It is a truth that there is no change of earning profits when both these objectives are fulfilled at the same time. However, the social profit or the cost of living indeed has decreased as a result of this. If the social profit can be calculated the Paddy Marketing Board would obviously become a profit making institution.

3.2 Operational Review

3.2.1 Performance

- (a) Paddy Marketing Board participates in the purchase of paddy in the open market and sometimes it is not able to purchase paddy when the price of rice in the market is higher than the certified price. However the main objective of the farmer namely; providing a higher price for farmer is fulfilled though this
- (b)
 - (i) Sometimes new stocks of paddy have to be released in order to obtain space in warehouses and purchase the new produce. Further more due to the fact that varieties of paddy have to be released to the market as per its need as Samba, Red Nadu, and Sudu Nadu, paddy is released from ware houses without discrimination as old and new paddy.
 - (ii) Price of paddy increases when the requested supply is not made. AS the price of rice is increasing these days paddy has to be released to the market in order to control the price and provide rice at a low price. On such occasions varieties of paddy like Sudu Nadu and Samba which have a higher demand have to be released to the market while varieties such as red rice which have a low demand may be left in the ware houses.
 - (iii) The paddy marketing Board is not able to issue paddy to the market or purchase paddy at the price available in the open market on such occasions on which it wants to do so. This is an institution who carries out a task of national importance.

Audit recommendations are accepted and it can be shown that profits can be made if they are adhered to.

3.2.2. Management Inefficiencies

- (i) A report which includes reasons for incurring losses and proposals which point out the manner in which action can be taken in order that losses are kept at a minimum level.
- (ii) Paddy is purchased at a price certified by the government offer than the price available in the open market. Due to the fact that the Paddy Marketing Board does not function as an independent body it is not able to approach a process of selling paddy on an occasion it deems necessary or purchasing paddy at whatever price. However paddy was sold subsequent to more than 3 newspaper advertisements. And the money due from private rice mill owners for the paddy provided to them is being collected from them at present. Legal action has been initiated against the rice mill owners who default payments.
- (iii) These sales have been done upon the proper approval of the Ministry. The sales have been done by the Commissioner of Food not by the Paddy Marketing Board.
- (iv) Though there were some occasions when the activities of the Paddy Marketing Board were not done in a systematic due to the vacancies that existed in it in the year 2011, this matter has been rectified by now. Legal action has already commenced the registration of private rice mill owners and issues are being under a proper authority.

Further more paddy in accordance with Mahinda Chinthana Policy Document paddy was provided to small and medium scale rice mills upon a decision of the Ministry with a view of reconstructing the rice mills which have become inactive by now and the objective of it was to reconstruct the aforesaid rice mills and provide some economic strength to them. However some rice mills fulfilled the expected objective while some of the rice mills did not fulfill it. However legal action has been taken by now against the rice mill owners who have not hand over rice back in a proper manner.

3.5 Transactions of a contentions nature

- (i) Action is being taken now to establish the ownership of the warehouses and lands belonging to the Paddy Marketing Board. The legal section has been advised to finalize the activities properly within this year in relation to taking over quiet possession of the buildings that have been subjected to unauthorized use during the period when the Paddy Marketing Board was inoperative.
- (ii) Most of the warehouses of the Paddy Marketing Board have been constructed around 30 years earlier and they not been maintained properly for many years. Stocking paddy in such warehouses is not up to the standard. Due to the minimum capacity for space and provision of infrastructure required for the warehouses it is not practically possible to store paddy according to instruction given and the standards required.

Further, renovation of these warehouses is done as funds are received from the Treasury.

3.6 Irregular Transactions

- (a) The Divisional Secretaries had done leasing out the warehouses and buildings prior to the re-establishment of the Paddy Marketing Board in 2008. Though these buildings are under the Paddy Marketing Board, legal transfer of the same has not been done and by now the necessary measures are being taken following the discussions with the Ministry of Lands and Land Development. Further, out of the buildings belonging to the Paddy Marketing Board, the warehouse complex has already been taken over and all other warehouses are being taken over by the Paddy Marketing Board or their lease agreements are renewed at present.
- (b) As soon as the activities mentioned in the response (a) above are concluded, action will be taken to recover the rent in arrears.
- (c) Action has been taken to recover those monies in 2011 and arrangements are being made to look into the matter further and take necessary measures in due course.
- (d) An amount of Rs. 30,000/- has been allowed to be deducted from the monthly rent for the expenses borne by the said company in modernizing the warehouse according to the agreement the Paddy Marketing Board has entered into on 28th September, 2009 in leasing out the warehouse complex in Panduwasnuwara and after deducting that amount from the total rent of Rs. 40,000/- the balance Rs. 10,000 has been asked to be paid to the Board. Accordingly the total loss with respect to the rent is 360,000. Necessary action is being taken to recover this amount.

3.7 Unauthorized transactions

Even though the said transaction was not referred to the Board of Directors, as there wasn't sufficient money to pay the milling charges and with the aim of emptying the warehouse, action was taken to release the paddy and approval has been obtained from the Secretary to the Ministry.

3.8 Visible Irregularities

- (a) When action was taken as per the agreement by obtaining a bank draft, only three rice mill owners came forward and at the meeting held at the Ministry on 10.12.2010 with the participation of the Hon. Minister as the Chair and the Secretary to the Ministry and other officials, it was advised to act on trust by obtaining undated cheques as it would take a considerable time to get sufficient rice ready and on 03 mills were not enough.

Therefore I wish to inform that although a responsible public institution should not accept blank cheques, we have acted only on the advice given at the said meeting and that it was not an act of misconduct. I kindly request not to consider this as misuse of public funds.

- (b) Legal action has been taken by now and most of the mill owners have settled these amounts. Arrangements have been made to lodge complaints with the police in the relevant areas regarding the mill owners who have defaulted payment and take necessary legal action. The police is conducting the relevant investigations these days.
- (c) We have been compelled to act in this manner in the year under review as a result of the shortage of staff and on the practical difficulties that prevailed on that day. However, all issuing is done through delegation of power and strategies of weekly reconciliation of issuing receipts and confirming whether the relevant mill owner himself has obtained the paddy have been formulated and adopted.

3.9 Review of Operations

- (a) The greater portion of paddy production in the island consists of Red Nadu and not Samba. When the Paddy Marketing Board is buying paddy at the certified price, it cannot restrict itself to buying only the types of paddy suitable for consumption but it is mandatory to purchase all types of paddy with the proper quality. The red paddy types that were in severe shortage at one time are cultivated by a greater number of farmers now and despite the lack of demand in the local as well as international market for this paddy, the Paddy Marketing Board is compelled to purchase that paddy.
- (b) The task assigned to the Paddy Marketing Board is not purchasing 5% or 10% of the Paddy production alone but to store a buffer stock to avoid a food shortage. That requirement has been met and not purchasing the minimum percentage could be due to availability of a market for the farmers to sell paddy at the certified price or a reduced harvest. Therefore it can not be concluded that the Paddy Marketing Board has failed to achieve the objectives.

Further, in certain occasions, when the required financial provisions are not received from the Treasury, purchasing paddy has to be controlled.

3.10 Fruitless Transactions

- (a) Action will be taken to refer to the Board of Directors and deposit in a fixed deposit Account.
- (b) That was done on the recommendations of the Committee on Public Enterprises and Payment of Dividends has not been done yet.

3.11 Identified losses.

- (a) The Paddy Marketing Board engages in transactions by now through the loans obtained from State banks with the approval of the Treasury. On every occasion when paddy is sold, these loans have been settled from time to time as sufficient funds were received. Therefore, payment of interest on bank overdrafts and bank loans has to be done.

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- (b) I agree with the comments of the auditors. Even though these paddy stocks were assigned to the Auditor General's Department through a Cabinet Memorandum for a physical verification, it has been difficult to conduct that up to now and this is to be done within this year at least by using an audit company.

3.12 Non-implementation of the orders given by the Committee on Public Enterprises.

- (a) Necessary arrangements have been made to appoint an internal auditor. I wish to inform the Paddy Marketing Board has not been audited according to the role assigned to the Chief Internal Auditor of the Line Ministry.
- (b) A Committee had been appointed in the Ministry by the Secretary to the Ministry of Co-operatives and Internal Trade and an officer of the Auditor General's Department also was a member of that Committee.

As that task was not carried out properly, the matter pointed out by the auditors could not be addressed. To make it easier, relevant action will be taken to retain the balances that had existed prior to 2008 on a suspense account and prepare a new balance sheet after writing it off on committee decision, as advised by the Public Enterprise Committee.

- (c) The same answer in (b) above) applies.

3.13 Staff Administration

It has been advised to provide all those details for the audit under a programme to regulate the administration of the paddy Marketing Board.

- (a) Action will be taken in due course to fill this vacancy.
- (b) These have been approved by now and action has being taken to publish newspaper advertisements and recruit with transparency.
- (c) I accept the comments made by the auditors. Most of these issues came up due to lack of qualified and trained staff. Graduates are to be recruited in due course as Assistant Regional Managers.
- (d) Action is being taken in this respect and the certificates have been referred to the relevant institutions to get the educational qualifications confirmed. As soon as such confirmation is received from those institutions, they will be submitted for audit.

3.14 Budget Control

As pointed out by the auditors, as per 3.12 (c) this has also happened due to lack of proper staff.

4. Systems and Controls

As the Paddy Marketing Board re-established in 2008, through a Cabinet paper lacked the required officials or physical resources, certain officials of Sri Lanka Agricultural Products Marketing Authority who had not met the relevant qualifications had to be attached to this institution. You also will understand that carrying out the purchasing of paddy amidst great difficulties, restoring the abandoned warehouses properly, maintaining the institution so far has been an extremely difficult task.

However, for most of the systems and controls issues pointed out in the audit observation, solutions have already been provided. Action is being taken to computerize the entire process. Staff Recruitment has been approved and due action has been taken.

However, I wish to emphasize with pleasure that despite minor shortcomings in implementing the government policies using the staff, space and resources provided to me, we have been able to achieve the objectives of the Paddy Marketing Board in line with Mahinda Chinthana. That we have performed our service of being the middleman in the rice market in a better manner and provided rice to the consumer at a reasonable price after 2009 can be cited as an example of our achievement.

K. B. Jayasinghe

The Chairman

Paddy Marketing Board.

Copies: The Secretary, Ministry of Co-operative and Internal Trade

The Secretary, Ministry of Finance and Planning

