



DEVELOPMENT LOTTERIES BOARD
ANNUAL REPORT 2023



THRIVING

THROUGH TURBULENCE



THRIVING

THROUGH TURBULENCE

In the face of unprecedented global challenges, the Development Lotteries Board (DLB) has not only weathered the storm but emerged stronger and more resilient than ever before. With a clear vision and a dynamic leadership team, the DLB embarked on its transformative journey by unlocking new pathways of growth with a focused customer-centric approach. This enabled DLB to maintain its momentum of progress.

CONTENT

Corporate Information	4
Our Vision & Mission	5
A brief look back at our history	6
Milestones	8
Financial Highlights	10
Chairman's Message and Progress Report 2023	12
Review of Board of Directors	15
Board of Directors – 2023	16
Current Board of Directors	17
Development Lotteries Board, Board of Directors Profile 2023	18
Management Team	19
Junior Managers	21
Operational Review	24
Product Portfolio Overview	29
Sustainability Report	35
Local Training Programmes	37
Cadre Position as at 31.12.2023	40
Corporate Governance	42
Risk Management Report	45
Audit and Management Committee Report	46
Financial Report	
Independent Auditors Report	48
Audit Report 2023 and Action Taken by the Management	54
Statement of Comprehensive Income	67
Statement of Financial Position	68
Statement of Cash Flows	69
Statement of Changes in Equity	70
Accounting Policies	71
Segment Report	76
Notes to the Final Accounts	77
Ten Year Summary	87



This Annual Report can
be accessed through
our website

CORPORATE INFORMATION

Name of the Board

Development Lotteries Board

Legal Form

The Board was incorporated under the Act of Parliament No. 20 of 1997 Development Lotteries Board Act

Date of Commencement

19th January 1983

Registered Office

No. 356, Dr. Colvin R. De Silva
Mawatha, Union Place, Colombo 2.

Telephone

0112 333 546-8, 0114 824 824

Fax

0112 333 545

Email

info@dlb.lk

Web

www.dlb.lk

TIN

409089844

Current Board of Directors

Mr. Ajith Gunarathna Naragala
Chairman/CEO

Mr. A.M.P.M.B. Atapattu
Secretary, Ministry of Trade,
Commerce and Food Security
Director, Development Lotteries Board

Mr.W.A. Sarath Kumara
Deputy Secretary to the Treasury
Ministry of Finance,
Senior Additional Secretary
Presidential Secretariat,
Secretary President Fund,
Director, Development Lotteries Board

Ms. K.A.H.C. Pubudusiri
Director, Department of External
Resources,
Director - Development Lotteries
Board

Mrs. Janet Jayawardena
Attorney at Law
Director, Development Lotteries Board

Auditor
Auditor General

Bankers
People's Bank
Bank of Ceylon
Sampath Bank PLC
Hatton National Bank

OUR VISION AND MISSION

Vision

To be a premier fortune-making public entity in Sri Lanka.



Mission

Conducting innovative and attractive lotteries using state-of-the-art technology, upholding trust and being excellent in fulfilling the aspirations of stakeholders at all times.

Goals

Increase the market share.



Maximize the contribution made to the President's Fund.

Acquire and utilize modern technology effectively.

Fulfill the expectations of stakeholders.

Our Core Values



Integrity	The lotteries that we offer and the way we conduct business is fair, honest and trustworthy.
Positive Attitude	DLB employees hold an optimistic approach to every challenge they face when carrying out the lottery business.
Result Orientation	DLB employees are confident in their roles and focus on achieving the given targets in an effective manner.
Innovation	The employees of DLB are also encouraged to seek ideas that will improve the business and to decide and act quickly in response to strategic and competitive market changes.
Team Work	DLB employees work together to achieve organizational goals while fostering openness, mutual respect and individual development
Orientation Towards Excellence	Employees strive to maximize the quality of service continuously

A BRIEF LOOK BACK AT OUR HISTORY

The Development Lotteries Board (DLB), a beacon of hope and prosperity in Sri Lanka, was initially established as the Development Lotteries Center in 1983. Its primary aim at the time was to generate funds for the President's Fund and the Mahapola Scholarship Fund, both of which offered substantial support to students pursuing higher education amidst various challenges.

In pursuit of this objective, Dr. Wickrama Weerasooriya extended an invitation to several public and private institutions, advocating for their support in launching an instant lottery scheme. This initiative was envisioned to create a steady stream of income to fund various financial and social development programs. Hon. J.R. Jayawardena, the then President of Sri Lanka, responded positively by allocating Rs. 2.2 million for this cause. Simultaneously, Hon Lalith Athulathmudali agreed to contribute an equivalent amount from the Mahapola Higher Education Fund.

As a result, the first lottery ticket, named the Development Lottery, was issued, aiming at ensuring the stability of the fund. This led to the formal establishment of the Development Lotteries Center, with the focused goal of raising funds for the President's Fund and the Mahapola Scholarship Fund. The DLB embarked on its industry journey by achieving economic goals in its inaugural year, marking significant accomplishments over the ensuing period. The net profits of the DLB have been consistently remitted to its founding organizations, the President's Fund and the Mahapola Scholarship Fund, with the President's Fund subsequently allocating 50% of these contributions to the Mahapola Scholarship Fund.

In 1993, the Development Lotteries Center underwent a transformation, becoming the Development Lotteries

Trust, and was later reestablished as the Development Lotteries Board by an Act of Parliament on 12 August 1997. The initial instant lottery, marketed as the Development Lottery, was sold across the island for Rs. 10, and within the first 24 hours, produced two jackpot winners. This success not only attracted customers to instant lotteries but also popularized the new lottery system.

The DLB pioneered the televised lottery draw in Sri Lanka with "Shanida Wasanawa," initially conducted only on Saturdays. Its popularity has since grown, leading to daily draws throughout the week. Additionally, the "Wasana Chakra" program, launched on 25 January 1998, aimed at providing consolation to those not winning instant lotteries, has been broadcast on Sundays.

This program gained considerable popularity, prompting the DLB to introduce "Sanwardana Wasanawa," a second lottery drawn on television, broadcast on Tuesdays and Fridays in 1998. Based on its sales, this lottery was renamed "Lagna Wasana" in 2015, incorporating 12 Lagnas (Zodiac signs), and has now become a daily draw, further enhancing its appeal.

The DLB also introduced the "Jayoda" lottery on 26 January 2004, with draws on Mondays and Thursdays, starting with a super jackpot of Rs. 10 million. This marked a significant milestone in Sri Lanka's lottery industry, offering winners the choice between a cash prize of Rs. 10 million or a house valued at more than 10 million.

On 10 April 2009, the "Jana Jaya" lottery was launched, with draws on Thursdays and Sundays. Winners had to match a super number from a drawing machine with four other winning numbers selected from 64, starting with a super jackpot of Rs. 2.5 million.

The introduction of the "Super Ball" lottery on 11 July 2012, starting with an initial jackpot of Rs. 30 million, set a new record for the highest cash prize offered at that time, and it remains highly popular as a daily draw.

In 2016, the DLB introduced several new lotteries to the market, including the "Lakshapathi" lottery ticket on 14 May 2016, achieving a sale of 5.6 million tickets, and "Kotipathi Shanida," launched on 8 April 2016, with a super jackpot of Rs. 75 million and a sales record of 4.4 million tickets.

The draw of "Sanwardana Wasanawa," introduced with new expectations and three cash prizes, resumed broadcasting on 12 December 2016. Furthermore, the "Ada Kotipathi" lottery, introduced on 31 August 2017, became the first lottery in Sri Lanka's history to be drawn every day of the week.

The DLB has consistently updated its operations and applied modern technology to enhance the lottery industry. In 2020, it enabled customers to purchase lottery tickets via their smartphones through the "DLB Sweep App," marking another significant milestone. This initiative was followed by the introduction of "Sasiri," the first digital lottery in South Asia, targeting a new market segment within the industry.

In line with its mission to introduce innovative and appealing lotteries, DLB revamped its lottery shows in 2021 with a fresh face and rhythm, moving away from the traditional program structure. As part of this evolutionary journey, DLB launched the 'DLB Lottery Show' on 21st March 2021, capturing all lottery programs in quick succession within a short duration. In conjunction with this transformation, DLB introduced a YouTube channel named DLB Lottery Show. Additionally, DLB revamped

the 'Kotipathi Kapruka' program, renaming it as 'Kapruka' and featuring an introductory prize of LKR 120 million along with numerous other attractive prizes. This program aired seven days a week, bringing the total count of lottery draws to six draws per day. DLB launched the 'Valampuri' lottery on September 9th, 2022, mainly targeting its customer base in the Northern and Eastern provinces. Valampuri is recognized as a symbol of prosperity. Due to its immense popularity, the management of DLB decided to launch this lottery product island wide.

Aimed at creating more millionaires and further broadening the horizons of fortune within Sri Lankan society, a seven-day-a-week lottery named "Supiri Dhana Sampatha" was launched on November 9, 2023 (Thursday). Its first draw witnessed the sale of 1.6 million lottery tickets, leading to an increase in the Board's daily lottery ticket sales from 1.9 million to 2.2 million.

The Development Lotteries Board was established with two noble objectives: to raise funds for the President's Fund and the Mahapola Higher education trust Fund. Consequently, the Development Lotteries Board directs its profits to the President's Fund. Over the past 40 years, the Development Lotteries Board has contributed more than Rs.40.6 billion, fulfilling its responsibilities to the country and providing its customers with the opportunity to test their luck for the cost of Rs. 20 per lottery ticket.

MILESTONES

1998/04

Re-launch of 'Wasana Chakraya' television draw for non-winning instant/scratch lottery tickets

- 'Development Fortune' was launched together with 'Windows' for Rs.10 and 'Ureka' Instant Lotteries for Rs. 100 with a super luxury motor car as the winning prize

1999 - Computer system updated to meet technological challenges posed by the changeover to year 2000 with the assistance of The World Bank.

2004 - 'Jayoda' launched with the option for a cash prize or a house – a pioneering feature introduced by DLB

- A total turnover of Rs. 3 billion was achieved

1997

Established of 'Development Lottery Trust' to 'Development Lotteries Board' as a Government-owned corporate body under the Development Lotteries Board Act No. 20 of 1997

- A total turnover level of Rs. 2 billion was achieved

1987

Introduction of the first Television Lottery Draw 'Shanida Wasanawa'

1983

Instant lottery introduced for the first time in Sri Lanka

1993

Transformation of 'Development Lottery Centre' to 'Development Lottery Trust'

2008

2008 - Moved to DLB's own house at No. 356, Dr. Colvin R. De Silva Mawatha, Colombo 2.

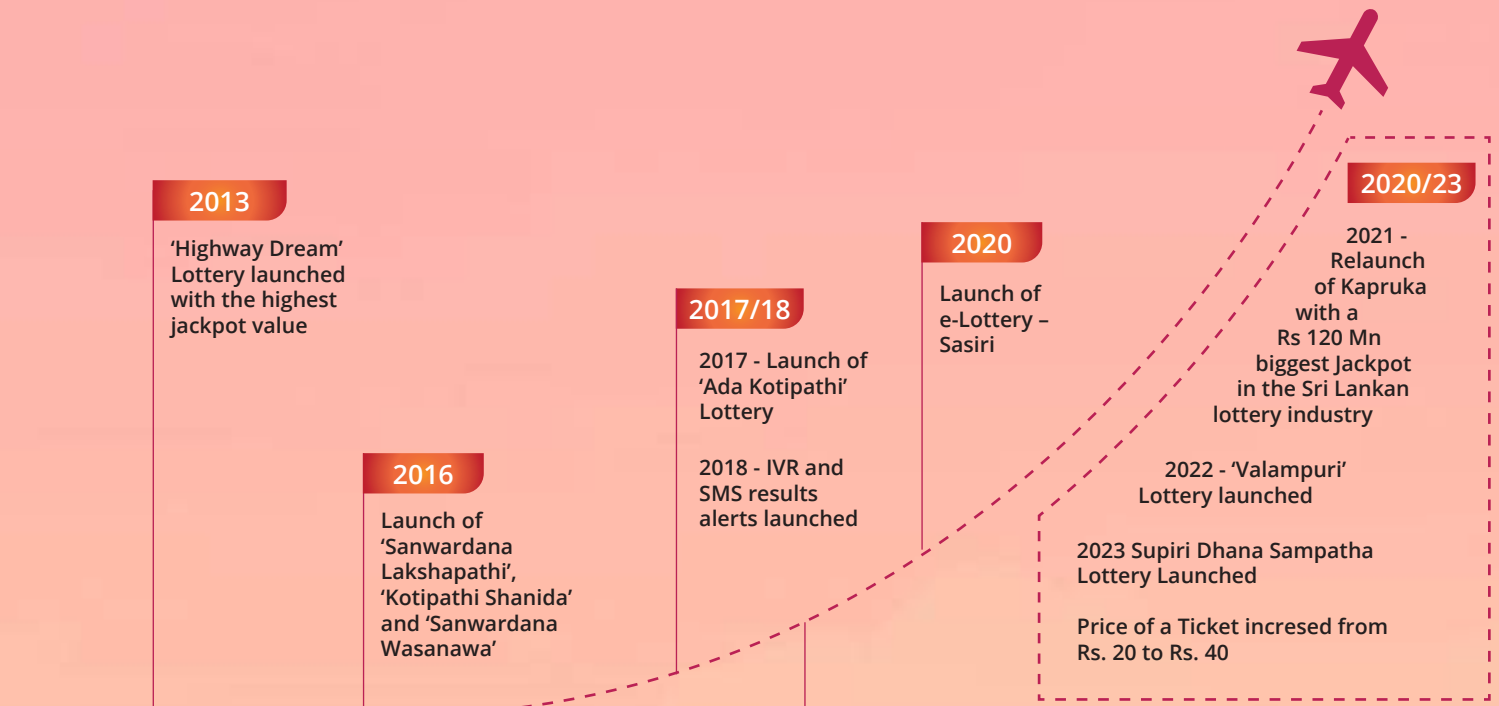
- A total turnover of Rs. 5 billion was achieved

2010/12

2010 - Introduction of 'Jana Jaya Draw' Lottery with a Super Jackpot prize

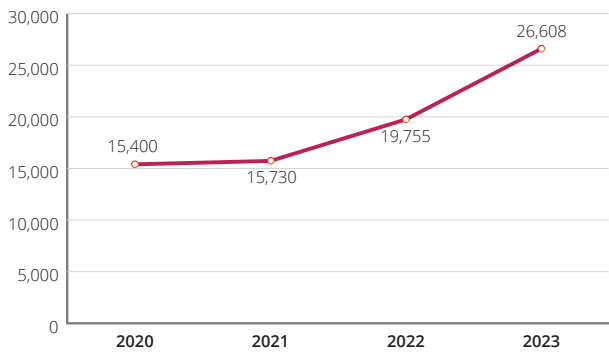
2011 - Launch of 'Niyatha Jaya Draw' Lottery

2012 - Launch of 'Super Ball Draw Lottery' with Rs. 30 million Super Jackpot

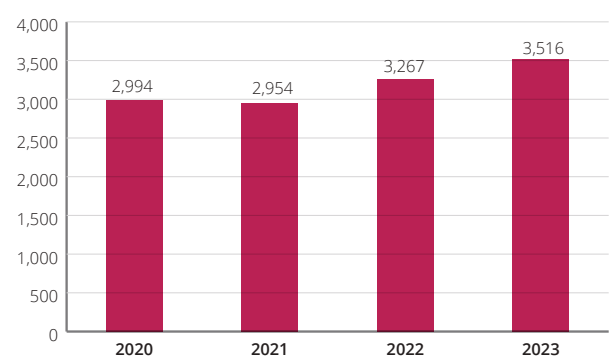


FINANCIAL HIGHLIGHTS

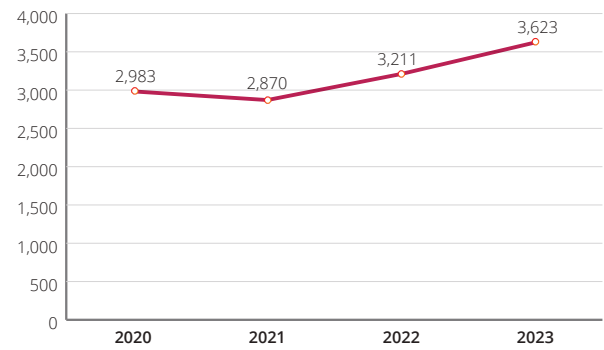
REVENUE (Rs. Mn)



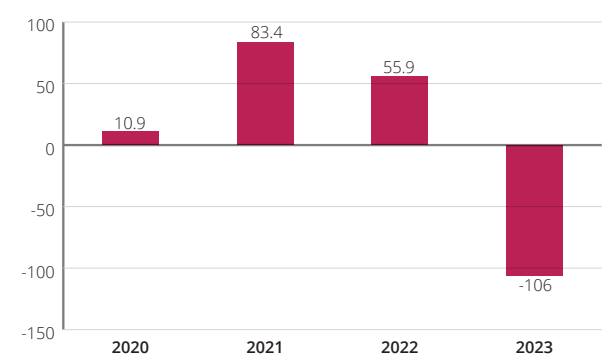
PROFIT BEFORE TAX (Rs. Mn)



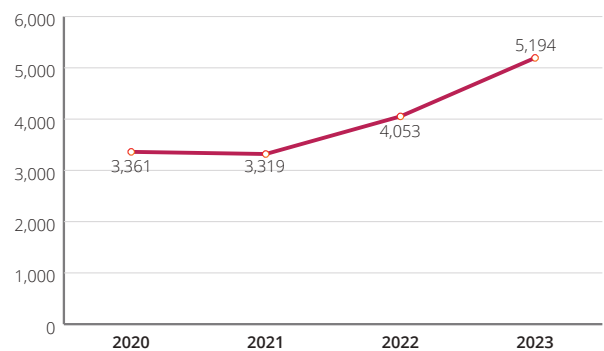
CONTRIBUTION TO THE PRESIDENT'S FUND (Rs. Mn)



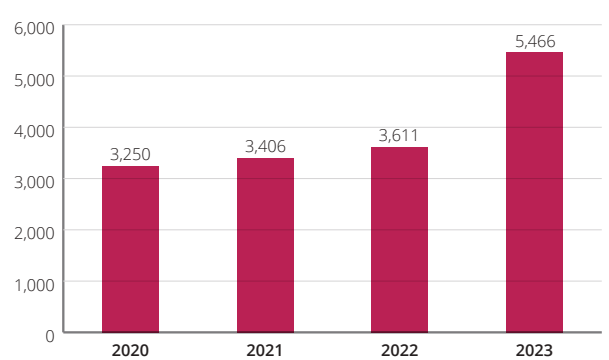
INCOME TAX (Rs. Mn)



TOTAL REMITTANCE TO THE STATE (Rs. Mn)



TOTAL ASSETS (Rs. Mn)



	2023 Rs.'000	2022 Rs.'000
Operating Results		
Revenue	25,442,131,713	19,071,456,751
Gross Profit	10,017,436,178	7,591,995,984
Profit before tax	3,516,296,477	3,266,591,501
Tax expenses	(106,210,247)	55,904,459
Net Profit	5,265,256,062	3,225,653,361
Contribution to the President's Fund	3,622,506,725	3,210,687,041
Statement of financial Position		
Assets		
Property Plant & Equipment	2,718,047,956	1,095,292,917
Fixed deposit	1,710,213,172	1,742,324,887
Inventories	56,720,455	45,970,611
Trade Debtors & Other recievable	207,964,715	163,480,972
Prepayments & Deposits	4,748,286	6,223,428
Cash in hand & at Bank	767,981,019	557,240,367
Total Assets	5,465,675,603	3,610,533,182
Liabilities		
Employee Benefits Liabilities	9,081,293	(4,438,730)
Dealer & Distributor Deposit Payable	39,875,881	38,718,881
Credit Voucher Payable	167,800,730	123,353,560
Trade & Other payable	690,726,582	771,026,177
President's Fund payable	682,730,725	315,791,041
Prize Payable	1,456,785,350	1,003,306,515
Equity		
President's Fund	2,200,000	2,200,000
Mahpola Trust Fund	2,200,000	2,200,000
Prize reserve account	139,106,256	725,956,289
Revaluation Surplus	2,268,909,427	620,583,095
Re-measurement gain/(loss) on Employee Benefit plan	6,259,359	11,836,354
Total equity & liabilities	5,465,675,603	3,610,533,182
Profitability Ratio		
Net Profit ratio	14%	17%
Gross Profit ratio	39%	40%
Liquidity Ratio		
Current Asset ratio	1 : 1.19	1 : 1.33
Quick(Liquid) Assets Ratio	1 : 1.16	1 : 1.30

CHAIRMAN'S MESSAGE AND PROGRESS REPORT 2023



Amid an unprecedented economic crisis, the Development Lotteries Board (DLB) has shown resilience and determination, steadily progressing towards its strategic objectives. Supported by a dynamic system, DLB has adeptly navigated challenges, reinforcing its commitment to excellence and sustainable development. Reflecting on the achievements of the Financial Year 2023, we are proud to share our story of resilience, innovation, and advancement.

Financial Review

	2023 (Rs.Mn)	2022 (Rs.Mn)	%
Revenue	25,442	19,071	33%
Prize payout	13,451	9,884	36%
Gross Profit	10,017	7,592	32%
Profit before Tax	3,516	3,267	8%
Profit After Tax	3,623	3,211	13%

In the Financial Year 2023, the Development Lotteries Board (DLB) showcased a robust financial performance, marked by significant growth across key metrics. Below is a summary of our financial highlights:

Revenue Growth: DLB achieved a remarkable revenue increase, reaching Rs. 25,442 million in 2023, compared to Rs. 19,071 million in the previous year. This substantial growth of 33% highlights the effectiveness of our revenue generation strategies.

Prize Payout: Our commitment to offering attractive prizes resulted in a total payout of Rs. 13,451 million in 2023, up from Rs. 9,884 million in 2022, marking a significant increase of 36%. This reflects our dedication to enhancing customer engagement and satisfaction.

Gross Profit: DLB's gross profit soared to Rs. 10,017 million in 2023, from Rs. 7,592 million in the previous year, representing a robust growth of 32%. This growth underscores our operational efficiency and our ability to manage costs effectively.

Profit Before Tax: Despite various market challenges, DLB achieved a profit before tax of Rs. 3,516 million in 2023, an increase from Rs. 3,267 million in 2022, reflecting a commendable growth of 8%. This demonstrates our resilience and effective financial management practices.

Profit After Tax: DLB reported a profit after tax of Rs. 3,623 million in 2023, up from Rs. 3,211 million in the previous year, indicating a significant increase of 13%. This growth underscores our ability to generate sustained value for our stakeholders.

Overall, the Financial Year 2023 was characterized by strong financial performance and strategic execution, positioning DLB for continued growth and success. We remain dedicated to delivering value to our stakeholders and making a positive impact on the communities we serve.

Our Achievement

At DLB, our primary mission is to generate revenue for two noble causes: the President's Fund and the Mahapola Higher Education Trust Fund. In the Financial Year 2023, we are proud to announce significant progress in this endeavor, having generated Rs. 3,622 million for these worthy causes, a notable increase of 13% compared to the previous year's contribution of Rs. 3,210 million. This achievement reflects our commitment to supporting essential initiatives and underscores our dedication to societal betterment.

Operational Review

In 2023, DLB achieved significant milestones with operational projects aimed at enhancing efficiency and innovation. Key completed projects include:

Automated Backup Software

Implementation: We implemented automated backup software to reduce manual intervention and ensure data integrity, enhancing data security and minimizing the risk of human error.

Precision A/C System for Data Center:

We installed precision air conditioning in the server room to maintain optimal cooling and humidity levels.

Extension of UPS System and

Implementation of UPS Room: We procured two 20 KVA UPS units to replace outdated devices, enhancing our power backup capabilities and refining the quality of power supply.

Introduction of New Draw

Animation: We launched Sri Lanka's first digital draw experience, transforming the traditional lottery draw into an interactive, purpose-driven activity supporting the President's Fund.

These projects demonstrate DLB's commitment to innovation and efficiency, strengthening its position in the lottery industry and contributing to societal betterment.

Marketing Highlights

In 2023, the Development Lotteries Board (DLB) faced significant shifts and achieved considerable successes in its marketing efforts, demonstrating adaptability and innovation in the face of market dynamics. Despite the challenges brought by price adjustments and fluctuations in the market, DLB showed resilience and strategic savvy in meeting its goals.

Price Adjustment and Sales Impact:

Under the guidance of the Ministry of Finance, DLB increased the price of all lottery tickets from Rs. 20 to Rs. 40 on July 6, 2023. This decision led to a temporary decrease in daily sales volumes but ultimately resulted in an overall increase in turnover, illustrating DLB's strategic response to economic pressures.

Introduction of New Lotteries:

The launch of "Supiri Dhana Sampatha," featuring daily draws aimed at creating more millionaires, was met with enthusiasm in the market. This new lottery contributed to increased sales and played a significant role in DLB's revenue growth, highlighting the potential of innovative product offerings to attract customers.

Sales Promotions and Incentives:

Throughout the year, DLB implemented a variety of promotional programs and made adjustments to the prize structure to stimulate sales. Activities such as secondary draws, mini draws, and special raffles led to increased customer engagement and a higher volume of ticket purchases, showcasing the effectiveness of targeted marketing initiatives.

Expansion and Support Initiatives:

DLB undertook efforts to expand its sales network by appointing new distributors and agents across various districts, aiming to improve market penetration and accessibility. Additionally, DLB initiated special programs to support sales agents, including financial aid for those impacted by natural disasters, the establishment of new sales outlets, and educational sponsorships for agents' children, reinforcing the organization's commitment to its workforce.

Social Care and Community

Engagement: DLB's participation in social care programs and sponsorship of cultural and educational events underscored its dedication to community development and engagement. By organizing charitable events, making hospital donations, and sponsoring traditional festivals, DLB demonstrated its corporate social responsibility and commitment to giving back to society.

Innovative Initiatives and

Recognition: DLB introduced innovative measures such as phone-based ticket orders and rewards for sales counters, enhancing customer convenience and acknowledging the hard work of sales agents. Recognizing retiring staff and celebrating service

milestones further highlighted DLB's appreciation for its employees' contributions to the organization's success.

In summary, 2023 was a year of strategic adaptation, innovation, and community engagement for DLB's marketing operations. Despite facing market challenges, DLB showcased resilience, creativity, and a strong commitment to its stakeholders, setting the stage for continued growth and impact in the future.

Our Team

At the Development Lotteries Board (DLB), our narrative of success is deeply intertwined with the dedication and expertise of our dynamic team. Spanning the departments of Marketing, Finance, IT, Procurement, Sales, Administration, and Internal Audit, our skilled professionals stand as the cornerstone of our achievements. Their forward-thinking and steadfast commitment have elevated DLB to new heights, transforming our product offerings and enhancing the lottery experience for our clientele.

Future Outlook

As we look to the future, our aim is to bolster various facets of our operations to ensure continuous growth and heightened customer satisfaction. We are poised to enhance our online ticket sales and to roll out a digital lottery system to broaden our customer base. Efforts are also in place to optimize our distributor network for improved efficiency and to integrate lottery management software for smoother operations.

Plans are in motion to establish a disaster recovery system for IT operations, alongside adopting a new accounting package and number generation system. Our branding initiative for island-wide outlets and the modern lottery shop project will progress, complemented by the launch of a new website featuring a lottery purchasing platform. In support of our IT operations, we will undergo a reengineering process and expand our team as required.

CHAIRMAN'S MESSAGE AND PROGRESS REPORT 2023

Investments in new lottery drawing machines are planned, and we aim to reorganize the customer movement area within DLB to enhance satisfaction and operational efficiency. These initiatives underscore our dedication to innovating across all divisions to meet future challenges and surpass customer expectations.

Closing Note

I express my profound gratitude to His Excellency the President, the Honorable Prime Minister, the Honorable Minister of Finance, State Ministers of Finance, and the Secretary to the Treasury, as well as the Board of Directors, for their steadfast support and invaluable guidance throughout our journey. Collaborating with our diverse stakeholders has fostered a culture of knowledge sharing and growth, all made possible by our exceptional team of dedicated professionals.

Special thanks are extended to our Draw Judges, the staff of the President's Fund, the Mahapola Higher Education Trust Fund team, Distributors, Dealers, Sales Assistants, Resellers, Media partners, Bankers, and all service providers who have been pivotal to our success. I also convey my deepest appreciation to our executive staff officers, including the General Manager, Deputy General Managers, and Assistant General



Managers, whose leadership has significantly contributed to our progress.

To all our staff across various roles, your remarkable dedication and commitment to excellence have been crucial to DLB's impactful achievements. Additionally, our loyal customers deserve thanks for their continuous support, which has been fundamental to our accomplishments.

I am equally thankful to the Superintendent of Audit and the Auditor General's Department for their critical contributions to our operations.

In closing, I extend sincere gratitude to all our stakeholders for their ongoing trust and confidence in DLB. Your support inspires us as we continue our journey, committed to delivering excellence and creating enduring value.

Ajith Gunarathna Naragala
Chairman/CEO

REVIEW OF BOARD OF DIRECTORS

The Board of Directors of the Development Lotteries Board has the pleasure of presenting the Audited Financial Statements, for the year ended 31st December 2023.

Principal activities

The principal activity of the board is to generate revenue for the President's Fund and the Mahapola Higher Education Scholarship Trust Fund.

Review of the Year's Performance

Despite facing unprecedented economic challenges, DLB made a significant contribution of Rs. 3,623 million to the President's Fund, marking a commendable 13% increase over 2022. Moreover, DLB achieved an impressive turnover of Rs. 25.4 billion, reflecting a notable 33% increase from the previous year's turnover of Rs. 19.0 billion.

Corporate Social Responsibility (CSR)

Details of our CSR initiatives are outlined in the operational review section of this annual report.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements that will reflect a true and fair view of the state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards.

Auditor's Report

The Auditor General is the Auditor of the Development Lotteries Board in terms of the provisions of Article 154 of the constitution of the Democratic Socialist Republic of Sri Lanka and section 14(3) of the Development Lotteries Board Act No 20 of 1997. Report of the Auditor General on the Financial Statements of the Board as at 31 December 2023 is given on page 48 of this Annual Report.

Accounting Policies

The Board prepared its Financial Statements in accordance with the Sri Lanka Accounting Standards (LKASs). The accounting policies adopted in the preparation of the Financial Statements are detailed on pages 71 to 75. There have been no material changes in the accounting policies adopted by the Board during the year under review.

Board Members' Interest in Contract with the Board

The Directors have no direct or indirect interest in any contract or proposed contract with the Board for the year ended 31st December 2023.

Audit and Management Committee

The Audit and Management Committee, serving as a sub-committee of the governing body, holds overarching responsibility for reviewing the organization's governance and risk management systems. It is tasked with monitoring the internal control process and overseeing the functions of Internal Audit and Statutory Audit. The report of the Audit and Management Committee can be found on page 46.

Compliance with Laws and Regulations

The Directors, to the best of their knowledge and belief, confirm that the Board has not engaged in any activities that contravene laws and regulations.

Statutory Payments

The Board confirms that all statutory payments due to the President's Fund, government taxes, and those related to the Employees' Provident Fund, Employee Trust Fund, and Gratuity have been made punctually.

Post Balance Sheet Events

The Directors are of the view that no material events have arisen in the interval between the end

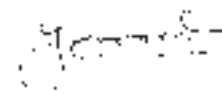
of the financial year and the date of this Report that would require adjustments or disclosures.

Going Concern

The Directors are confident in the adequacy of the Board's resources to continue its operations. Consequently, they have applied the going concern basis in preparing the Financial Statements.

In conclusion, we extend our sincere thanks to His Excellency the President, the Honorable Prime Minister, the Minister of Finance, the State Minister of Finance, and our diligent employees for their unwavering support amidst challenges. Special appreciation is directed towards our sales force, particularly Distributors, Dealers, and Sales Assistants, for their invaluable contributions.

We express our heartfelt gratitude to all our customers and stakeholders for their continued trust and confidence in DLB.



Mrs. Jenat Jayawardana
(Attorney at Law)
Director

BOARD OF DIRECTORS



01



02



03



04



05

01 MR. AJITH GUNARATHNA NARAGALA
Chairman /CEO - W.e.f 16.12.2021

02 MR. A.M.P.M.B. ATAPATTU
*Secretary, Ministry of Trade, Commerce and Food Security
Director, Development Lotteries Board - W.e.f 27.09.2023*

03 MR.W.A. SARATH KUMARA
*Deputy Secretary to the Treasury, Ministry of Finance
Senior Additional Secretary, Presidential Secretariat
Secretary, President Fund
Director, Development Lotteries Board - W.e.f 22.08.2022*

04 MS. K.A.H.C. PUBUDUSIRI
*Director, Department of External Resources, Ministry of Finance.
Director, Development Lotteries Board - W.e.f 28.06.2021*

05 MRS. JENAT JAYAWARDENA -
*(Attorney at Law).
Director, Development Lotteries Board - W.e.f 15.01.2020*

CURRENT BOARD OF DIRECTORS



01



02



03



04



05

01 MR. AJITH GUNARATHNA NARAGALA
Chairman /CEO - W.e.f 16.12.2021

02 MR. A.M.P.M.B. ATAPATTU
*Secretary, Ministry of Trade, Commerce and Food Security
Director, Development Lotteries Board - W.e.f 27.09.2023*

03 MR.W.A. SARATH KUMARA
*Deputy Secretary to the Treasury, Ministry of Finance
Senior Additional Secretary, Presidential Secretariat
Secretary, President Fund
Director, Development Lotteries Board - W.e.f 22.08.2022*

04 MS. K.A.H.C. PUBUDUSIRI
*Director, Department of External Resources, Ministry of Finance.
Director, Development Lotteries Board - W.e.f 28.06.2021*

05 MRS. JENAT JAYAWARDENA -
*(Attorney at Law).
Director, Development Lotteries Board - W.e.f 15.01.2020*

DEVELOPMENT LOTTERIES BOARD

BOARD OF DIRECTORS PROFILE

MR. N K AJITH GUNARATHNE NARAGALA,
Chairman, / CEO Development Lotteries Board

Date of Appointment

16 December 2021

Education, Skills and Experience

- Master of Business Administration, Mahatma Gandhi University, India (2015)
- Post Graduate Diploma in Event Management, Devanshi University, India
- Bachelor's in Performing Arts (Special), University of Performing Arts, Sri Lanka
- Diploma in Business Management, Lalith Athulathmudali Vocational Training Centre, Sri Lanka
- Exquisite experience in leading Public Sector institutions through policy formulation and strategic planning, to achieve its institutional mission.
- Private sector administration and leadership in Marketing, brand development and market expansion.

Other appointments

- Board of Director at,
 - Independent Television Network Ltd
 - BCC Lanka Limited
- Council Member at the University of Ruhuna
- Visiting Lecturer at the University of Kelaniya
- Visiting Lecturer at the University of Visual and Performing Arts
- Managing Director of Luxury Caring (Pvt)Ltd

Previous Appointments

- Director General of Sri Lanka Rupavahini Corporation
- Operational Director at National Youth Services Council
- Board Member of National Youth Services Council

MR. A.M.P.M.B. ATAPATTU
Director, Development Lotteries Board

Date of Appointment

27th September 2023

Education, Skills and Experience

- Master's Degree in International Development, Flinders University, Australia
- Post Graduate Diploma in Development Economy, Institute of Development Economics, Japan
- Post Graduate Diploma in Economic Development, University of Colombo
- Bachelor of Science in Management (Public Administration), University of Sri Jayawardenapura
- Licentiate Certificate of the Institute of Chartered Accountancy
- Over 30 years of experience in Sri Lanka Planning Services

Other Appointments

- Secretary, Ministry of Trade, Commerce and Food Security

Previous Appointments

- Senior Additional Secretary to the President of Sri Lanka
- Director General (Planning), Ministry of Education
- Deputy Secretary to the Treasury, Ministry of Finance
- Director General, Department of Development Finance, Ministry of Finance

MR. W.A. SARATH KUMARA,
Director, Development Lotteries Board

Date of Appointment

22 August.2022

Education, Skills and Experience

- BSc. in Management and Valuation, University of Sri Jayawardenapura.
- Master's degree in public management from the Sri Lanka Institute of Development Administration (SLIDA).
- over 36 years of experience in Sri Lanka Accountants' Services.

Other appointments

- Deputy Secretary to the Treasury, Ministry of Finance
- Senior Additional Secretary, presidents Office
- Secretary, President Fund.

Previous Appointments

- Chief Accountant at the Ministry of Disaster Management
- Chief Accountant at the Ministry of Economic Development
- Chief Financial Officer, Prime Minister's Office
- Minister-Sri Lankan Embassy, Riyadh
- Deputy Registrar of Companies (Finance)

MISS. K A H C PUBUDUSIRI,
Director, Development Lotteries Board

Date of Appointment

28.06.2021

Education, Skills, and Experience

- BSc - University of Kelaniya
- MSc (Biotechnology) - University of Peradeniya
- MA (Economics) - University of Kelaniya
- MA (Policy Economics) - Williams College, USA
- Working experience in public finance, fiscal policy, and external development assistance

Other appointments

- Director, Department of External Resources

MRS. JENAT JAYAWARDANA
Director, Development Lotteries Board

Date of Appointment

15.01.2020

Education, Skills and Experience

- LLB - Faculty of Law, University of Colombo
- 22 years of experience

Other appointments

- Chairman - Kurunegala Plantation company (From Oct 2022 to up to date)

Previous Appointments

- Legal Advisor - North Western Province (2004 to 2010)
- NICD Chairman - 2019

MANAGEMENT TEAM SENIOR MANAGERS



MR.N.K.A.G. NARAGALA
Chairman / CEO



MR.W.K.A.A. JAYARATHNA
General Manager



MISS.W.A.V.C.SOMARATHNA
Deputy General Manager (Finance)



MR.D.D.C.DAMMINDA
Deputy General Manager (Marketing)



MR.J A.T.KASUN JAYASOORIYA
Assistant General Manager (Finance)



MR.M.N.P.PERERA
Assistant General Manager (Finance)



MR.S.M.A.W. UDAYA KUMARA
Internal Auditor



DR. A.S. GUNASINGHE
Assistant General Manager (Marketing)



MR. K.R.P.RANASINGHA
Assistant General Manager (HR & Adm.)

MANAGEMENT TEAM SENIOR MANAGERS



MR. P.D.U. MALINTHA.
Assistant General Manager (Procurement)



MR.C.C.AILAPPERUMA
Assistant General Manager (Sales) Actg.

MANAGEMENT TEAM JUNIOR MANAGERS



MR.E.D.I.N.S.ABEYRATHNA
Administrative Officer



MRS.C.N. THEWARAPPERUMA
Human Resource Officer



MR.N.V.INDIKA UPUL
Finance Officer



MRS.G.D.S.PREMATHILAKA
Marketing & Advertising Officer



MR.B.A.C.J.KARUNARATHNA
Procurement Officer



MRS.R.D.C.RAJAPAKSHA
Finance Officer



MR.I.D.PATHMA KUMARASIRI
Territory Manager



MR.M.B.M.N.K.BALAGALLA
Territory Manager



MR.G.A.R.S.RANATHUNGA
Territory Manager

MANAGEMENT TEAM - JUNIOR MANAGERS



MR.M.K.A.I.KAMALSIRI
Territory Manager



MR.D.M.B.L.MAHINDA
Territory Manager



MRS.M.L.GOWRI KAWSHALYA
Territory Manager



MRS.M.A.L.N.GUNASEKARA
Finance Officer



MRS.R.A.W.G.RUPASINGHE
Finance Officer



MR.U.G.ILLEPERUMA
Sys. Analyst



MAJOR. J.M.D.A.CHRISHANTHA
Chief Security Officer



MR.R.A.SUNIL RATHNAYAKA
Territory Manager



MR.R.M.U.S.KUMARA
Territory Manager



MR. P.P GOKULA FERNANDO
Transport Officer



MR.C.J.B. JAYAWARDANA
Territory Manager

OPERATIONAL REVIEW

Key Insights into Marketing Operations for 2023

The year 2023 stands as a testament to the Development Lotteries Board's (DLB) successful planning and execution of its marketing initiatives. Demonstrating thoughtful consideration for the longstanding concerns of many dealers and distributors, DLB decided to increase the price of all lotteries from Rs. 20 to Rs. 40, effective from July 6, 2023, under the guidance of the Ministry of Finance. Despite an initial decline in daily sales from 3.5 million to 1.9 million tickets, this strategic decision led to an increase in daily turnover from 70 million to 76 million rupees, representing an 8.5% growth.

A significant milestone was the introduction of a novel lottery, "Supiri Dhana Sampatha," in the latter half of 2023. Aimed at creating more millionaires and prize winners within the Sri Lankan society, this lottery, which features draws seven days a week, played a crucial role in rebounding the daily sales figures from 1.9 million to 2.2 million tickets, despite the price hike. This indicates the market's positive reception of the new lottery ticket and associated changes, which subsequently led to a favorable impact on sales.

Through its high productivity, the Development Lotteries Board managed to contribute a record amount to the President's Fund and awarded approximately 13.4 billion rupees to winners this year. Additionally, the Board fulfilled its fiscal responsibilities by paying 1.67 billion rupees in taxes and 5.3 billion rupees in commission to the sales network.

With sales recorded at 26.5 billion rupees in 2023, driven by specially launched promotional programs, dealer meetings, and financial incentives, DLB has seen considerable progress compared to previous years.

These achievements were significantly bolstered by various sales promotional activities designed to reach these milestones in 2023.

Promotional Programs and Prize Structure Changes

To bolster lottery prices and enrich the prize pool associated with lottery tickets,

a secondary draw and supplementary prize distribution program called "Devani Warama" were introduced for Ada Kotipathi, Lagna Wasanawa, Super Ball, Shanida, Kapruka, and Jayoda lotteries. This initiative was implemented from July 6, 2023, to August 22, 2023, following the main draws.

In a bid to further stimulate sales, a mini draw named 'Lagna Varama' was conducted for Lagna Wasanawa, Ada Kotipathi, Kapruka, and Shanida tickets from August 23, 2023, to September 30, 2023. During this period, participants had the opportunity to win a cash prize of Rs. 40 by matching the Lagna symbol.

Concurrently, a series of mini draws titled 'Second Chance' were organized for Ada Kotipathi, Lagna Wasanawa, Super Ball, Shanida, Kapruka, and Jayoda lotteries. These draws offered cash prizes of Rs. 100,000 and Rs. 400 to the winners.

From October 1, 2023, to October 31, 2023, a special draw titled 'Lagna Varama' was exclusively held for Lagna Wasanawa tickets. Additionally, a series of mini draws named 'Second Chance' was conducted, offering cash prizes of Rs. 100,000 and Rs. 400 for Lagna Varama and Kapruka lotteries. Numerous Rs. 100,000 cash prizes were awarded to customers purchasing Ada Kotipathi and Shanida lotteries during this time.

Commencing December 11, 2023, the 'Second Chance' special lottery was reintroduced to the market. Cash prizes of Rs. 100,000 were awarded for Ada Kotipathi, Super Ball, Shanida, and Supiri Dhana Sampatha Lottery tickets, and Rs. 50,000 cash prizes were granted for the Lagna Wasanawa Lottery. Additionally, from December 18, 2023, Rs. 50,000 cash prizes from the 'Second Chance' mini draw were available for Jayoda lottery tickets.

Lagnawasanawa

Commencing July 6, 2023, alongside the increase in lottery prices to Rs. 40, the starting prize of the 'Lagna Wasanawa' lottery, renowned for producing a high number of daily winners, was elevated from 20 lakhs to 30 lakhs. The second-place prize increased from 5 lakhs to 10

lakhs, and all other prizes were doubled.

Additionally, a special draw named 'Supiri Dhana Yogaya' for the Lagna Wasanawa lottery was conducted on March 24, 2023 (Friday), during which 3.6 million lottery tickets were sold.

Ada Kotipathi

Starting from July 6, 2023, all prize amounts for the 'Ada Kotipathi' lottery ticket, known for creating daily millionaires, were doubled, excluding the super jackpot. To provide more prizes to consumers purchasing Ada Kotipathi lottery tickets, a special draw named 'Ada Wishesha Kotipathi' was conducted on June 28, 2023 (Wednesday). During this special draw, 3.3 million lottery tickets were sold, resulting in 756,360 prize winners.

Kapruka

The 'Kapruka' lottery ticket, promising wishes beyond dreams, introduced a super jackpot of 410 million from July 6, 2023, along with doubling the other prizes of the Kapruka lottery ticket. To promote the substantial jackpot, Kapruka Lottery organized a special draw named 'Kapruka Power Play' on April 10, 2023 (Thursday), during which 1.1 million lottery tickets were sold. Through this special draw, the Development Lottery Board awarded a total cash prize of Rs. 61,124,300.

Due to the high demand for the Kapruka lottery ticket, a special draw named 'Kapruka Power Play' was conducted on December 29, 2023 (Friday) with the objective of further popularizing it in the market. This draw set a record with the sale of 2 million lottery tickets. As a result, cash prizes totaling Rs. 43,129,200 were distributed to the consumers.

Shanida

The 'Shanida' Lottery, renowned for its popularity in the market and frequent winners, has witnessed an increase in the



starting prize of the ‘Shanida’ lottery ticket, soaring from Rs. 30 million to Rs. 50 million. Additionally, other prizes have been elevated, and the prize structure has been enhanced to generate more winners. Simultaneously, the ticket price has been increased. On May 30, 2023 (Tuesday), a special draw named ‘Win-Win Cash’ was conducted, resulting in the sale of 2.9 million lottery tickets. As a result, cash prizes totaling Rs. 43,129,200 were distributed to the consumers.

Super Ball

A special raffle named ‘Cash Flash’ was conducted on February 28, 2023 (Tuesday) to promote the market-changing ‘Super Ball’ lottery brand. Through this draw, 3.2 million lottery tickets were sold, resulting in a prize amount of Rs. 32,283,540. In conjunction with the increase in the price of the Super Ball lottery ticket, all prize amounts, except the super jackpot, will be doubled starting from July 06, 2023.

Sasiri

Widely recognized as the leading lottery for two hundred thousand rupee prizes in the market, all cash prizes of the ‘Sasiri’ lottery ticket have been doubled starting from July 06, 2023. In 2023 alone, the Development Lottery Board successfully created 1634 One hundred thousand and two hundred thousand winners.

Jayoda

Starting from July 06, 2023, cash prizes, excluding the Super Jackpot, for the ‘Jayoda’ lottery ticket have been doubled.

Development Fortune

As of July 06, 2023, cash prizes, excluding the Super Jackpot, in the Development Fortune Lottery have been doubled. Following a strategic decision by the management, it has been decided to withdraw this lottery ticket from the market starting November 05, 2023.

Valampuri

With the aim of targeting the people of the North and East and providing more prizes to the residents of the Ema area, the lucky number ‘Valampuri’ was introduced to the market at a price of Rs. 50 towards the end of the year 2022. This lottery ticket is drawn once every two months. The second draw took place on January 17, 2023 (Tuesday), recording the sale of 1.2 million lottery tickets. The third draw, conducted on March 16, 2023 (Thursday), resulted in the sale of 1.0 million lottery tickets. Additionally, the fourth and fifth draws, held on May 12, 2023 (Friday), and July 21, 2023 (Friday), respectively, sold 0.7 million and 0.5 million lottery tickets.

Supiri Dhana Sampatha

For the first time in the history of the lottery, 3D animation

technology has been introduced, along with an innovative draw named ‘Supiri Dhana Sampatha,’ aimed at creating more millionaires, ten millionaires, and other prize winners for Sri Lankan society. This initiative, designed to expand the horizons of luck, introduced a seven-draw lottery to the market on November 09, 2023 (Thursday) on weekdays.

In it’s inaugural draw 1.6 million lottery tickets were sold and which help rebounding the daily sales figures 1.9 million to 2.2 million tickets.

Lucky Freedom

On the occasion of the 2023 Independence Day, a special lottery ticket called ‘Lucky Freedom’ was introduced to the market, drawing 1.4 million lottery tickets.

Super Jackpots and other prizes awarded in the year 2023

In 2023, a total of Rs. 13.4 billion in super prizes were awarded to consumers as first, second, third, and other prizes.

Ada Kotipathi

The Ada Kotipathi lottery ticket awarded 5 super prizes, 116 prizes of one million and two million rupees, and 1,566 prizes of rupees one hundred thousand. The total prize amount distributed among customers in 2023 was Rs.2,208,616,692.20.

OPERATIONAL REVIEW

Lagna wasanawa

In 2023, a total of Rs. 3,887,176,243.20 was distributed as prizes to consumers, comprising 41 super jackpots (Supiri Dhana Yoga) and 430 winners of one million and five hundred thousand rupees.

Super Ball

In 2023, the Super Ball lottery ticket, hailed as a revolution in the lottery world, awarded two super prizes of Rs. 99,940,599.00 and Rs. 71,536,404.00. Additionally, 82 prizes of one million and two million rupees, along with 1,259 prizes of Rs. two hundred thousand and Rs. one hundred thousand, were distributed. The total prize amount reached Rs. 1,631,475,323.4, which was distributed among the customers.

Shanida

In 2023, the Shanida Lottery awarded a total prize money of Rs. 1,914,648,181 to customers. This sum included four super prizes: Rs. 33,800,738.10, Rs. 33,898,380.90, Rs. 51,103,110, and Rs. 31,866,372. Additionally, there were 113 prizes of one million and two million rupees, along with 1,548 prizes of Rs. two hundred thousand and Rs. one hundred thousand.

Kapruka

Through the Kapruka Lottery, with a massive jackpot and numerous millionaire prizes, the total prize amount for 2023 is Rs. 2,589,493,820. This sum includes six millionaire jackpots and 145 twenty-million jackpots. Additionally, it comprises 85 prizes of Rs. one million, 1,953 prizes of Rs. two hundred thousand, and Rs. one hundred thousand, in addition to the main jackpots.

Jayoda

In 2023, the Jayoda Lottery awarded one super jackpot amount of Rs. 46,572,527.20 and gave away a total sum of Rs.

333,615,467.2. This total amount comprised 20 prizes of one million and two million, along with 132 prizes of Rs. 100,000 and Rs. 50,000.

Development Fortune

In 2023, the Development Fortune Lottery ticket was awarded a super jackpot of Rs. 22,623,096.00. Additionally, 9 prizes of Rs. one million and Rs. five hundred thousand, along with 111 prizes of Rs. one hundred thousand, were given to consumers. The total amount of prizes given in 2023 was Rs. 252,996,936.00.

Sasiri

In 2023, the Sasiri Lottery awarded a total of Rs. 423,444,840 in prizes, including 1,634 prizes of two hundred thousand and one hundred thousand.

Supiri Dhana Sampatha

The Supiri Dhana Sampatha lottery ticket, introduced to the market at the end of 2023, awarded 14 prizes of twenty-five lakhs and 272 prizes of Rs. two hundred thousand to consumers within 53 days. The total prize amount given in 2023 was Rs. 303,161,080.00.

Appointment of new Sales Distributors and Sales Agents for the year 2023.

Number of the District	District	Sales Distributors	Sales Agents
01	Colombo		14
02	Kalutara	01	05
03	Kandy	01	09
04	Matale		05
05	Nuwaraeliya		04
06	Galle		06
07	Matara		02
08	Hambantota		04
09	Jaffna		11
10	Mannar		01
11	Vavuniya		-
12	Batticaloe		02
13	Ampara		-
14	Trincomalee		02
15	Kurunegala		09
16	Puttalam	01	02
17	Anuradhapura		05
18	Polonnaruwa		03
19	Badulla		04
20	Monaragala		01
21	Rathnapura		06
22	Kegalle		06
23	Gampaha	03	20
24	Killinochchi		01
25	Mullativu		01
		06	123

Meetings of Sales Agents

In order to formulate new strategies, the introduction of a new lottery called 'Supiri Dhana Sampatha' was initiated in the market. The objective was to boost sales among lottery ticket distribution agents across all districts of the island. As

a symbolic gesture, the new lottery ticket was introduced to distribution dealers, accompanied by commemorative gifts. A meeting of District Distributors was convened on October 29, 2023, at the 'Waters Edge' Hotel premises.

Date	District	Place
21st May 2023	Colombo	Colombo
28th May 2023	Gampaha	Gampaha
04th June 2023	Kaluthara	Kaluthara
11th June 2023	Hambathota	Hambathota

In 2023, the Development Lottery Board launched a series of meetings called “Sanvardhana Abhiman” for district sales agents in the mentioned districts, aiming to enhance the sales network across the island. During these dealer meetings, the Development Lottery Board conducted a program to acknowledge the contributions of the Sales Agents. Cash prize awards were distributed as follows:

- The top three dealers in each district with the highest sales.
- Dealers with the highest sales in their respective constituencies.

Special programs conducted for Sales Agents and Sales Assistants in 2023:

Following the increase in ticket prices to Rs. 40 for all lottery ticket types, sales agents received a commission of Rs. 8.00 (in addition to the existing Rs. 7.50 commission and an additional incentive of 50 cents). Distributors meeting sales targets were awarded a 5 cent bonus on top of the 50 cent commission they already receive.

For the Supiri Dhana Sampatha Lottery ticket, in addition to the existing 50 cent bonus, dealers received an additional 25 cent incentive. This meant sales staff received a 75-cent incentive per Supiri Dhana Sampatha lottery ticket. Upon reaching sales targets, distributors sales professionals received a bonus of Rs. 0.15 on top of the Rs. 0.50 commission per lottery ticket.

Five eye-catching sales booths/mobile vehicles displaying more Development Lottery Board lottery tickets were awarded a daily cash incentive of Rs. 5,000 to maintain sales at 60% after the price increase in July 2023. This program ran from July 18, 2023, to August 31, 2023, with the stalls featured daily on the “DLB Lottery Show.”

To increase sales of Supiri Dhana Sampatha Lottery tickets, a program was implemented wherein 10 sales booths per day, selected based on prominently displaying Supiri Dhana Sampatha Lottery and other Development Lottery Board lottery tickets, received vouchers for the purchase of thirty Supiri Dhana Sampatha Lottery tickets. This program

ran from November 20, 2023, to December 31, 2023.

In December 2023 Financial aid totaling Rs. 1,150,000 was allocated to 230 agents and sales assistants affected by floods in the districts of Galle, Matara, Kandy, and Monaragala receiving with each Rs. 5,000.

In 2023, 527 new sales outlets branded with DLB were established, with an expenditure of Rs. 65,610,000.

In 2023, 203 outlets were stickered at a cost of Rs. 11,655,052.

The “Lottery Shops” sponsorship program initiated in 2018 resulted in the establishment of 25 lottery shops throughout the island in 2023.

The “Selling through Retail Shop Project” introduced in 2022 expanded lottery ticket sales to 882 retail shops across the island in 2023.

Rs. 6,735,594 was allocated in 2023 for sales agents and sales assistants of DLB affected by various illnesses and deaths.

An allocation of Rs. 838,500 was made in 2023 for children of DLB Sales Agents selected for university.

Rs. 300,000 was earmarked in 2023 for sales agents and sales assistants who passed the five-year Scholarship Examination, GCE Ordinary Level Examination, and GCE Advanced Level Examination.



OPERATIONAL REVIEW

In 2023, 88 garden umbrellas were distributed among DLB Sales Agents across the island.

Mini meetings were organized in districts from time to time to encourage District Sales Agents with the highest sales in each district. Sales assistants' views were solicited at these meetings, allowing for supervision of sales outlets and appreciation through gift awards.

Social Care Programs

The Development Lottery Board sponsored Rs. 1,000,000 for the Mahapola Higher Education Trade Fair organized by the Ministry of Commerce, held at Ja-ela Municipal Ground on 13th to 17th December.

A sponsorship of Rs. 1,000,000 was provided in 2023 by the Development Lotteries Board for the concert held at Jaffna Mutual Stadium on February 11th for the 75th Independence Celebration.

In 2023, the Development Lotteries Board granted a sponsorship of Rs. 2,000,000 for the Sri Dalada Perehera in Kandy.

In 2023, a sponsorship of Rs. 1,000,000 was granted by the Development Lotteries Board for the Esala Perehera of Ruhunu Katharagama Maha Devala.

The Development Lotteries Board provided a sponsorship of Rs. 1,000,000 for the 73rd annual Esala Perahera in Bellanwila in 2023.

A sponsorship of Rs. 1,000,000 was provided in 2023 by the Development Lotteries Board for the Esala Perahera of Gatabaruwa Raja Maha Viharaya.

In 2023, the Development Lotteries Board sponsored Rs. 500,000 for the annual Sri Dalada Perehera at Raja Maha Vihara in Sri Jayawardenapura Kotte.

A contribution of Rs. 500,000 was made in 2023 by the Development Lotteries Board for the Kelaniya Duruthu Perahera.

On August 24, 2023, a charitable event was held on the hospital grounds where all members of the Employees Welfare Association and the Development Lottery Board contributed by providing



king coconuts and other fruits to the Maharagama Apeksha Hospital, which was in need of donations.

Special Programmes

Beginning in 2022, a scheme was launched to award cash rewards to winners born through the Development Lottery Board and to sales agents who sold lottery tickets in front of public sales counters. The sales agents would also receive certificates and cash awards for their efforts. After the program was put into practice in 2023, photos of the reward distribution were posted on Facebook to keep the audience updated.

Development Lottery Board launched a program of receiving orders over the phone to deliver the lottery tickets they want to the customers who buy a large number of lottery tickets to their place, and thus it has been possible to sell about one thousand (1000) lottery tickets per day.

On July 11, 2023, tributes were given to the staff members who retired in 2023 and to those who had served 20 years with the Development Lottery Board.

List of Completed IT Projects in the Year 2023

In 2023, the IT Division achieved significant milestones by completing various key projects aimed at improving operational efficiency and technological infrastructure at DLB. These projects included the implementation of automated Backup Software, which


revolutionized data backup processes to occur every 15 minutes, ensuring synchronized backups at both DLB and SLT data center premises. Additionally, the introduction of a Precision A/C system for the Data Center optimized cooling and humidity levels, reducing the risk of server shutdowns. Furthermore, the extension of the UPS system with two 20 KVA units strengthened power backup capabilities, ensuring uninterrupted critical operations during outages.

Moreover, the launch of the New Draw Animation for Supiri Dhana Sampatha marked Sri Lanka's first digital draw experience, creating an interactive lottery environment while supporting societal welfare through contributions to the President's Fund. These initiatives demonstrate DLB's dedication to technological advancement and customer-centric innovation.

PRODUCT PORTFOLIO OVERVIEW

The Development Lotteries Board (DLB) provides funding for education and community endeavors through the President Fund. The DLB holds two product types: Passive lottery and digital Lottery. Digital lottery is sold through the “DLB Sweep” mobile app.


- Draw games – Played by matching numbers on a game ticket to numbers Drawn by the Lottery
- Scratch games – Played by scratching latex from a paper ticket to reveal any predetermined wins.




Everyday




Everyday




Everyday




Everyday



Everyday




Everyday



Monday, Wednesday




Tuesday, Friday, Sunday



Once in two Months



Independence day



Instant

PRODUCT PORTFOLIO OVERVIEW

1. ADA KOTIPATHI



Brand Vision

To be the Market Leader and most popular lottery in Sri Lanka.

Brand Mission

To introduce innovative prize structures using state-of-the-art technology to enhance the profitability of the board.

Game Details

Draw Days : Monday to Sunday (All 7 days)
Ticket Colors : Red, Light Blue, Pink, Dark Blue, Purple, Yellow, Green
Starting Jackpot : 50,000,000/-

Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs.40.00
Any English Letter	Rs.40.00
Any 2 Numbers	Rs.200.00
Any 3 Numbers	Rs.4,000.00
4 Numbers	Rs.2,000,000.00
Any 1 Number + English Letter	Rs.200.00
Any 2 Numbers + English Letter	Rs.2,000.00
Any 3 Numbers + English Letter	Rs.200,000.00
4 Numbers + English Letter	Rs.50,000,000.00

2. SHANIDA



Brand Vision

To become the leading brand in the lottery market every day of the week, from Monday to Sunday.

Brand Mission

As the leading brand every day of the week in Sri Lanka, we aim to achieve this by introducing innovative prize structures through state-of-the-art technology, ultimately enhancing the profitability of the board.

Game Details

Draw Days : Monday to Sunday (All 7 days)
Ticket Colors : Light green, Light Blue, Purple, Red, Orange, Green, Pink
Starting Jackpot : 50,000,000

Prize Structure

Combination	Prize (Rs.)
Any English Letter	Rs.40.00
Any Single Number	Rs.40.00
Any 2 Numbers	Rs.200.00
Any 3 Numbers	Rs.4,000.00
4 Numbers	Rs.2,000,000.00
Any 1 Number + English Letter	Rs.200.00
Any 2 Numbers + English Letter	Rs.2,000.00
Any 3 Numbers + English Letter	Rs.200,000.00
4 Numbers + English Letter	Rs.50,000,000.00

3. KAPRUKA



Brand Vision

The lottery brand that fulfills the dreams and aspirations of individuals motivated by the jackpot.

Brand Mission

To be the preferred choice of brand among the people who are driven by the jackpot.

Game Details

Draw Days : Monday to Sunday (All 7 days)
 Ticket Colors : Green, Pink, Light Blue, Orange, Light Brown, Red, Yellow
 Starting Jackpot : 150,000,000.00

Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs.40.00
Super Number	Rs.40.00
English Letter	Rs.40.00
Any 1 Number + English Letter	Rs.200.00
Any 2 Numbers	Rs.200.00
Any 2 Numbers + English Letter	Rs.2,000.00
Any 3 Numbers	Rs.4,000.00
Any 3 Numbers + English Letter	Rs.200,000.00
4 Numbers	Rs.2,000,000.00
4 Numbers + Super Number	Rs.10,000,000.00
4 Numbers + English Letter	Rs.10,000,000.00
4 Numbers + English Letter+ Super Number	Rs.150,000,000.00

4. LAGNA WASANAWA



Brand Vision

Become the premier lottery brand that fulfills the aspirations of individuals who believe in fortune through zodiac symbols.

Brand Mission

To become the sought-after brand for individuals who believe in luck and fortune through zodiac symbols.

Game Details

Draw Days : Monday to Sunday (All 7 days)
 Ticket Colors : Yellow, Red, Green, Brown, Dark blue, Light Blue, Purple
 Starting Jackpot : Rs.3,000,000

Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs.40.00
Zodiac Sign	Rs.40.00
Any 2 Numbers	Rs.200.00
Any 3 Numbers	Rs.2,000.00
4 Numbers	Rs.1,000,000.00
Any 1 Number + Zodiac Sign	Rs.120.00
Any 2 Numbers + Zodiac Sign	Rs.400.00
Any 3 Numbers + Zodiac Sign	Rs.20,000.00
4 Numbers + Zodiac Sign	Rs.3,000,000.00

PRODUCT PORTFOLIO OVERVIEW

5. SUPPER BALL



Brand Vision

To be the market leader and one of the popular lotteries in Sri Lanka.

Brand Mission

To introduce innovative prize structures using state-of-the-art technology to enhance the profitability of the board.

Game Details

Draw Days : Monday to Sunday (All 7 days)
Ticket Colors : Purple, Light Blue, Red, Green, Pink, Blue, Orange
Starting Jackpot : 50,000,000/-

Prize Structure

Combination	Prize (Rs.)
English Letter	Rs.40.00
Any 1 Number	Rs.40.00
Any 2 Numbers	Rs.200.00
Any 3 Numbers	Rs.4,000.00
All 4 Numbers	Rs.2,000,000.00
Any 1 Number + English Letter	Rs.200.00
Any 2 Numbers + English Letter	Rs.2,000.00
Any 3 Numbers + English Letter	Rs.200,000.00
All 4 Numbers + English Letter	Rs.50,000,000.00

6. SUPIRI DHANA SAMPATHA



Brand Vision

The leading lottery that fulfills the aspirations of individuals who believe in their luck through number pattern matching.

Brand Mission

Become the most sought-after ticket for customers who seek preferred number combinations.

Game Details

Draw Days : Monday to Sunday (All 7 days)
Ticket Colors : Purple, Red, Green, Yellow, Pink, Blue, Brown
Starting Jackpot : 20,000,000/-

Prize Structure

Combination	Prize (Rs.)
Last 6 Numbers + English Letter	Rs.20,000,000.00
All 6 Numbers in any order (Jumble)	Rs.1,000.00
Last 6 Numbers	Rs.2,500,000.00
Last 5 Numbers	Rs.200,000.00
Last 4 Numbers	Rs.20,000.00
Last 3 Numbers	Rs.2,000.00
Last 2 Numbers	Rs.200.00
Last Number	Rs.40
First 5 Numbers	Rs.100,000.00
First 4 Numbers	Rs.2,000.00
First 3 Numbers	Rs.400.00
First 2 Numbers	Rs.120.00
First Number	Rs.40.00
English Letter	Rs.40.00
Bonus English Letter (Second letter)	Rs.40.00

7. JAYODA



Brand Vision

To become a popular brand on Mondays and Wednesdays, offering unique and credible propositions while generating revenue and profit for DLB.

Brand Mission

To become the most popular brand on Mondays and Wednesdays by introducing innovative price structures through state-of-the-art technology, thereby enhancing the profitability of the board.

Game Details

Draw Days : Mondays and Wednesdays.
Ticket Colors : Orange & Yellow
Starting Jackpot : 20,000,000

Prize Structure

Combination	Prize (Rs.)
English Letter	Rs.40.00
Any One Number	Rs.40.00
Any 2 Numbers	Rs.200.00
Any 3 Numbers	Rs.4,000.00
All 4 Numbers	Rs.2,000,000.00
Any One Number + English Letter	Rs.80.00
Any 2 Numbers + English Letter	Rs.2,000.00
Any 3 Numbers + English Letter	Rs.100,000.00
All 4 Numbers + English Letter	Rs.20,000,000.00

8. SASIRI



Brand Vision

To become a leading e-lottery brand in Sri Lanka.

Brand Mission

To introduce innovative high-tech solutions to tap into new markets and thereby enhance the profitability of the board.

Game Details

Draw Days : Tuesday, Friday and Sunday
Ticket Colors : Purple, Light Brown & Green

Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs.40.00
Any 2 Numbers	Rs.400.00
Any 3 Numbers	Rs.200,000.00

PRODUCT PORTFOLIO OVERVIEW

9. VALAMPURI



Brand Vision

To become the most popular lottery brand in the Northern and Eastern regions, generating more winners in these areas.

Brand Mission

To establish ourselves as the preferred lottery brand in the Northern and Eastern regions, leveraging our cultural identity by offering more winning opportunities in the area and enhancing the organization's profitability.

Game Details

Draw Days : Once in two months
Ticket Colors : Green, Orange, Red

Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs.50.00
Any English Letter	Rs.50.00
Any One Number + English Letter	Rs.500.00
Any 2 Numbers	Rs.1,500.00
Any 2 Numbers + English Letter	Rs.10,000.00
Any 3 Numbers	Rs.100,000.00
Any 3 Numbers + English Letter	Rs.6,000,000.00

10. LUCKY FREEDOM



Game Details

Draw Days : Independence Day (10th February)
Ticket Colors : Blue

Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs.50.00
Any English Letter	Rs.50.00
Any One Number + English Letter	Rs.100.00
Any 2 Numbers	Rs.1,000.00
Any 2 Numbers + English Letter	Rs.10,000.00
Any 3 Numbers	Rs.100,000.00
Any 3 Numbers + English Letter	Rs.5,000,000.00

11. INSTANT LOTTERY



Introduction

The Development Lotteries Board introduced instant lottery to Sri Lanka in 1983, pioneering this concept in the country. At the time of its introduction, it was a novel concept that was new to the market.

Brand Vision

To become the market leader in Sri Lanka through offline instant lottery offerings.

Brand Mission

As the market leader in offline instant lottery in Sri Lanka, we aim to introduce innovative prize structures and a new interface through state-of-the-art technology to enhance the profitability of the board.

Competitive landscape

After DLB introduced instant lottery to the market, NLB launched two brands of instant lotteries: Sevena and Samurdhi. Sevena directly competes with DLB's scratch lottery. It operates as a separate entity under NLB and is managed independently. Consequently, it is widely recognized as a distinct entity in the instant lottery business.

SUSTAINABILITY REPORT

For the past four decades, the Development Lotteries Board (DLB) has remained a sustainable business entity. Since its inception, DLB has maintained the belief that formulating competitive business strategies does not inherently conflict with society's long-term needs and values. The Sustainability Report of the Company comprises a profile, sustainability strategy, economic responsibility, social responsibility, and environmental responsibility.

DLB is committed to responsible growth, aiming to create constant and sustainable value for Sri Lankans through its lottery products and prizes over time. This report highlights DLB's initiatives to uphold social, environmental, and economic accountability. DLB's social responsibility includes implementing initiatives to protect businesses, consumers, and lottery winners, as well as engaging in community outreach programs.

In terms of environmental responsibility, DLB monitors the environmental impacts of its corporate activities and produces eco-friendly instant lottery

products. Economic responsibility is demonstrated through transparent and balanced governance practices.

Our Core Values

The Development Lotteries Board maintains a clear ambition to deliver exceptional customer experiences, commitment, confidence, and advocacy in our chosen business area. Achieving this ambition is not without its challenges and largely hinges on our ability to demonstrate that we are evolving into a responsible business in a sustainable manner.

In regard to our dedicated and highly motivated employees, we are fortunate to have a strong team. Therefore, we are dedicated to fostering an environment where they take pride in their work. Recognizing that our business success is contingent upon their job satisfaction, we continue to invest in our employees by offering opportunities for training and ongoing education to promote excellence and advancement within our workforce.

Our sustainability program also aims to enhance customer experiences, generate employment opportunities

within the industry, and increase revenue to support vital services such as healthcare and education through contributions to the President's Fund and Mahapola Trust Fund. DLB remains focused on being customer-centric in delivering lotteries and maintains oversight of service providers.

Environmental Responsibility

Our efforts to minimize environmental impact have yielded positive results. DLB is committed to providing effective community support services through comprehensive employee training, innovative technology, and collaboration with stakeholders.

The introduction of the DLB Sweep App, along with products such as Sasiri – e-Lottery service and SMS Lottery services, exemplifies these objectives. By embracing digitalization, DLB aims to reduce its carbon footprint while enhancing customer convenience through additional apps and e-services. We are committed to improving DLB's operations regarding environmental impact and raising green awareness among both customers and employees. Our progress in these areas will be documented annually in this report, along with our goals for the upcoming year.

DLB remains dedicated to sustainable development through its lottery products and prizes, which consistently provide value to the lives of Sri Lankans. These initiatives underscore DLB's commitment to fulfilling its social, environmental, and financial obligations, with ongoing monitoring of the environmental impacts of its corporate activities.

Corporate Social Responsibility

At the Development Lotteries Board, we aspire to be esteemed members of the community through our Corporate Social Responsibility (CSR) initiatives. Therefore, DLB prioritizes making meaningful and lasting contributions to the community while conducting business in an environmentally sustainable manner.



SUSTAINABILITY REPORT

We allocate funds to support initiatives such as the President's Fund and the Mahapola Higher Education Trust Fund, as well as local charities and host communities, thereby positively impacting the lives of individuals across Sri Lanka.

DLB has implemented various social entrepreneurship programs aimed at empowering individuals by providing assistance throughout the entire lottery Agents/Distributors chain.

To empower employment:

Special programs were conducted for Sales Agents and Sales Assistants in 2023 to enhance their performance and provide support in various ways:

After the ticket price increased to Rs. 40 for all lottery ticket types, sales agents received a commission of Rs. 8.00, in addition to the standard Rs. 7.50 commission and an extra incentive of 50 cents. Distributors meeting sales targets were awarded a 5 cent bonus on top of their existing 50 cent commission.

Sales staff received an additional 25-cent incentive on all drawn lottery tickets for the Supiri Dhana Sampatha Lottery ticket, making it a total of 75 cents. Upon reaching sales targets, distribution sales professionals received a 15 cent bonus in addition to the standard 50 cents commission per lottery ticket.

Five eye-catching sales booths/mobile vehicles displaying more DLB lottery tickets were awarded a daily cash incentive of Rs. 5,000 to maintain sales at 60% with a price increase in July 2023. This program ran from July 18, 2023, to August 31, 2023, and the stalls were featured daily on the "DLB Lottery Show."

To boost sales of the Supiri Dhana Sampatha Lottery tickets, a program was implemented where 10 sales booths per day, chosen based on how prominently Supiri Dhana Sampatha Lottery and other DLB lottery tickets

were displayed, received vouchers to purchase thirty Supiri Dhana Sampatha Lottery tickets. This was executed between November 20, 2023, and December 31, 2023.

A financial aid amounting to Rs. 1,150,000 was allocated to 230 sales representatives and sales assistants impacted by floods in Galle, Matara, Kandy, and Monaragala districts in December 2023.

527 new sales outlets containing DLB brands were established in 2023, with an expenditure of Rs. 65,610,000.

203 outlets were stickered in 2023, with a total cost of Rs. 11,655,052.

A sponsorship program was launched in 2018 to establish 25 "Lottery Shops" throughout the island in 2023.

Under the "Selling through Retail Shop Project," lottery tickets were introduced to 882 retail shops all over the island in 2023.

An amount of Rs. 6,735,594 was allocated in 2023 to support sales agents and sales assistants of DLB who suffered from various illnesses and passed away.

88 Garden Umbrellas were distributed among Sales Agents of DLB across the island in 2023.

Mini-meetings were organized in districts to encourage District Sales Agents who recorded the highest sales, where views of sales assistants were entertained, and service appreciation gifts were awarded.

Other CSR activities

A scholarship scheme was introduced for the children of DLB Sales Agents who entered universities. An allocation of Rs. 838,500 was made in 2023 for this purpose.

Additionally, an amount of Rs. 300,000 was earmarked in 2023 for sales agents and sales assistants who

passed the five-year Scholarship Examination, GCE Ordinary Level Examination, and GCE Advanced Level Examination.

Human Resources

We acknowledge the crucial role our employees play in developing sound business practices and fostering enduring customer relationships. We deeply value our employees and endeavor to cultivate an innovative, supportive, and engaging workplace environment that demonstrates our appreciation for their numerous contributions.

Staff development objectives

We are committed to creating and fostering job and career opportunities within our organization by:

- Continuing to advance our workforce planning and talent management programs, focusing on quality recruitment and retention initiatives, as well as the development of leadership and succession planning strategies.
- Empowering and rewarding our employees for their achievements, ensuring that their contributions are recognized and valued.
- Keeping our staff well-informed and aware of the company's strategic direction, enabling them to align their efforts with organizational goals and objectives.

LOCAL TRAINING PROGRAMMES

Training Programme	Name of the Participant		Designation	Training Period	Institute	
Loss Losses Recovery and Write off (104)	1.	Mr. Nuwan Abeyrathna	}	Junior Manager	02 Days	SDFL
	2.	Mrs.Chamila Thewarapperuma				
	3.	Mr. Prasanna Gokula				
	4.	Mrs. Chamila Dissanayaka	}	Management Assistant		
	5.	Ms. Priyangani Rajapaksha				
	6.	Mrs. Sherin Peeris				
	7.	Mrs. Sunethra Sudarshani				
	8.	Ms.Chamodya Samarasinghe				
	9.	Ms. Nirodha Nadeeshani				
	10.	Mrs. Ayanthi Saranga				
	11.	Mrs. Kalhari Wijesekara				
	12.	Mr. Buddika Karunasena				
	13.	Mrs. Dushani Fernando				
	14.	Mr. Sajitha Atigala				
	15.	Mr. Nalin Darshana				
	16.	Ms. Tharaka Perera				
	17.	Mr. Kanishka Madhusanka				
	18.	Mr. Rohan Pushpakumara				
	19.	Mr. Samal Jayasingha				
	20.	Mrs. Chammika Wijesekara				
	21.	Mrs. Manojitha Sanjeewani				
	22.	Mrs. Darshi Rathnasekara				
	23.	Mr. Amila Punchihewa				
	24.	Mr.Kaushala Wickramasinghe				
	25.	Mr. Jalith Punchihewa				
	26.	Mr. Dilan Weerasingha				
	27.	Mr. Jagath Mudannayaka				
	28.	Mrs. Himali Vithanage				
	29.	Mrs. Shashika Dilshani				
	30.	Mrs. Achini Madhushani				
Internal Control System	1.	Miss. Vijitha Somarathna	}	DGM	01 Day	SDFL
	2.	Mr. D.D.C. Daminda				
	3.	Mr. Kasun Jayasooriya	}	AGM		
	4.	Mr. Nishan Perera				
	5.	Dr. Asanka Gunasingha				
	6.	Mr. Prasad Ranasingha				
	7.	Mr. P.D.U. Malintha	}			
	8.	Mr. C.C. Ailapperuma	AGM (Actg)			
	9.	Mr. Wasantha Udayakumara	Internal Auditor			
	10.	Mr. Nuwan Abeyrathna	}	Junior Manager		
	11.	Major. Krishantha Jayamaha				
	12.	Mr. Malinda Balagalla				
	13.	Mr. Umesh Ileperuma				
	14.	Mrs.Chamila Thewarapperuma				
	15.	Mr. Indika Upul				
	16.	Mrs. Chandra Rajapaksha				
	17.	Mrs. Wathsala Rupasingha				
	18.	Mrs. Neranjala Gunasekara				
	19.	Mr. Chaminda Karunarathna				
	20.	Mrs. Sepalika Premathilaka				
	21.	Mr. Prasanna Gokula				

LOCAL TRAINING PROGRAMMES

Training Programme	Name of the Participant	Designation	Training Period	Institute
Developing Professional Photography Skills	01. Mr. Ashli Lazarus 02. Mr. Rekhan Sankana 03. Mr. Amila Punchihewa 04. Mr. Kamesh Kan 05. Mr. Laknath Ranasingha	Management Assistant KKS	05 Days	National Youth Center
Public Procurement Procedure	Mr. C.C. Ailapperuma Mr. Prasanna Gokula Fernando Mr. Thilina Amarasingha Mr. Thisara Indusankha	AGM (Sales) Actg. Transport Officer Management Assistant	02 Days	SDFL
Principles of Internal Audit Procedure	Mr. Wasantha Senadheera	Internal Auditor	02 Days	SDFL
License to sell workshop	Mr. I.D.P. Kumarasiri	TM	03 Months	SLIM
Corporate Plan Development	Miss. Disni Tharindra	Management Assistant	01 Day	SDFL
Government Procurement Procedure	1. Ms. Vijitha Somarathna 2. Mr. D.D.C. Dammina 3. Mr. Kasun Jayasooriya 4. Mr. Nishan Perera 5. Dr. Asanka Gunasingha 6. Mr. Prasad Ranasingha 7. Mr. P.D.U. Malintha 8. Mr. C.C. Ailapperuma 9. Mr. Wasantha Udayakumara 10. Mr. Nuwan Abeyrathna 11. Mr. U.G. Ileperuma 12. Mr. Indika Upul 13. Mrs. Chandra Rajapaksha 14. Mrs. Wathasala Rupasingha 15. Mr. Chaminda Karunarathna 16. Mrs. Sepalika Premathilaka 17. Mr. Prasanna Gokula 18. Mrs. Manojitha Sanjeevani 19. Mrs. Darshi Rathnasekara 20. Mr. Thisara Indusankha 21. Mr. Chamara Katukenda 22. Mrs. Achini Madhushani	DGM AGM AGM Actg. Internal Auditor Junior Manager Management Assistant	02 Days	Finance Ministry
44 National Conference of Chartered Accountants	1. Mr. Nishan Perera 2. Mr. Wasantha Senadheera	AGM (F) Internal Auditor	03 Days	The Institute of CA Sri Lanka
Event Management	1. Mr. Sudarshana Nadagamuwa 2. Mrs. Anuradha Godagampala 3. Mrs. D.A. Weerasekara 4. Mrs. W.M. Prarthana	Management Assistant	02 Days	SDFL
Training for UPS Machine Maintains	Mr. D.N.S.A. Rajapaksha	Electrician	01 Day	CIDA
National IT Conference 2023	Mr. Umesh Ileperuma	System Analyst	01 Day	Computer Society of Sri Lanka

Training Programme	Name of the Participant		Designation	Training Period	Institute
Training for Lottery Draw Machines Usage	1.	Mr. L. Pradeep Premasiri	Arachchi	01 Day	Trade Promoters (pvt) Limited
	2.	Mr. U.N.C. Perera	Draw Machine Keeper		
	3.	Mr. R.M.U.P. Ramanayaka	Draw Machine Keeper		
	4.	Mr. W.B.N.S. Perera	Telephone Operator		
	5.	Mr. N. Tharanga Samarasekara	Communicator		
	6.	Mr. D.D. Manel Disanayaka	Announcing Assistant		
	7.	Mr. I.N. Wickramasingha	Ronio Machine Operator		
	8.	Mr. K.P.W.S. Bernard	Draw Machine Keeper		
	9.	Mr. A.M. Manoj Adhikari	Draw Machine Keeper		
	10.	Mr. I.K. Vishwajith Ilangakoon	Draw Machine Keeper		
Training for Lottery Draw Machines Usage	1.	Mr. M.D. Chinthaka	Draw Machine Keeper		
	2.	Mr. K.P. Upali Shantha	KKS		
	3.	Mr. A.A. Ranjan Saliya			
	4.	Mr. R.A.P.P. Ranathunga			
	5.	Mr. E.M. Damith Thushara			
	6.	Mr. A.P. Kolambage			
	7.	Mr. Abesekara Gunarathna			
	8.	Mr. W. Malinga Yohan			
	9.	Mrs. S.A. Garly Priyadarshani			
	10.	Mr. R.A. Kamal Suraweera			
	11.	Mr. T.G. Hassan Eranda			
	12.	Mr. K.A.S. Chaminda Perera			
	13.	Mr. S.A.D. Gunasekara			
	14.	Mr. Pathmasiri Thisera			
	15.	Mr. K.K. Vipul Thushara			
	16.	Mr. S.A. Piyarathna			
	17.	Mr. M.T. Susantha Jayalal			
	18.	Mr. W.D. Rohan Sampath			
	19.	Mr. Suranga Kothalawala			
	20.	Mr. Upul Shantha Jayarathna			
	21.	Mr. P.A.G. Sankalpa			
	22.	Mr. A.P.C.B. Madhushanka			
	23.	Mr. M.A.C. Madhusanka			
	24.	Mr. P.B. Mahayahage			
	25.	Mr. D.L.L. Ranasingha			
	26.	Mr. D.P. Nuwan Vibuddha			
	27.	Mr. R.S.D.T.P. Siriwardhana			
	28.	Mr. Rohana Arunashantha			
	29.	Mr. H.H. Madhuranga			
	30.	Mr. D.A.W. Vishwajith			
	31.	Mr. D.M.L. Wanaguru			
	32.	Mr.K.L.P. Fonseka			
	33.	Mr. Neraanjan Fernando			
	34.	Mr. N. Pradeep Tharanga			
	35.	Mr. Jayanth Perera			
	36.	Mr. D.N.S.A. Rajapaksha			
	37.	Mr. K.H. Sujith Kumara			
	38.	Mr. K.H. Udara Madhumal			
	39.	Mr. A.M. Samarasingha			
	40.	Mr. M.H. Sashika Radishan			
Electronic Government Procurement	Mr. P.D.U. Malintha		AGM (Proc)	01 Day	Finance Ministry
	Mrs. Manojitha Sanjeevani		Management Assistant		
	Mr. Chamara Katukenda				

CADRE POSITION AS AT 31.12.2023

Designation	Salary	Approved Cadre	Existing Cadre	Vacancies	Excess
Chairman/ CEO		1	1		
General Manager	H.M - 2.1	1	1		
Deputy General Manager (Marketing).	H.M - 1.1	1	1		
Deputy General Manager (Finance)	H.M - 1.1	1	1		
Asst.General Manager (Marketing)	M.M-1.1	2	1	1	
Asst.General Manager (Finance)	M.M- 1.1	3	2	1	
Asst.General Manager (Sales)	M.M- 1.1	2	1 Acting	2	
Asst.General Manager (HRM/Admin.)	M.M- 1.1	1	1		
Asst.General Manager (Procurement)	M.M- 1.1	1	1		
Asst. General Manager (Info. Tech)	M.M- 1.1	1	0	1	
Internal Auditor	M.M- 1.1	1	1		
Administrative Officer	J.M- 1.1	1	1		
Chief Security Officer	J.M- 1.1	1	1		
Transport Officer	J.M- 1.1	1	1		
Territory Manager	J.M- 1.1	10	10		
Finance Officer	J.M- 1.1	4	4		
Sys./Prog.Analyst	J.M- 1.1	1	1		
Procurement Officer	J.M- 1.1	1	1		
Human Resource Officer	J.M- 1.1	1	1		
Marketing & Advertising Officer	J.M- 1.1	1	1		
Sales Promotion Assistant	MA - 3	24	16	8	
Quality Control Assistant	MA - 3	1	0	1	
IT Assistant	MA - 3	4	2	2	
Media & Public Relation Assistant	MA-3	1	1		
Procurement Assistant	MA-3	1	0	1	
Finance Assistant	M.A-2.2	2	0	2	
Chief Management Assistant	MA-1.2	1	1		
Management Assistant - 135 & Personal Assistant 01	MA-1.2	136	118+2**	16	
Sales Coordinator	*MA-1.2	5	3	2	
Driver	P.L - 3	43	37+1**	5	
Electrician	P.L -3	2	1	1	
KKS	P.L -1	65	55+1**	9	
Field Promoter	P.L -1	10	9	1	
Field Mobile Vehicle Announcer	P.L -1	6	1	5	
Security Assistant	P.L -1	3	14		*11
TOTAL		340	289+4**	58	*11

* The positions have been approved as personal.

** Contract Staff

Age wise staff		Category wise staff	
59 years	4	CHAIRMAN / CEO	1
58 years	2	General Manager	1
57 years	3	DGM	2
56 years	13	AGM	5
55 years	5	Internal Auditor	1
54 years	9	Administrative Officer	1
53 years	6	Chief Security Officer	1
52 years	9	Territory Manager	10
51 years	7	Finance Officer	4
50 years	3	System Anlysis	1
49 years	11	Human Resources Officer	1
48 years	10	Procument Officer	1
47 years	9	Transport Officer	1
46 years	9	Marketing & Advertising Officer	1
45 years	14	Area Sales promotion Assistant	16
44 years	9	IT. Assistant	2
43 years	17	Media & Public Relation Assistant	1
42 years	14	Chief management Assistant	1
41 years	16	Management Assistant	120
40 years	11	Sales Cordinator	3
39 years	11	Driver	38
38 years	8	ELECTRITION	1
37 years	12	KKS	56
36 years	12	Field Promoter	9
35 years	6	Field Mobile Announcer	1
34 years	6	Security Assistance	14
33 years	10	Total	293
32 years	6		
31 years	8	Gender wise Staff	
30 years	9	Male staff	208
29 years	7	Female staff	85
28 years	7	Total	293
27 years	6		
26 years	2	Age Category wise Staff	
25 years	2	21 - 30	33
Total	293	31 - 40	90
		41 - 50	112
		51 - 60	58
		Total	293

CORPORATE GOVERNANCE

The Corporate Governance System guides DLB’s long-term goals and strategic plans while defining practices and guiding principles for the Board to make decisions. The Corporate Governance model outlines the authority and accountability that is broken down among different levels of DLB, particularly at levels of government, Board, and Executive management. The Board establishes corporate policies and provides board strategic guidance for the CEO and executives, who are responsible for the smooth operation of their business. Development Lotteries Board is governed by the Development Lotteries Board Act No. 20 of 1997. The structure of the board has been specified under section 3(i) of the act, as follows.

Following ex-office members:

- i. The Chairman of the Mahapola Higher Education Scholarship Trust Fund or his representative.
- ii. The Secretary to the president or his representative.
- iii. Secretary to the Ministry of the Minister or his representative.

Two other members appointed by the minister.

The Minister shall appoint a chairman shall be the Chief Executive Officer of the Board, be changed with the

administration and management of the affairs of the Board.

Role of Board of Directors

In accordance with government policies, the board of directors holds the responsibility for the efficient management of the organization. This entails safeguarding resources, maintaining accurate accounts, and compiling precise reports while adhering to all statutory and regulatory requirements.

Therefore, the Board should ensure the following:

- Establishment of the organization’s strategic objectives
- Providing leadership to achieve these strategic objectives
- Implementation of an effective internal control and risk management system
- Monitoring of organizational management functions effectively
- Timely and accurate reporting of financial aspects and disclosures to shareholders
- Responsible use of resources and assets
- Accountability for all actions in accordance with relevant statutes, guidelines, and circulars.

Board Meetings

Organizational operations and results are closely and regularly monitored at board meetings against budgets and relevant standards. A standard agenda is followed, along with any other issues that require detailed attention from the Board. Regular monthly meetings are scheduled, with special board meetings convened as necessary to address specific matters.

Development Lotteries Board Committees

- 1. Management Committee
- 2. Audit and Management Committee
- 3. Tender Board Committee
- 4. Staff Welfare Committee
- 5. Advertising Committee
- 6. DLB’s Cultural and Art Society

The Management

The day-to-day operations of the Board are entrusted to the Chairperson, CEO, and their respective top management and senior management teams. These teams are responsible for identifying risks and opportunities, taking timely action, and setting budgets to achieve organizational goals.

Number of Board Meetings in 2023

Date of Meeting	B/M No.	Name of Director	Designation	Present
25.01.2023	274	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr. W.A Sarath Kumara	Director	✓
		Miss. K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓
Date of Meeting	B/M No.	Name of Director	Designation	Present
23.02.2023	275	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr. W.A Sarath Kumara	Director	✓
		Miss. K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓
Date of Meeting	B/M No.	Name of Director	Designation	Present
09.03.2023	276	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
30.03.2023	277	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
27.04.2023	278	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
31.05.2023	279	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
26.06.2023	280	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
26.07.2023	281	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Mr.K.A H.C. Pubudusiri	Director	✓
		Mr. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
11.08.2023	282	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
11.09.2023	283	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
27.09.2023	284	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

CORPORATE GOVERNANCE

Date of Meeting	B/M No.	Name of Director	Designation	Present
30.10.2023	285	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
		Mr.A.M.P.M.B.Atapattu	Director	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
27.11.2023	286	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
		Mr.A.M.P.M.B.Atapattu	Director	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
11.12.2023	287	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
		Mr.A.M.P.M.B.Atapattu	Director	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Date of Meeting	B/M No.	Name of Director	Designation	Present
21.12.2023	288	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
		Mr.A.M.P.M.B.Atapattu	Director	✓
		Mr.W.A Sarath Kumara	Director	✓
		Miss.K.A.H.C Pubudusiri	Director	✓
		Ms. Janet Jayawardana	Director	✓

Number of Audit & Management Committee Meetings in 2023

Date of Meeting	Name of Director	Designation	Present
22.03.2023	Mr.W.A.Sarath Kumara	Director	✓
	Miss.K.A.H.C. Pubudusiri	Director	✓
	Ms.Janet Jayawardana	Director	✓

Date of Meeting	Name of Director	Designation	Present
17.08.2023	Mr.W.A.Sarath Kumara	Director	✓
	Miss.K.A.H.C. Pubudusiri	Director	✓
	Ms.Janet Jayawardana	Director	✓

Date of Meeting	Name of Director	Designation	Present
24.11.2023	Mr.W.A.Sarath Kumara	Director	✓
	Mr.A.M.P.M.B. Atapattu	Director	✓
	Miss.K.A.H.C. Pubudusiri	Director	✓
	Ms.Janet Jayawardana	Director	✓

Date of Meeting	Name of Director	Designation	Present
11.12.2023	Mr.W.A.Sarath Kumara	Director	✓
	Mr.A.M.P.M.B. Atapattu	Director	✓
	Miss.K.A.H.C. Pubudusiri	Director	✓
	Ms.Janet Jayawardana	Director	✓

RISK MANAGEMENT REPORT

Effective risk management is integral to the business processes of DLB. We aim to strike a balance between risk and reward while enhancing our risk management capabilities to support our growth plans within a controlled environment. Our risk management framework is central to DLB's operational structure, aiming to mitigate adverse variations in earnings and capital by managing risk exposures within predefined levels of risk appetite.

We prioritize responsible risk identification and mitigation within our risk management system. Our focus is on fostering a strong risk management culture that promotes risk awareness and influences decision-making behaviors. Continuous improvement of our risk strategies is essential to ensure DLB's long-term sustainability.

DLB's risk management strategy serves as a feedback mechanism for stakeholders, managers, and the board. It functions as a strategic hub for informed decision-making across the organization's business functions, operations, systems, and services. This approach ensures consistency in addressing business risks at strategic, operational, and project management levels by:

- Enhancing understanding of risks across business functions and units
- Providing management with ongoing risk assessments to facilitate prioritization and decision-making
- Increasing employee awareness and management responsibilities regarding risk management

DLB faces a specific set of risks, including: Prize Pay-Out Risk:

DLB must maintain a standard payout ratio for prizes across all consignment levels to manage the risk of increased prize payouts affecting cash flow. Insurance coverage from printers is obtained to mitigate this risk.

Economic Risk:

Changes in the country's socioeconomic and political landscape influence DLB customers' buying patterns, posing economic risks to the organization.

Financial Risks:

Inefficient cash flow management and financial information practices can jeopardize DLB's profitability. Conventional financial risk management practices, such as proper insurance coverage and cost control strategies, are employed to mitigate these risks.

Liquidity Risk:

Early payouts of high-level prizes can create liquidity risks for DLB. To address this, the organization maintains high cash assets to ensure it can meet payment obligations.

Operational Risk:

System failures, human error, criminal activity, and internal breakdowns pose operational risks to DLB, potentially damaging customer confidence and the organization's image. Enhanced internal controls and regular risk assessments help mitigate these risks.

Business Risk:

DLB faces the risk of revenue shortfalls compared to its cost base due to strategic or reputational reasons. External macroeconomic

factors, strategic decisions, and market reputation influence DLB's revenue generation.

Reputation Risk:

Damage to DLB's image among stakeholders can impair its ability to retain and attract business. DLB mitigates this risk through effective marketing campaigns and strict transparency measures.

Legal Risk:

Failure to defend against legal actions poses legal risks to DLB. The organization works with legal professionals to mitigate potential legal damage.

IT Risk:

DLB relies on precise and timely information from its IT systems, making IT risk a significant concern.

AUDIT AND MANAGEMENT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31st December 2023

Composition of the Audit Committee

The Audit Committee comprises by following Four (04) Non-Executive Directors

Mr. W.A. Sarath Kumara
Chairman of Audit & Management Committee

Mr. A.M.P.M.B. Atapattu
Member of Audit & Management Committee

Ms. K.A.H. Pubudusiri
Member of Audit & Management Committee

Ms. Janet Jayawardena
Member of Audit & Management Committee

The General Manager, Deputy General Manager of marketing, Deputy General Manager - Finance, Internal Auditor, Assistant General Manager – Human Resource & Administrative and other required officers are mandatory to attend to the meeting. The Superintendent of Audit from the Auditor General’s Department participates as an observer to the committee. Further, Head of Internal Audit in the Ministry of Finance is also participates as an observer to the Committee.

Role of the Audit Committee

Development Lotteries Board is required to maintain a sound system of Internal Controls to safeguard stakeholder’s interest and assets of the Board. The guidelines issued by the Ministry of Finance and relevant authorities are also followed by the Committee. The activities undertaken by the audit committee in respect of its principal responsibilities during the year ended 31st December 2023 are summarized below;

1. Observe the compliance and integrity of Annual Financial statements and review significant financial reporting judgements contained in them prior to their issuance. This included a review of accounting policies, notes and practices, major judgmental areas and compliance with legal and regulatory requirements. The Audit Committee discussed these matters with the representative from the Auditor General’s Department as a part of the review of the findings from the audit of the financial statements.

2. The internal auditor submits periodic internal audit reports carried out in line with the approved annual audit plan. The internal audit reports highlight the gaps in the systems and procedures in place and recommend improvements to the existing system and procedures where necessary after negotiating with the implementation of recommendations and reports progress to the management and audit committee. The audit committee receives regular reports from internal audit, which include summaries of the key findings of each audit in the period. Management comments are also part of it and committee reviews root causes for audit observations and preventive measures to avoid repetitions.

3. With the assistance of internal audit and government audit, the committee assess the effectiveness of the Board’s operational and financial controls and procedures, which include authorization limits for expenditure, revenue process and capital expenditure, signing authorities, IT application controls and developments, organizational structure, policies, segregation of duties and reviews by management. Liquidity status of the Board’s Financial Position Statement was regularly monitored. The gaps identified thereon will be reported to the board with recommendation for improvement. Committee pays special attention to COPE directives issued to the Board.

Number of Meetings of Audit Committee

There were four (04) meetings conducted for the year 2023 and attendance is given below.

Name of Director	Attendance	Excused
Mr. W.A. Sarath Kumara	04/04	Nil
Mr. A.M.P.M.B. Atapattu	02/02	Nil
Ms. K.A.H. Pubudusiri	04/04	Nil
Ms. Janet Jayawardena	04/04	Nil



Mr. W.A. Sarath Kumara
Chairman - Audit & Management Committee



FINANCIAL REPORT

Independent Auditors Report | 48

Audit Report 2022 and Action Taken by Management | 54

Statement of Comprehensive Income | 67

Statement of Financial Position | 68

Statement of Cash Flows | 69

Statement of Changes in Equity | 70

Accounting Policies | 71

Segment Report | 76

Notes to the Final Accounts | 777

Ten Year Summary | 87

INDEPENDENT AUDITORS REPORT

Chairman
Development Lotteries Board

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

The aforementioned report and the audited financial statements are sent herewith.



W.P.C. Wickramaratne
Auditor General

Copies: - (1) Secretary - Ministry of Finance, Economic Stabilization and National Policies

Chairman
Development Lotteries Board

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

1. FINANCIAL STATEMENTS

1.1 Qualified Opinion

The audit of the financial statements of the Development Lotteries Board for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with provisions of the National Audit Act, No.19 of 2018 and the Finance Act No. 38 of 1971. The report of the Auditor General in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in Parliament in due course.

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

1.2 Basis for Qualified Opinion

a) Even though the stock should be indicated in the financial statements at the lower of cost or net realizable value as per paragraph 9 of Sri Lanka Accounting Standards No.2, since the stock of 2883 instant lottery tickets, costed at Rs.443,609 and which had no net realizable value and physically not available in the warehouse as at 31 December 2023 had been included in the closing stock, retained earnings

reserve and closing stock of Instant Lotteries had been overstated by that amount.

b) According to paragraph 07 of Sri Lanka Accounting Standards No. 16, if the future economic benefit that can be derived from an item of property, plant and equipment flows into the entity and its cost can be reliably measured, it should be recognized as property, plant and equipment. A cab with a value of Rs.8,095,000, not physically available in the Board and 07 lottery drawing machines with a value of Rs.7,641,159, which are currently withdrawn from use and which cannot meet the condition of inflow of economic benefits to the entity had been indicated under property, plant and equipment in the year under review.

- (c) In the revaluation of property, plant and equipment, the entire class to which property, plant and equipment should be recalculated according to Section 36 of Sri Lanka Accounting Standards No.16. Even though only a few selected items should not be recalculated, items worth Rs.86,478,373, out of items, of which the total balance had been Rs.245,194,377 as at 31 December 2023 of nine accounts belonging to five asset classes such as office equipment and mobile telephones, machinery, wooden furniture and fixtures, computers and accessories, computer software had not been revalued during the year under review.
- (d) Even though the total of the benefits of main management personnel group of the institution should be indicated as short-term service benefits or post-employee benefits, other long-term benefits and end of service benefits in accordance with paragraph 17 of Sri Lanka Accounting Standards No. 24, action had not been taken accordingly.
- (e) Since the amount of Rs.761,885,800, paid as prize money for the special second draws of 06 lotteries namely, Saturday Fortune, Lagna Vasana, Jayoda, Kapruka, Ada Kotipati and Valampuri during the period from 01 January to 05 July of the year under review by the Development Lotteries Board and for the "Devana Warama" and "Second Chance" draws of the 08 lotteries namely, Saturday Fortune, Lagna Vasana, Jayoda, Super Bowl, Kapruka, Ada Kotipati, Supiri Dhana Sampatha and Valampuriya from 06 July to 31 December had not been accounted as prize expense in the year under review, and
- had been adjusted to the prize reserve account, the prize expense had been understated by that amount and the profit had been overstated by that amount in the year under review.
- (f) Even though the value of the lottery tickets printed for the draws of the ensuing year and handed over to the stores as at 31 December had been recognized as the final stock according to the stock calculation methodology of the Development Lotteries Board, since the value of Rs.5,787,310, which had been the value of 4,605,000 lottery tickets handed over to the warehouse on 31 December of the year under review for the draws of the period from 01 January to 27 January 2024 had not been included in the closing stock, the closing stock and trade creditors had been understated by that amount.
- (g) Interest income of Rs.6,619,629 receivable as at 31 December of the year under review for 06 fixed deposits invested in two state banks for payment of gratuity payable to the employees of the Development Lotteries Board on retirement or leaving service had not been taken into account in calculating the net employee benefit liability and the interest income had been added to the value of fixed deposit under current assets. As a result, the balance of the fixed deposit and the balance of the employee benefit liability in the statement of financial position of the year under review had been overstated by that amount.
- (h) Even though 123 prize vouchers with a value of Rs.592,500 issued from Lanka Sathosa Ltd. in the year 2009 had been included as
- the closing stock of prizes in the statement of financial position, these vouchers had been indicated as a current asset in the statement of financial position without making required adjustments although there had been an uncertainty in obtaining money for the vouchers as 14 years had passed at the end of the year under review after receiving these vouchers to the Development Lotteries Board.
- (i) Even though more than 06 years had passed by the end of the year under review after incurring the expenditure of Rs.1,728,884 in the years 2017 and 2018 for the repair of the dining room, store room and boundary walls of the Development Lotteries Board, the expenditure had been indicated as work in progress under property, plant and equipment without making necessary accounting adjustments.
- (j) Although the amounts payable to the Sri Lanka Broadcasting Corporation and the Associated Newspapers of Ceylon Ltd. as at 31 December of the year under review had been Rs.11,884,975 and Rs.4,735,627 respectively as per the financial statements of the Board, the amounts that those institutions had directly confirmed to the audit had been Rs.22,606,401 and Rs.2,754,832 respectively.
- (k) Although the balance of office equipment and mobile telephones, the balance of furniture and fixtures and the balance of computer equipment had been Rs.43,416,368, Rs.14,802,820 and Rs.57,425,324 respectively according to the financial statements as at 31 December of the year under review, those balances had been

INDEPENDENT AUDITORS REPORT

Rs.43,353,012, Rs.14,881,156 and Rs.57,175,052 respectively according to the relevant schedule.

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

1.3 Other Information included in the Annual Report 2023 of the Board

The Information, included in the Annual Report - 2023 of the Board anticipated to be provided to me after the date of this audit report, but not included in the financial statements and in my audit report in relation to that is called as the other information. Management is responsible for the other information.

My opinion on financial statements does not cover any other information and I do not express any kind of assurance or opinion on it.

In relation to my audit on the financial statements, it is my responsibility to read the other information identified above, when it is available, and to consider in reading so whether other information is quantitatively inconsistent with the financial statements according to my knowledge obtained during the audit or otherwise.

If I conclude that there are material misstatements when I read the Annual Report 2023 of the Board, those facts should be communicated to Those Charged with Governance for correction. If there are any further misstatements not corrected, they will be included in the report that will be tabled by me in Parliament in due course in terms of Article 154 (6) of the Constitution.

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

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

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

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

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

1.5 Auditor's Responsibility on the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. .

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

2. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

2.1 Specific provisions are included in the following requirements of the National Audit Act, No. 19 of 2018.

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

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year, as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Institution has any direct or indirect interest in any contract entered into by the Institution which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Institution has not complied with any applicable written law, general and special directions issued by the governing body of the Institution as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for the following observation;

Reference to Laws, Rules and Directions	Observations
(a) Development Lotteries Board Act, No. 20 of 1997	
I. Section 17 (5)	Even though the proceeds from the sale of goods purchased for gifts that had not been claimed by lottery winners and that had expired the period of 06 months shall be credited first to the Fund and then should be credited to the President's Fund, the relevant activities have not been carried out even by present although the approval had been granted at the meeting of the Board of Directors held on 30 May of the year 2022 under review to sell the three motorcycles totaling to Rs.779,750 purchased for providing as prizes in the years 2018 and 2020 and to use them in accordance with the said Act.
II. Sections 19 (1) and 19 (2)	Even though the Board shall make rules regarding all the matters declared or authorized by this Act as prescribed, action had not been taken accordingly.
(b) Circular of the Department of Public Enterprises bearing No. 08/2019 dated 17 December 2019	Even though the Government institutions including public corporations should be registered under the e-Government Procurement System (e-GP) introduced under the website of www.promise.lk before 31 January 2020, since the Development Lotteries Board had not registered under this system, the procurement activities had not been carried out accordingly.

INDEPENDENT AUDITORS REPORT

Reference to Laws, Rules and Directions	Observations
(c) Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka	Even though the procurement activities for the selection of printers for printing and supply of 08 lotteries for the year 2023 at an estimated value of Rs.1,328 million should be finalized within a period of 10 weeks, 65 weeks had been spent for that purpose.
I. Supplement 31 to Section 4.2.3	
II. Supplement 32 to Section 2.9.2	Even though the procurement work should be completed within 10 weeks in order to get the full allowance for the members of the Procurement and Technical Evaluation Committees, the respective committee members had received a sum of Rs.345,000 as the total allowance though they had spent 65 weeks for the procurement work of selecting the suppliers for printing lottery tickets for the year 2023.
III. Section 4.2.1	A detailed procurement plan had not been prepared for the year under review.
(d) Circular of the Department of Public Enterprises bearing No .02/2022 dated 18 January 2022	<div>i. A total of Rs.141,599 had been overpaid as telephone allowance for the period from January 2022 to February 2023 for 11 officials of the Development Lotteries Board without considering the telephone expenditure limit.</div> <div>ii. A total of Rs.1,200,064 had been paid as telephone allowances to 53 officers who had not been entitled to telephone allowance during the year under review and the approval of the Department of Public Enterprises had not been obtained for that according to the decision of the Board of Directors dated 23 February 2023.</div>
(e) Paragraph 2.3 of the Circular of the Department of Public Enterprises bearing No. PED/1/2015 dated 25 May 2015	Official vehicles had been provided to five officers, who had not been entitled to obtain official vehicles, and for that, an expenditure totaling to Rs.2,913,410 had been incurred as fuel expenses during the year under review.
(f) Circular of the Department of Public Enterprises bearing No. 04/2016 dated 30 May 2016	A female officer, who had no entitlement to an official vehicle, had been provided a motor vehicle obtained by the Board under the operating lease system and had paid an amount of Rs.2,028,000 as operating lease payment for the said motor vehicle in the year under review.

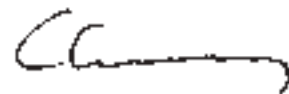
2.2.3 to state that the Institution has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

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

2.3 Other Audit Observations

- a) As the lottery operation and management process within the Development Lotteries Board is carried out through an external service provider, the preparation of bidding documents, necessary for the selection of a suitable supplier for the creation and installation of a lottery management software system, and for training the staff, had been started in July 2020, and those activities had not been completed even by the end of the year under review. Therefore, a sum of Rs.73,221,351 had been paid from the year 2020 to the end of the year 2023 for obtaining lottery operations and management software services by selecting a software service provider company with an increase of 68% in the monthly service fees by extending the service contract period from the year 2020 to the end of the year under review even by deviating from the competitive tender process.
- (b) According to the agreement entered in to between the Development Lotteries Board and the Software Service provider on 18 August 2009, the Board had been authorized to conduct a system audit related to the services provided by the Software Service provider, the Board had not functioned in this regard during the year under review.

- (c) The Development Lotteries Board had paid an amount totalling to Rs.105,739,646 as incentives to the staff during the year under review without an incentive payment procedure approved by the Department of Public Enterprises in terms of Section 3.2 (V) of the Code of Operations bearing No. 01/2021 dated 16 November 2021 of the Board of Directors and the Department of Public Enterprises.
- (d) Even though the sales income after value added tax on lotteries in the year under review amounting to Rs.25,442,131,713 had increased by Rs. 6,370,674,962 or 33% compared to the previous year, the net profit ratio in the previous year had been 17%, and it had decreased to 14% in the year under review. This was mainly due to the increase in distribution cost by 49% and administrative expenses by 17% compared to that of in the year 2022. The increase in those two expenses had been Rs.2,319,819,639 when compared that with the previous year.
- (e) It had been planned to implement the Enterprise Resource Planning (ERP) project for the Development Lotteries Board in the year 2019 upon the approval of the Board of Directors. Even though the task of establishing an accounting software system as the first phase of this project had been included in the procurement plan of every year since the year 2020, the procurement activities had not been started until the end of the year under review.
- (f) Due to the unilateral breach of the agreement entered into by the Board to acquire the building No. 234 in Vauxhall Street on rental basis from October 2006, the Board had failed for a period of 17 years to recover a total of Rs.5,700,000 comprised of Rs.723,780 paid as deposit and Rs.4,976,220, which had been a part of the rental paid for those years.
- (g) The judgment of the case filed 23 years ago, demanding to recover the rental deposit of the building amounting to Rs.2,520,000 as per the tenancy agreement entered into with a person in Watch Place in the year 1990, had been received on 11 January 2016. Although almost 07 years have passed since the verdict had been rendered to recover the relevant amount, the Board had failed to recover the said amount even at the end of the year under review.
- (h) There had been a balance of Rs.414,095,595 in the trade creditor account as at 31 December 2023, and this balance was comprised of a balance amounting to Rs.207,860, prevailed for a period of 1 to 2 years, and a balance of Rs.2,800,000, which had exceeded more than 3 years. Action had not been taken to settle the said loan balances even by the end of the year under review.
- (i) Even though it had been planned to utilize an amount of Rs. 57,625,000 in the budget of the year 2023 for the tasks of initiating a digital application called DLB Sweep to sell the lottery using digital media, and such as sales of e-lotteries through SMS media and sales promotion by considering the current technological trends and the competition in the lottery market. In the year 2023, an amount of Rs. 1,643,873 had been utilized for e-Lottery sales promotion activities, and it had been as lower as about 3% of the estimated amount.



W.P.C. Wickramaratne
Auditor General

AUDIT REPORT 2023 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General	Action taken by the Management
<p>1.2 BASIS FOR QUALIFIED OPINION</p> <p>(a) Sri Lanka Accounting Standards;</p> <p>(i) Even though the stock should be indicated in the financial statements at the lower of cost or net realizable value as per paragraph 9 of Sri Lanka Accounting Standards No.2, since the stock of 2883 instant lottery tickets, costed at Rs.443,609 and which had no net realizable value and physically not available in the warehouse as at 31 December 2023 had been included in the closing stock, retained earnings reserve and closing stock of Instant Lotteries had been overstated by that amount.</p>	<p>Even though the stock of instant lottery tickets costed at Rs. 443,609/- had not been in the premises of the Board as at 31/12/2023 is shown in the financial statements of the board it is a stock owned by the board and.</p> <p>An investigation is being carried out regarding the non-receipt of money related to these ticket sales. Further action will be taken according to the recommendations of the investigation.</p> <p>Furthermore, lottery tickets are valued at purchase cost as there is no net realizable value practically for lottery ticket books.</p>
<p>(b) According to paragraph 07 of Sri Lanka Accounting Standards No. 16, if the future economic benefit that can be derived from an item of property, plant and equipment flows into the entity and its cost can be reliably measured, it should be recognized as property, plant and equipment. A cab with a value of Rs.8,095,000, not physically available in the Board and 07 lottery drawing machines with a value of Rs.7,641,159, which are currently withdrawn from use and which cannot meet the condition of inflow of economic benefits to the entity had been indicated under property, plant and equipment in the year under review.</p>	<p>I agree with the observation that the double cab mentioned here valued at Rs. 8,095,000/- had not been physically available in the Board. A case has been filed in the Colombo District Court regarding this cab (case number - DMR/4781/2021) and it has been accounted as a fixed asset as it has been registered in the name of the Board.</p> <p>The value of Rs. 7,641,119/- mentioned here includes 4 raffle machines, 1 air compressor and balls used for raffle. These items were used by the Board in the initial stage for the purpose of drawing and these were recorded as assets of the Board. As these items were special machines used for raffle purposes, there was a problem in disposing these machines. Due to its uniqueness and damages, it has been difficult to dispose of these items to outside parties. These machines have been indicated in the accounts on the grounds that these machines have not been disposed.</p>
<p>(c) In the revaluation of property, plant and equipment, the entire class to which property, plant and equipment should be recalculated according to Section 36 of Sri Lanka Accounting Standards No.16. Even though only a few selected items should not be recalculated, items worth Rs.86,478,373, out of items, of which the total balance had been Rs.245,194,377 as at 31 December 2023 of nine accounts belonging to five asset classes such as office equipment and mobile telephones, machinery, wooden furniture and fixtures. computers and accessories, computer software had not been revalued during the year under review.</p>	<p>A Committee was appointed by the Board to determine the useful life of the non-current assets and decisions were made there regarding the revaluation of the assets. Although consideration was given to revalue all the assets of the Board in the year 2023, the decision of the committee regarding computer accessories, office equipment and furniture was to revalue only the assets that had been depreciated by 01.01.2023. This has been based on the fact that it had been impractical to revalue a large number of items with a small value considering the materiality. As mentioned in LKAS 1, the concept of materiality has been used here.</p> <p>Furthermore, the committee has decided not to revalue the assets, which cannot be used by now, in a dilapidated condition or are to be disposed of as it is not practically suitable to revalue those assets and indicate them in the accounts and depreciate them.</p>

Matters mentioned in the Report of the Auditor General	Action taken by the Management
	<p>The value of Rs.86,478,373/- as pointed out by the audit had indicated the total of the assets, which had not been depreciated by 31.12.2023 and which had not been in usable condition. In the revaluation of assets, all the asset classes had been revalued and since the value of Rs.86,478,373/- had been 3% of the total assets of the Board, steps have been taken to maintain it at cost. Here the practical situation has been taken into consideration. Uncomplicated methods have been used to represent a value that does not greatly influence the user's decision.</p>
(d) Even though the total of the benefits of main management personnel group of the institution should be indicated as short-term service benefits or post-employee benefits, other long-term benefits and end of service benefits in accordance with paragraph 17 of Sri Lanka Accounting Standards No. 24, action had not been taken accordingly.	<p>Action will be taken as pointed out by the audit from the next year.</p>
(e) Since the amount of Rs.761,885,800, paid as prize money for the special second draws of 06 lotteries namely, Saturday Fortune, Lagna Vasana, Jayoda, Kapruka, Ada Kotipati and Valampuri during the period from 01 January to 05 July of the year under review by the Development Lotteries Board and for the "Devana Warama" and "Second Chance" draws of the 08 lotteries namely, Saturday Fortune, Lagna Vasana, Jayoda, Super Bowl, Kapruka, Ada Kotipati, Supiri Dhana Sampatha and Valampuriya from 06 July to 31 December had not been accounted as prize expense in the year under review, and had been adjusted to the prize reserve account, the prize expense had been understated by that amount and the profit had been overstated by that amount in the year under review.	<p>The Ministry of Finance had taken a policy decision that it was appropriate to increase the price of the lottery ticket of both the institutions, Development Lotteries Board and the National Lotteries Board by taking in to consideration the unfavourable effect occurred to the profitability of a lottery ticket due to the increase in the prices of raw materials related to the lottery industry and the increase in the related service prices due to the economic backwardness in the country. The price of a lottery ticket that is drawn had been increased to Rs.40 from 06 July 2023 based on the relevant decision.</p> <p>As there is an economically flexible demand situation for lottery tickets which are considered non-essential goods, the consumer demand for lottery tickets will decrease by a higher percentage compared to the increase in the price of a lottery ticket. In practice, when the lottery price turnover had been raised in the past, the lottery ticket turnover had gone down massively.</p> <p>Therefore, the Development Lotteries Board has adopted a strategic method of introducing additional winning chances to customers as "devana warama" and second chance under the approval of the Board of Directors with the aim of avoiding a possible decline in customer demand for lottery tickets in comparison to the increase in the selling price of a lottery ticket from 06 July 2023. Through this, it was possible to control the decrease in the customer demand for the lotteries through the increase in the selling price of the lotteries and to eliminate to some extent the perception of the public that the lottery wins had been reduced that might be developed based on the reduction of the amount of lottery wins generated due to the decrease in the daily turnover of the Board.</p> <p>Accordingly, the effectiveness of the strategic decision adopted by the Board through the introduction of the aforementioned "devana warama" and second chance additional winning chances was very high.</p>

AUDIT REPORT 2023 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General	Action taken by the Management
	<p>The Board debits the prize expenses to the income statement based on the percentage of prize expenses pre-approved by the Board of Directors for each lottery ticket and the difference between the prize expenses generated by the draw and the prize expense based on the percentage pre-approved by the Board of Directors is adjusted through the prize reserve account. And the amount of money accumulated in the prize reserve account is specified as being used for awarding prizes in the subsequent draws of development lotteries in accordance with Section 18 (3) of the Development Lotteries Board Act. Accordingly, the prize amounts paid for the “devana warama” and second chance winning opportunities in the year 2023 has also been paid through the prize reserve account. Furthermore, accounting had been done in this way and adjusted to the final accounts even at the initiation and I observe that any issue in this regard has not been pointed out by the audit department.</p> <p>Accordingly, the Board has used the prize reserve account to provide additional prizes as per the Development Lotteries Board Act and the amount accumulated in the prize reserve account has been adjusted through the income statement on previous occasions and I would like to inform that it should not be indicated as an expense again.</p>
<p>(f) Even though the value of the lottery tickets printed for the draws of the ensuing year and handed over to the stores as at 31 December had been recognized as the final stock according to the stock calculation methodology of the Development Lotteries Board, since the value of Rs.5,787,310, which had been the value of 4,605,000 lottery tickets handed over to the warehouse on 31 December of the year under review for the draws of the period from 01 January to 27 January 2024 had not been included in the closing stock, the closing stock and trade creditors had been understated by that amount.</p>	<p>As soon as stocks of tickets were received to the Board from the suppliers, the tickets are not accounted as stock of the Board and the internal audit department first checks and gives a confirmation whether the tickets are in compliance with the prescribed specifications. Then GRN will be issued for the relevant tickets.</p> <p>If the relevant tickets do not conform to the specified specifications, the receipt of the stocks will be rejected.</p> <p>Accordingly, subsequent to receiving the certificate after the Quality Assurance check for the tickets received by the Board that tickets are in accordance with the prescribed specifications and after issuing goods received notes (GRN), those tickets will be accounted as a stock belonging to the Board.</p> <p>Although the quantity of 460,500 ticket books mentioned in the audit query had been received to the warehouse on 31/12/2023, the said stock of ticket books had not been accounted as at 31/12/2023 as it had not been certified that the stocks of ticket books conformed to the specified specifications and GRN had not been issued.</p> <p>However, this ticket stock has been indicated separately under the stocks of ticket books that had not been checked and accounted in the year-end stock survey conducted by us on 31/12/2023.</p>

Matters mentioned in the Report of the Auditor General	Action taken by the Management
<p>(g) Interest income of Rs.6,619,629 receivable as at 31 December of the year under review for 06 fixed deposits invested in two state banks for payment of gratuity payable to the employees of the Development Lotteries Board on retirement or leaving service had not been considered in calculating the net employee benefit liability and the interest income had been added to the value of fixed deposit under current assets. As a result, the balance of the fixed deposit and the balance of the employee benefit liability in the statement of financial position of the year under review had been overstated by that amount.</p>	<p>The interest income of Rs.6,619,629 was an interest income receivable to the Board and as the Board had not added the interest income back to the fixed deposit and invested the income, it had been added to the value of the fixed deposit value under current assets without considering it in calculating the net employee benefit liability.</p>
<p>(h) Even though 123 prize vouchers with a value of Rs.592,500 issued from Lanka Sathosa Ltd. in the year 2009 had been included as the closing stock of prizes in the statement of financial position, these vouchers had been indicated as a current asset in the statement of financial position without making required adjustments although there had been an uncertainty in obtaining money for the vouchers as 14 years had passed at the end of the year under review after receiving these vouchers to the Development Lotteries Board.</p>	<p>According to the decisions made in the discussions with the relevant Ministry and Lanka Sathosa Ltd. regarding the recovery of the value of 123 vouchers with a value of Rs.592,500/, there had been no uncertainty in recovering the value and a summary of some of those decisions can be indicated as follows.</p> <ol style="list-style-type: none"> 01. The Secretary of the Ministry of Trade, Commerce and Food Safety has been informed of those vouchers and according to the discussion between the relevant parties, the Secretary of the Ministry has instructed Lanka Sathosa Ltd. by letters dated 05/04/2021 and 21/08/2021 to repay the value of the relevant vouchers. 02. The Director General of the Consumer Affairs Authority has been informed by a letter regarding the non-payment of the relevant voucher value on 24/05/2022, and according to the letter sent by the said institution to Lanka Sathosa Ltd. on 09/09/2022, Lanka Sathosa Ltd. has been informed to settle the relevant value within 10 days. 03. the Additional Secretary of the Ministry of Trade, Commerce and Food Safety has requested through the letter dated 16/01/2023 to make the necessary arrangements to reactivate the aforementioned vouchers up to 6 months or to provide goods similar to the aforementioned value from Lanka Sathosa Ltd. 04. We had referred this matter to the Board of Directors of the Development Lotteries Board for the necessary instructions regarding the recovery of the value of the 123 vouchers and the Secretary of the Ministry of Trade, Commerce and Food Security, who had functioned a director of our company had informed us since the Development Lotteries Board and Lanka Sathosa Ltd. were Government institutions, the relevant vouchers could be reactivated and provided to us. <p>Moreover, the Secretary of the Ministry of Trade has informed the Chairman of Lanka Sathosa Ltd. by the letter dated 02.01.2024 with a copy to us to take necessary action promptly to reactivate and provide the relevant vouchers.</p>

AUDIT REPORT 2023 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General	Action taken by the Management
	<p>It is observed as per the above decisions that the value of Rs.592,500/-, which had been the value of those 123 vouchers, could be recovered under the circumstances. Therefore, the balance had been indicated as a current asset in the financial statements.</p> <p>Since it had been informed by Lanka Sathosa Ltd. by a letter that it had not been possible to reactivate these vouchers, the matter had been referred to the Board of Directors of the Development Lotteries Board held on 20 May 2024 as per the instructions of the Audit and Management Committee to eliminate the balance of vouchers from the accounts as it had been revealed that it was futile to maintain the balance of vouchers in the accounts. The approval has been received for eliminating the amount from the accounts.</p>
(i) Even though more than 06 years had passed by the end of the year under review after incurring the expenditure of Rs.1,728,884 in the years 2017 and 2018 for the repair of the dining room, store room and boundary walls of the Development Lotteries Board, the expenditure had been indicated as work in progress under property, plant and equipment without making necessary accounting adjustments.	<p>Repairs of the dining room, store room, and boundary wall mentioned in this audit query had not been completed so far. The relevant asset must be completed to the point where benefits are derived in order to recognize it as an asset. Therefore, since the above constructions had not been completed even by 31 December 2023, the items mentioned in the audit query had not been capitalized and depreciated.</p>
(j) Although the amounts payable to the Sri Lanka Broadcasting Corporation and the Associated Newspapers of Ceylon l.td. as at 31 December of the year under review had been Rs.11,884,975 and Rs.4,735,627 respectively as per the financial statements of the Board, the amounts that those institutions had directly confirmed to the audit had been Rs.22,606,401 and Rs.2,754,832 respectively.	<p>There had been variations of Rs.10,721,426/- and Rs.1,980,795/- between the value to be paid by the Development Lotteries Board for the two institutions namely Sri Lanka Broadcasting Corporation and Associated Newspapers of Ceylon Limited and the following matters were discovered during the trial balance.</p> <p>Sri Lanka Broadcasting Corporation and Associated Newspapers of Ceylon Limited had obtained the balance that had been confirmed directly to the audit by the respective media organizations by including value added tax (VAT) value and the accrued expenses should be calculated without including the value added tax (VAT).</p> <p>Moreover, the relevant media organizations had calculated this balance based on the invoice values that had not been received by those organizations by 31/12/2023 and accrued expenses had been calculated by making adjustments (considering that payments had been made) for the values of cheques, for which payments had been made by the Development Lotteries Board but not received by those media organizations.</p> <p>Associated Newspapers of Ceylon Limited had calculated their accrued expenses as at 31/12/2023 only for direct advertising expenses made with the Development Lotteries Board and the Board had been informed that the value of advertising expenses made through relevant agencies had not been included.</p> <p>Therefore, it is not practical to reconcile the balance payable to the suppliers of the Development Lotteries Board and the balance indicated in the financial statements of those institutions and these balances are likely to be unequal.</p>

Matters mentioned in the Report of the Auditor General		Action taken by the Management
(k) Although the balance of office equipment and mobile telephones, the balance of furniture and fixtures and the balance of computer equipment had been Rs.43,416,368, Rs.14,802,820 and Rs.57,425,324 respectively according to the financial statements as at 31 December of the year under review, those balances had been Rs.43,353,012, Rs.14,881,156 and Rs.57,175,052 respectively according to the relevant schedule.		This difference mentioned in the audit query (No. PUR/F/DLB/2023/AQ-34) has been corrected in the accounts for the year 2024.
2. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS		
2.2.2 to state that the Institution has not complied with any applicable written law, general and special directions issued by the governing body of the Institution as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for the following observation;		The approved had been granted at the meeting of the Board of Directors held on 31 May 2022 to dispose of the 03 motorcycles purchased as prizes for the Super Bowl and Millionaire Saturday Lottery draws in the years 2018 and 2020 and to credit the amounts to the President's Fund.
Reference to Laws, Rules and Directions	Observations	<p>However, it had been decided at the audit and management committee meeting held on 11.10.2022 that these motorcycles should be assessed and given to the Presidential Secretariat. Accordingly, the relevant details had been forwarded to the Presidential Secretariat on 30.03.2023 and the Presidential Secretariat had informed that they hope to purchase the motor bikes in May 2023 and therefore, the relevant details along with the bills had been forwarded to the Presidential Secretariat on 22.05.2023.</p> <p>However, since there had been no response from the Presidential Secretariat thereafter, it was again informed by sending a letter dated 21.11.2023 that they should buy the motor bicycles before 01.12.2023 if they wished to do so.</p> <p>However, since any response had not been received from the Presidential Secretariat in this regard even by 31.01.2024, a board paper had been submitted at the 292nd meeting of the Board of Directors held on 21.02.2024 to get the approval of the Board of Directors to dispose of these 03 motor bicycles and to credit the amounts to the President's Fund. It had been presented at the meeting and the approval of the Board of Directors had been granted for that.</p> <p>Accordingly, a committee has been appointed to formally reassess these 03 motorcycles and after the assessment, they will be subjected to a formal disposal process within the next 02 months and necessary arrangements will be made to transfer the funds to the President's Fund.</p>
(a) Development Lotteries Board Act, No. 20 of 1997	Even though the proceeds from the sale of goods purchased for gifts that had not been claimed by lottery winners and that had expired the period of 06 months shall be credited first to the Fund and then should be credited to the President's Fund, the relevant activities have not been carried out even by present although the approval had been granted at the meeting of the Board of Directors held on 30 May of the year 2022 under review to sell the three motorcycles totaling to Rs.779,750 purchased for providing as prizes in the years 2018 and 2020 and to use them in accordance with the said Act.	
i. Section 17 (5)		

AUDIT REPORT 2023 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General		Action taken by the Management
ii. Sections 19 (1) and 19 (2)	Even though the Board shall make rules regarding all the matters declared or authorized by this Act as prescribed, action had not been taken accordingly.	The document containing the currently drafted rules has been forwarded to the Board of Directors and the rules related to the computer system have been confirmed by the computer department of the University of Colombo and it has been proposed to submit the revised draft by including the matters to be included regarding the activities among the departments of the Board to the Board of Directors in the future.
B) Circular of the Department of Public Enterprises bearing No. 08/2019 dated 17 December 2019	Even though the Government institutions including public corporations should be registered under the e-Government Procurement System (e-GP) introduced under the website of www.promise.lk before 31 January 2020, since the Development Lotteries Board had not registered under this system, the procurement activities had not been carried out accordingly.	The Board has registered for e-GP and officials have participated in the related training programmes. The instructions given at the training and the fulfilment of the basic training models of the system have been started.
(c) Procurement Guidelines of the Democratic Socialist Republic of Sri Lanka	Even though the procurement activities for the selection of printers for printing and supply of 08 lotteries for the year 2023 at an estimated value of Rs.1,328 million should be finalized within a period of 10 weeks, 65 weeks had been spent for that purpose.	<p>The decision to invite bids related to this procurement had been given by the procurement committee on 15.08.2022 and the opening of bids had been done on 15.09.2022. The final procurement committee decision regarding the awarding of bids has been taken on 06.02.2023 and till then 03 evaluation committee meetings and 04 procurement committee meetings had been held related to the entire procurement process. The award of bids had been carried out on 21.04.2023 after announcing the decision of the procurement committee dated 02.06.2023 to the bidders, considering the appeals, and getting the approval of the Cabinet of Ministers for the award of bids.</p> <p>Accordingly, the period of 65 weeks has not elapsed for this procurement. It is not correct that this procurement should be completed within 10 weeks as indicated by the audit. As per the amendment 4.2.3 (31) of the procurement guidelines, the maximum time that can be given to the bidders for the submission of bids in relation to this procurement was 10 weeks. The procurement stages mentioned in page number 88 of the procurement guideline No. 4.2.3 must be completed in relation to the entire procurement and the maximum time that can be spent for the same is specified therein. Accordingly, a period of 38 weeks has been provided for this procurement as per the Procurement Guidelines.</p> <p>Accordingly, this procurement has been completed within its period of 38 weeks.</p>
(i) Supplement 31 to Section 4.2.3		

Matters mentioned in the Report of the Auditor General		Action taken by the Management
(ii) Supplement 32 to Section 2.9.2	Even though the procurement work should be completed within 10 weeks in order to get the full allowance for the members of the Procurement and Technical Evaluation Committees, the respective committee members had received a sum of Rs.345,000 as the total allowance though they had spent 65 weeks for the procurement work of selecting the suppliers for printing lottery tickets for the year 2023.	When making payments to the procurement committees, the payments are made after considering whether the procurement work has been completed in accordance with the approved procurement schedule. Accordingly, the payment of allowances had been made to the technical evaluation committee and the procurement committee based on the completion of the work in accordance with the approved procurement schedule. Completion of procurement within 10 weeks as pointed out by the audit is not a correct statement.
(iii) Section 4.2.1	A detailed procurement plan had not been prepared for the year under review.	The procurement plan for the year 2023 had been prepared and submitted to the Government Audit Division. A detailed procurement plan had not been prepared as the phases related to each procurement item would be constantly revised.
(d) Circular of the Department of Public Enterprises bearing No .02/2022 dated 18 January 2022	<p>i. A total of Rs.141,599 had been overpaid as telephone allowance for the period from January 2022 to February 2023 for 11 officials of the Development Lotteries Board without considering the telephone expenditure limit</p> <p>ii. A total of Rs.1,200,064 had been paid as telephone allowances to 53 officers who had not been entitled to telephone allowance during the year under review and the approval of the Department of Public Enterprises had not been obtained for that according to the decision of the Board of Directors dated 23 February 2023.</p>	<p>Action had been taken to deduct the telephone charges amounting to Rs.141,599/-, which had exceeded the limit of telephone expenses from the monthly salary of the relevant staff members.</p> <p>The telephone allowances mentioned in the Circular of the Department of Public Enterprises bearing No. 02/2015 dated 25 May 2015 had been revised and the necessary approval had been granted at the 275th Board Meeting held on 23 February 2023 to deduct the costs incurred beyond the revised limit from the respective staff member from the month of February 2022.</p> <p>A letter dated 12.12.2023 had been referred to the Department of Public Enterprises in this regard, and a letter dated 07.03.2024 had been sent from the Department of Public Enterprises for that and according to that letter, instructions had been provided to prepare a new system for providing the telephone allowance and in relation to the methodology of providing the telephone and to get the approval of the Board of Directors for the same. Accordingly, a formal methodology had been prepared in this regard and a Board Paper had been presented to the 294th Board Meeting held on 20.05.2024 and the approval of the Board had been obtained for that. Accordingly, action would be taken according to the methodology prepared according to the instructions of the Department of Public Enterprises.</p>
(e) Paragraph 2.3 of the Circular of the Department of Public Enterprises bearing No. PED/1/2015 dated 25 May 2015	Official vehicles had been provided to five officers, who had not been entitled to obtain official vehicles, and for that, an expenditure totaling to Rs.2,913,410 had been incurred as fuel expenses during the year under review.	A Board Paper had been forwarded to the 294th board meeting held on 20 May 2024 to obtain the approval required for the provision of transport facilities to the Assistant General Managers of the Board for adopting a similar methodology, adopted by the National Lotteries Board to function in terms of the letter dated 09.07.2023 referred by the Department of Public Enterprises, also by the Development Lotteries Board. Accordingly, approval had been granted for the Board paper prepared according to the instructions given by the Department of Public Enterprises and the new system will be implemented from June 2024.

Matters mentioned in the Report of the Auditor General		Action taken by the Management
(f)	<p>Circular of the Department of Public Enterprises bearing No. 04/2016 dated 30 May 2016</p> <p>A female officer, who had no entitlement to an official vehicle, had been provided a motor vehicle obtained by the Board under the operating lease system and had paid an amount of Rs.2,028,000 as operating lease payment for the said motor vehicle in the year under review.</p>	<p>Due to the scarcity of cars in the Board, 03 cars have been obtained under the operating lease system. Out of those cars, 02 cars had been assigned to a General Manager and a Deputy General Manager and the other car is assigned to an Assistant General Manager. A motor vehicle in the pool of the Board had been assigned to a Deputy General Manager. In the future, arrangements will be made to attach the vehicle obtained under the operating lease system to this Deputy General Manager. Furthermore, a system similar to the one followed by the National Lotteries Board has been prepared and the implementation of that system will be done in the future.</p>
2.3 Other Audit Observations		
(a)	<p>As the lottery operation and management process within the Development Lotteries Board is carried out through an external service provider, the preparation of bidding documents, necessary for the selection of a suitable supplier for the creation and installation of a lottery management software system, and for training the staff, had been started in July 2020, and those activities had not been completed even by the end of the year under review. Therefore, a sum of Rs.73,221,351 had been paid from the year 2020 to the end of the year 2023 for obtaining lottery operations and management software services by selecting a software service provider company with an increase of 68% in the monthly service fees by extending the service contract period from the year 2020 to the end of the year under review even by deviating from the competitive tender process.</p>	<p>The Board of Directors had decided to revise the scope of the procurement made in the year 2019 to establish a lottery management software system for the Board and call for bids again in the year 2020. Accordingly, establishing a lottery management software system with source code, so that the Board would have the full ownership, and after the installation of the software system by the supplier company selected for that purpose, the daily operational process will be carried out jointly with the staff of the Board had been included in this scope. Accordingly, the scope had been determined that way as the staff of the Board will get an understanding of all the processes of the system when they work together with the officers of that service organization.</p> <p>Accordingly, bid documents had been drafted in relation to it. Since the Board has no staff to be deployed in this task, the Board of Directors has decided to basically determine the human resources required for the relevant operational process and to recruit the appropriate staff for that and to start the process thereafter.</p> <p>Therefore, the technical evaluation committee had drafted bid documents to enable the establishment of the software system by employing two engineers of the staff of the organization, to be selected through the procurement process, for a period of 02 years and to hold the facilities to extend their services up to 05 years after the two years on the exigencies of services.</p> <p>Since the current staff of the IT department is involved in the other daily operations, the said staff cannot be employed for the duties of the proposed lottery operating software system, it has been identified to recruit new officers for this new requirement. Accordingly, since it was possible to recruit two IT Assistants according to the approved scheme of recruitment, open applications were invited for the recruitment of two such officers in the year 2021. there were no applicants with the required qualifications and experience for that purpose, and the task was not successful.</p> <p>Especially due to the existence of high salaries in the Information Technology market, it has not been possible to attract IT professionals for the salary available in the public sector.</p>

Matters mentioned in the Report of the Auditor General	Action taken by the Management
	<p>Under the circumstances, it was futile to carry out the procurement work related to the establishment of the software system without the staff of the Information Department of the Board. Therefore, it was identified that the work of establishing this software system should be carried out after determining the basic and essential human resource requirements.</p> <p>Especially during the daily operation process of the lotteries carried out by the Board, it is necessary to correct the errors that arise in the daily operation process in order to make the Software Modification related to it since the Board had to change the pattern of prizes of the lottery tickets from time to time in special draws.</p>
	<p>Even though the software system is installed, and the Board receives its source cord, structural changes cannot be made simply. Accordingly, it will take a reasonable time for the staff of the Board to understand the structure of this software system. However, facilities must be provided to implement the process of the daily lottery operations.</p> <p>Moreover, discussions were held with the leadership of the Director General of Information Technology Management on 14.02.2023 regarding the vacancies of Information Technology Officers of the Development Lotteries Board and the implementation of the new information system. Lengthy discussions were held on this need of the Board.</p> <p>In that discussion, it was also instructed to re-focus attention on a model that minimizes the initial investment and minimizes the use of the permanent IT human resources of the Board, in addition to the above model, for which bid documents have already been drafted by the Board. Moreover, discussions had been held further on the inconvenience that had to be confronted by the Board over the increase in the operating cost of the Board due to the prevailing high salaries of the IT professionals.</p> <p>The matter had also been brought to the attention of the technical evaluation committee and according to the nature of this software system, which was discussed at length, the software modification should be carried out in relation to the lottery sales promotion programmes carried out by the Board appropriately after the establishment of the basic software system. When carrying out such Software Modification, it should be carried out only by the supplier since structural modification of the software had to be carried out. In such cases, the technical evaluation committee has finally determined the scope that it is appropriate to carry out this project on the basis of carrying out the software modification work from the supplier company in the long term based on a supplementary cost estimate and carrying out the lottery operation process on the daily basis by the staff of the Board. An annual maintenance agreement has also been included in order to maintain the service provision obligation of the selected supplier.</p>

Matters mentioned in the Report of the Auditor General	Action taken by the Management
	<p>Accordingly, the bid documents had been prepared again and the human resource requirement of the Board related to this office had also been determined. Moreover, a comparison has been made between the cost of recruiting the new staff with the cost of the private company, from which the service is currently obtained by considering the cost of the proposed human resources. Accordingly, it has been identified that it is cost-effective for the Board to recruit the staff to the Board and get the services from the staff.</p> <p>Accordingly, the Board has identified the required staff for establishing a new lottery management software system and brought the need of human resources to the attention of the Board of Directors, and the Board of Directors has decided to take further steps to recruit the staff subject to the approval of the Department of Management Services.</p>
	<p>I would like to inform you that after receiving the initial approvals related to the recruitment of the IT staff, the procurement activities for establishing the lottery management software system of the Development Lotteries Board will be started.</p> <p>Under the above circumstances, the activities related to establishing the proposed lottery management software system have not been completed and those services are currently obtained from the company called LMS Technologies PVT Limited that provides services to the Board.</p> <p>However, I would like to inform you that further work will be carried out in this regard as described above since the establishment of the lottery management software system and its use for operations is a task that should be carried out by suitably qualified IT professionals.</p>
(b) According to the agreement entered in to between the Development Lotteries Board and the Software Service provider on 18 August 2009, the Board had been authorized to conduct a system audit related to the services provided by the Software Service provider, the Board had not functioned in this regard during the year under review.	It is intended to take action in this regard in the future. Since the preliminary work has already been carried out to select a supplier to procure a new Information Technology system through the procurement process by replacing the IT system that is currently being acquired and operated by the LMS, it has been proposed to take decisions in the future considering the huge cost to be incurred for the audit of the IT system.

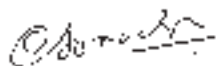
Matters mentioned in the Report of the Auditor General	Action taken by the Management
(c) The Development Lotteries Board had paid an amount totalling to Rs.105,739,646 as incentives to the staff during the year under review without an incentive payment procedure approved by the Department of Public Enterprises in terms of Section 3.2 (V) of the Code of Operations bearing No. 01/2021 dated 16 November 2021 of the Board of Directors and the Department of Public Enterprises.	The payment of incentives to the staff members of the Development Lotteries Board has been made since the inception of the Board and in the initial cases the percentages and methods of payment of these incentives have been made under the approval of the Board of Directors. A special approval has been received from the Ministry of Finance by the letter dated 17.04.2016 for the percentage of incentive paid at present. Under this base percentage, adjustment of incentives among employee groups is done on a weighted ratio. Accordingly, the incentive paid had been Rs.105,739,646/-. The Board had prepared a new system including the method of payment of incentive and a board paper had been presented on that at the 294th Board Meeting held on 20 May 2024. The approval of the Board of Directors had been granted for that. The necessary activities will be carried out in the future to get the approval of the Department of Public Enterprises.
(d) Even though the sales income after value added tax on lotteries in the year under review amounting to Rs.25,442,131,713 had increased by Rs. 6,370,674,962 or 33 percent compared to the previous year, the net profit ratio in the previous year had been 17%, and it had decreased to 14 percent in the year under review. This was mainly due to the increase in distribution cost by 49% and administrative expenses by 17 percent compared to that of in the year 2022. The increase in those two expenses had been Rs.2,319,819,639 when compared that with the previous year.	The increase in the cost and decrease in the profitability had occurred in the year 2023 when compared to the year 2022, due to the increase in the VAT rate, which had been at a level of 8% in the year 2022, to 18% in the year 2023 and due to the increase in the prices of raw materials and services due to the SSCL tax and the economic instability in the country.
(e) It had been planned to implement the Enterprise Resource Planning (ERP) project for the Development Lotteries Board in the year 2019 upon the approval of the Board of Directors. Even though the task of establishing an accounting software system as the first phase of this project had been included in the procurement plan of every year since the year 2020, the procurement activities had not been started until the end of the year under review.	It had been planned to establish an ERP system for the organization as mentioned in this paragraph. Accordingly, the need related to the overall operational process of the Board had been determined and a report had been prepared including the scope of the process performed at each departmental level. Later, it was decided to establish an accounting software system as the first phase of this project, and this task had been handed over to the Arthur C. Clarke Centre for Modern Technologies in the year 2023. However, the company had later refused to carry out the work, and therefore, the Management had decided to call for competitive bids again and select a suitable supplier.
(f) Due to the unilateral breach of the agreement entered into by the Board to acquire the building No. 234 in Vauxhall Street on rental basis from October 2006, the Board had failed for a period of 17 years to recover a total of Rs.5,700,000 comprised of Rs.723,780 paid as deposit and Rs.4,976,220, which had been a part of the rental paid for those years.	A committee of the Ministry of Finance had been appointed and a report had been obtained in relation to the recovery of Rs.5,700,000, receivable to the Board in connection with renting out the building bearing number 234 in Vauxhall Street, and the Attorney General's Department is carrying out the necessary legal proceedings to implement the recommendations mentioned in the report. All the relevant information has already been provided to the Attorney General's Department. The Attorney General's Department has also confirmed that it has received the relevant information. However, since the progress of the measures taken in this regard had not been received from the Attorney General's Department, an inquiry had been made by again sending a letter dated 24.07.2023 regarding the measures taken in this regard by the Attorney General's Department.

Matters mentioned in the Report of the Auditor General	Action taken by the Management																		
(g) The judgment of the case filed 23 years ago, demanding to recover the rental deposit of the building amounting to Rs.2,520,000 as per the tenancy agreement entered into with a person in Watch Place in the year 1990, had been received on 11 January 2016. Although almost 07 years have passed since the verdict had been rendered to recover the relevant amount, the Board had failed to recover the said amount even at the end of the year under review.	The Government Advocate has informed us in writing on 25.10.2023 that the court proceedings to recover this amount from Mr. M.A.M. Ameen is in the final stage.																		
(h) There had been a balance of Rs.414,095,595 in the trade creditor account as at 31 December 2023, and this balance was comprised of a balance amounting to Rs.207,860, prevailed for a period of 1 to 2 years, and a balance of Rs.2,800,000, which had exceeded more than 3 years. Action had not been taken to settle the said loan balances even by the end of the year under review.	<div>The balance of 207,860/-, existed in the Accrued Expenses Account for a period of 1 to 2 years as at 31 December 2023, had been comprised of the following expenses.</div> <table><tr><td>Sarath Jayathileke</td><td>Engineering professional Charges</td><td>Rs. 45,000/-</td></tr><tr><td>Master Athletic Sri Lanka</td><td>Sponsor for Athletic Championship</td><td>Rs. 60,000/-</td></tr><tr><td>Dehiwala Zoo Welfare Association</td><td>Sponsor for Cricket Match</td><td>Rs 20,000/-</td></tr><tr><td>Parliamentary Service Assistant Friendship Association</td><td>Sponsor for Annual Meeting</td><td>Rs. 50,000/-</td></tr><tr><td>A.K.K.Engineering (Pvt) Ltd</td><td>Amount retained in the account to pay for renovation of the buildings of the institution</td><td>Rs. 32,860/-</td></tr><tr><td colspan="2">Total</td><td>Rs. 207,860/-</td></tr></table> <div>As these balances have been scheduled to be paid in the future, they have been included in the balance of the trade creditor account of the final accounts for the year 2023, and action will be taken to settle the payments.</div>	Sarath Jayathileke	Engineering professional Charges	Rs. 45,000/-	Master Athletic Sri Lanka	Sponsor for Athletic Championship	Rs. 60,000/-	Dehiwala Zoo Welfare Association	Sponsor for Cricket Match	Rs 20,000/-	Parliamentary Service Assistant Friendship Association	Sponsor for Annual Meeting	Rs. 50,000/-	A.K.K.Engineering (Pvt) Ltd	Amount retained in the account to pay for renovation of the buildings of the institution	Rs. 32,860/-	Total		Rs. 207,860/-
Sarath Jayathileke	Engineering professional Charges	Rs. 45,000/-																	
Master Athletic Sri Lanka	Sponsor for Athletic Championship	Rs. 60,000/-																	
Dehiwala Zoo Welfare Association	Sponsor for Cricket Match	Rs 20,000/-																	
Parliamentary Service Assistant Friendship Association	Sponsor for Annual Meeting	Rs. 50,000/-																	
A.K.K.Engineering (Pvt) Ltd	Amount retained in the account to pay for renovation of the buildings of the institution	Rs. 32,860/-																	
Total		Rs. 207,860/-																	
	The balance of Rs.2,800,000 that exceeded 3 years had been the amount to be paid to Mr. Ranjith Thenuwara in connection with the preparation of the working procedure of the Development Lotteries Board. As the necessary revisions of this work have not been completed, payments have been withheld until this moment.																		
(i) Even though it had been planned to utilize an amount of Rs.57,625,000 in the budget of the year 2023 for the tasks of initiating a digital application called DLB Sweep to sell the lottery using digital media, and such as sales of e-lotteries through SMS media and sales promotion by considering the current technological trends and the competition in the lottery market. In the year 2023, an amount of Rs. 1,643,873 had been utilized for e-Lottery sales promotion activities, and it had been as lower as about 3% of the estimated amount.	Since this application had been established on the instructions of the Central Bank of Sri Lanka, there were problems in making sales through this application as customers had to face some practical difficulties in accessing the application. Accordingly, the Board of Directors has given instructions for the Board paper bearing No. 2022/09/2015 presented in this regard at the meeting of the Board of Directors held on 28 September 2022 to correct the obstacles and then carry out promotional activities in order to promote this application. Therefore, it was not possible to fully utilize the allocations made for promotional activities.																		

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st December		2023	2022
	Notes	Rs.	Rs.
Revenue	01	25,442,131,713	19,071,456,751
Cost of Tickets	02	1,147,660,028	844,240,759
Prize payout	03	13,450,963,612	9,884,078,986
Draw Cost	04	826,071,896	751,141,022
Gross Profit		10,017,436,178	7,591,995,984
Other Income	05	434,981,322	320,846,644
Distribution Cost	06	6,704,738,408	4,487,324,271
Administrative Expenses	07	707,503,423	605,097,921
Surplus after operating Expenses		3,040,175,668	2,820,420,437
Finance Cost	08	663,431	979,196
Prize Write back		476,784,240	447,150,260
Profit before Tax		3,516,296,477	3,266,591,501
Income Tax	09	(106,210,247)	55,904,459
Profit after Income Tax	10	3,622,506,725	3,210,687,041
Other Comprehensive income			
Re-measurement gain/(loss) on Employee Benefit plan	17.1	(5,576,996)	9,112,463
Revaluation Surplus		1,648,326,333	5,853,857
Total Comprehensive income for the Year		5,265,256,062	3,225,653,361

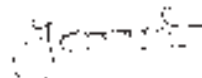
The Accounting policies and Notes form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



W.A.V.C. Somarathne
Deputy General Manager(Finance)



Ajith Gunarathna Naragala
Chairman/CEO

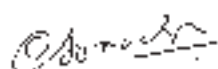


Mrs. Jenat Jayawardana
Director

STATEMENT OF FINANCIAL POSITION

for the year ended 31st December		2023	2022
	Notes	Rs.	Rs.
Assets			
Non Current Assets	11		
Property Plant & Equipment		2,703,367,049	1,082,575,630
Capital work in progress		8,550,596	3,228,884
Intangible Assets	11	6,130,310	9,488,402
Total Non Current Assets		2,718,047,956	1,095,292,917
Current Assets			
Inventories	13	56,720,455	45,970,611
Trade Debtors & Other receivable	14	207,964,715	163,480,972
Prepayment & Deposits	15	4,748,286	6,223,428
Fixed Deposit	12	1,710,213,172	1,742,324,887
Cash & Cash equivalent	16	767,981,019	557,240,367
Total Current Assets		2,747,627,647	2,515,240,265
Total Assets		5,465,675,603	3,610,533,182
Equity & Liabilities			
Contributed Capital			
President Fund		2,200,000	2,200,000
Mohapola Trust Fund		2,200,000	2,200,000
Prize Reserve Account		139,106,256	725,956,289
Presidents' Fund Payable		682,730,725	315,791,041
Revaluation Surplus		2,268,909,427	620,583,095
Re-measurement gain/(loss) on Employee Benefit plan		6,259,359	11,836,354
Total Equity		3,101,405,767	1,678,566,779
Non Current Liabilities			
Employee Benefit Liabilities	17	9,081,293	(4,438,730)
Dealer & Distributor Deposit Payable	18	39,875,881	38,718,881
Total Non Current Liabilities		48,957,174	34,280,151
Current Liabilities			
Trade & Other Payable	19	690,726,582	771,026,177
Prize Payable	20	1,456,785,350	1,003,306,515
Credit Vouchers Payable		167,800,730	123,353,560
Total Current Liabilities		2,315,312,663	1,897,686,252
Total Equity & Liabilities		5,465,675,603	3,610,533,182

The Accounting policies and Notes form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



W.A.V.C. Somarathne
Deputy General Manager(Finance)



Ajith Gunarathna Naragala
Chairman/CEO



Mrs. Jenat Jayawardana
Director

CASH FLOW STATEMENT

for the year ended 31st December		2023	2022
	Notes	Rs.	Rs.
Cash Flow from Operating Activities			
Profit before tax		3,516,296,477	3,266,591,501
Adjustments for			
Depreciation on Fixed Assets		79,161,279	76,864,509
Prize Reserve A/C		(586,850,033)	277,824,641
Provision for Gratuity		8,722,804	9,482,677
Gratuity Paid		(6,884,568)	(1,330,145)
Interest Income		(399,449,492)	(276,451,109)
Profit from sale of Fixed Assets		(354,582)	(485,143)
Income Tax Paid		(106,187,260)	
President's Fund Paid		(3,255,567,041)	(3,459,115,473)
Operating Profit before Working Capital Changes		(751,112,417)	(106,618,541)
Increase / Decrease in Operating Assets			
Increase/Decrease in Inventories		(10,749,844)	(2,868,343)
Increase/Decrease in Debtors		(57,711,291)	(8,696,537)
Increase/Decrease in Deposit and Prepayments		1,475,142	4,918,515
Increase / Decrease in Operating Liabilities			
Increase in Creditors		124,681,357	74,565,122
Increase/Decrease in Prize Payable		453,478,836	40,513,411
Decrease in Credit Vouchers		44,447,170	(6,914,700)
Net Cash flow from Operating Activities		(195,491,046)	(5,101,074)
Cash from Investment Activities			
Loan to Staff Received		21,169,588	22,222,066
Loan to Staff Granted		(7,288,747)	(26,564,736)
Fixed Assets Additions (Property Plant and Equipment)		(46,909,193)	(7,942,228)
Sales Proceed from Fixed Assets		437,053	649,759
Interest Income		399,449,492	276,451,109
Investments in Fixed Deposits		38,216,505	(603,534,878)
Increase in Dealer Distributor Deposits		1,157,000	1,054,000
Net cash from Investing Activities		406,231,698	(337,664,908)
		210,740,651	(342,765,983)
Net Cash Increase/Decrease in Cash & Cash Equivalents		210,740,651	(342,765,983)
Cash & Cash Equivalents at the beginning of the Year		557,240,367	900,006,350
Cash & Cash Equivalents at the end of the Year	16	767,981,019	557,240,367
Cash at Banks			
Bank of Ceylon		342,627,989	264,588,741
People's Bank		424,314,375	288,958,323
Sampath Bank			3,139,750
Hatton National Bank		1,029,250	544,150
Cash in Hand			
		9,404	9,404
		767,981,019	557,240,367

STATEMENT OF CHANGES IN EQUITY

	Presidents' Fund & Mahapola Trust Fund	Prize Reserve Acco	Retain Earnings	Revaluation Reserve	Remeasurement gain/(loss) on Employee Benefit plan	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2022	4,400,000	448,131,648	564,219,474	614,729,237	2,723,892	1,634,204,250
Additions during the Year 2022		277,824,641	3,210,687,041	5,853,857	9,112,463	3,503,478,003
Revaluation Reserve						
Appropriation to President's Fund 2022			(3,459,115,473)			(3,459,115,473)
Balance as at 31.12.2022	4,400,000	725,956,289	315,791,041	620,583,095	11,836,354	1,678,566,779
Additions during the Year 2023		(586,850,033)	3,622,506,725	1,648,326,333	(5,576,996)	4,678,406,029
Payment to the President's Fund for the Year			(3,255,567,041)			(3,255,567,041)
Balance as at 31.12.2023	4,400,000	139,106,255	682,730,725	2,268,909,427	6,259,359	3,101,405,767

ACCOUNTING POLICIES

1. REPORTING ENTITY

Development Lotteries Board, incorporated under the Development Lotteries Board Act No. 20 of 1997, operates with its registered office located at No. 356, Dr. Colvin R De Silva Mawatha, Union Place, Colombo 02. The principal activity of the Board during the year was the sale of lotteries.

2. BASIS OF OPERATION

2.1. Statement of compliance

The financial statements have been prepared in accordance with new Sri Lanka Accounting Standards hereinafter referred to as SLFRS / LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka, the requirements of the Finance Regulations and Administrative Regulations of the Government of Sri Lanka.

2.2. Basis of measurement

Financial statements are prepared on a historical cost basis, with exceptions for investments in fixed deposits (measured at fair value), land and building (revalued amounts), and gratuity provision (calculated using the gratuity formula and recognized at the present value of the defined benefit obligation).

2.3. Functional & presentation currency

Financial information presented in Sri Lanka Rupees has been rounded to the nearest rupee.

2.4. Date of authorization for issue

The financial statements of the Board for the year ended 31st December 2023 were authorized for issue by the Board of Directors on 21 February 2024.

2.5. Use of estimates & judgments

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires management to

make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future period affected.

2.6. Materiality and Aggregation

In compliance with LKAS 01 on the presentation of financial statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions too are presented separately if they are material. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

2.7. Income Tax

The Board is subject to income taxes and other taxes including Value Added Taxation, SSCL and Withholding tax. Significant judgment was required to determine the total provision for current and other taxes pending

the issue of tax guidelines on the treatment of the adoption of SLFRS in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements. As of December 31, 2023, there are three outstanding Income Tax and VAT assessments with the Inland Revenue Department. Board has appealed and objected. The Board of the opinion is that no major liability would arise from the said assessments.

The recent tax assessment with the Department of Inland Revenue (IRD) regarding assessment no. 0201617002 and Case no TAC/IT/065/2021 has been successfully resolved. The Development Lotteries Board and the IRD reached a mutually agreeable settlement, and the final determination has been issued by the Tax Appeal Commission on 23.01.2024. To finalize the settlement, the Board made a one-time payment of Rs. 44,463,941.00, and no further liabilities remain in relation to this case.

2.8. Going Concern

The Board is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the company. Therefore, the financial statements continue to be prepared on a going concern basis.

ACCOUNTING POLICIES

3. SIGNIFICANT ACCOUNTING POLICIES.

3.1. Property, Plant, and Equipment

3.1.1. Recognition and measurement

Property, plant & equipment are tangible items that are held for service, or for administrative purposes and are expected to be used during more than one period.

a. Recognition

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Board and cost of the asset can be reliably measured.

b. Useful lifetime & revaluation of the property, plant, and equipment

The company reviews the residual values, useful lives, and methods of depreciation of assets at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty. The Board conducted a comprehensive review and revaluation of assets in 2023

c. Measurement

Items of property, plant, and equipment are stated at cost or valuation less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

Expenditure on repairs or maintenance of property, plant, and equipment made to restore

or maintain future economic benefits expected from the assets has been recognized as an expense when incurred.

d. Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant, and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Board and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of property, plant, and equipment is recognized in profit or loss as incurred.

e. Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment. The estimated useful lives of the assets are as follows.

Buildings/Studio	10%
Furniture & Fittings	25%
Office Equipment	25%
Machinery	12.50%
Motor Vehicles/ three wheel	20%
Computers & Accessories	33.33%
Branded Stalls	16.66%
Motor Bicycles	25%
Application Software	33.33%
Mobile Phone	50%

Board provides depreciation from the date the assets are available for use up to the date of disposal or over the useful life.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the

asset will flow to the entity and the cost of the asset can be measured reliably. All computer software costs incurred, licensed to be used by the company, which are not integrally related to the associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the balance sheet under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

f. Derecognized of PPE

PPE should be derecognized (removed from PPE) either on disposal or when no future economic benefits are expected from its use or disposal. A gain or loss on disposal is recognized as the difference between the disposal proceeds and the carrying amount of the asset at the date of disposal. This gain or loss is included in the statement of profit or loss – the disposal proceeds should not be recognized as revenue.

3.2. Inventories

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Accordingly, the costs of inventories of tickets are accounted as follows:

Lagna Wasana	At actual cost
Shanida	At actual cost
Jayoda	At actual cost
Instant	At actual cost
Kotipathi	
Kapruka	At actual cost
Development	
Fortune	At actual cost
Super Ball	At actual cost
Ada Kotipathi	At actual cost
Supiri Dhana	
Sampatha	At actual cost
Sasiri	At actual cost

FIFO basis has been used for costing other inventory items.

3.3. Liabilities and Provisions

3.3.1. Liabilities

Liabilities classified as current liabilities on the balance sheet are those, which fall due for payment on demand or within one year from the balance sheet date. Non-current liabilities are those balances that fall due for payment after one year from the balance sheet date.

3.3.2. Provisions

A provision is recognized if, as a result of a past event, the Board has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Litigation by and against the Board

- a. WP/HCCA/COL/160/2004/F1 -The Board has filed a case against Mr.M.A.M. Ameen. Court has given the verdict in favor of the Board. Attorney General Department has taken steps to collect the sum of Rs. 2,520,000 from the said individual. Since this accused has died, documents have been filed in the court to replace his son and wife on behalf of the deceased. This case is currently ongoing.
- b. Case no: DMR/04781/2021 - Attorney General Department has initiated legal proceedings to claim damages due to the loss of the vehicle PB-6024. This case is currently ongoing.
- c. Case no. A72/2022- The Staff Officers Union of the Development Lottery Board has lodged a complaint with the Commissioner General of Labor regarding the grievances caused by the change in the 19-year-old system of payment of holiday allowance to its members. Verdict has been given in favor of the Staff Officers Union. Necessary provisions have been

made. However, the Board has decided to appeal against the verdict.

- d. Case No. DMR/00875/21 -The Board has filed a case against Sanasa Bank, Ukuwela for the non-payment of a bank guarantee claim amounting to Rs. 2,000,000 owing to the outstanding amount belonging to the distributor, Mr. Gunasena Rankothge. The verdict, issued on November 30, 2023, ruled in favor of the Board.

3.3.3. Prize allocation

Prizes were awarded based on the predefined ratios established by the Board. Board maintains a Prize Reserve accounts to credit not won prizes in terms of the requirement mentioned in the DLB act. Prize Reserve account can be utilized only for the purpose of payment of prizes in subsequent periods.

3.4. Employee Benefits

a. Defined contribution plans

A defined-contribution plan is a post-employment plan under which an entity pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as expenses in the profit and loss in the period during which related services are rendered by employees.

Employees' Provident Fund

The Board and Employees' contribute 15% & 10% respectively on the salary of each employee respectively. Said provident fund is being managed by the Central Bank of Sri Lanka.

Employees Trust Fund

The Board contributes 3% of the salary of each employee to the Employees' Trust Fund

contributions to defined contribution plans are recognized as an expense in the income statement as incurred

b. Defined benefit plans Retiring Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

According to paragraph 57 of LKAS 19, the Public Corporations engaged in the sale of goods or the provision of services may opt to use a qualified actuary or use the Gratuity formula method. Therefore, the Board uses a gratuity formula method to calculate the gratuity liability. Given the current market situation and the inherent uncertainties, the Board acknowledges the challenges in establishing precise assumptions for the calculation of the gratuity provision. Despite these challenges, the Board has exercised prudence and employed reasonable assumptions in the determination of the gratuity liability. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on the completion of 5 years of continued service. Any gains or losses arising are recognized immediately in the income statement. The gratuity fund has been externally funded. The net impact from the Gratuity Provision and the fund has been shown under note to the accounts.

3.5. Capital Commitments & Contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitment and contingent liabilities of

ACCOUNTING POLICIES

the Board are disclosed in the respective notes to the financial statements.

3.6. Events after the Balance Sheet Date

The materiality of the events after the balance sheet date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

The Board implemented a price increase for lottery tickets, raising the price from Rs.20 to Rs.40 effective July 6th 2023. This decision was taken to adapt to evolving market conditions and ensure the long-term sustainability of the Board's operations. To mitigate the potential impact on sales volume and maintain buyer's engagement, the Board has implemented a series of countermeasures. These include: Enhanced Prize Structures: Incrementing the prize money allocated for existing lottery draws to increase buyer's attraction and value perception. Additional Prize Schemes: Introducing new, temporary prize schemes alongside existing draws to offer buyer's alternative winning opportunities and boost excitement. Field-Based Marketing Activities: Increasing promotional efforts through targeted campaigns and activations in key sales territories to directly connect with potential customers and raise awareness of the updated ticket price and revised prize offerings.

The Board continues to monitor the impact of the price increase and the effectiveness of the implemented countermeasures.

3.7. Cash Flow Statement

The cash flow statement has been prepared using the indirect method, as stipulated in LKAS

7 - statement of cash flows. Cash and cash equivalents comprise a net of cash in hand, cash at the bank.

3.8. Segment Information

For management purposes, the Board has organized ten operating segments based on products. Management monitors the operating results of its brands separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses.

4. INCOME STATEMENTS.

4.1. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Interest income and other income are recognized on an accrual basis.

4.2. Expenditure

All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of Income Statement, the Board is of the opinion that function of expense method presents fairly the elements of the board's performance, hence such presentation method is adopted. Expenditure incurred for the purpose of acquiring, expanding, or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure. Repairs

and renewals are charged to revenue in the year in which the expenditure is incurred.

5. FINANCIAL ASSETS.

5.1 Initial Recognition

All financial assets are initially recognized on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time-frame generally established by regulation or convention in the marketplace. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value including transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

5.2 Subsequent measurement.

Subsequent measurement of non-derivative financial assets categorizing them into the categories of financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

5.2.1. Held to Maturity Financial Assets (HTM)

Investments in fixed deposits have been classified under HTM investments. Financial Assets with fixed maturities are classified as HTM when Board has a positive intention and ability to hold them to maturity. After initial measurement, HTM investments are measured at amortized cost.

5.2.2. Cash and bank balances

Cash and bank balances are defined as cash-in-hand and balances with banks. For the purpose of a cash flow statement, cash and cash equivalents consist of cash in hand and at banks. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

5.2.2. Financial Risk Management

The Board's activities expose to a variety of financial risks; credit risk, liquidity risk, and Market risk.

Credit risk is the risk of financial losses to the board if a recipient of a service or counterparty to a financial instrument fails to meet its contractual obligations. To minimize the credit risk fixed deposits are held with state-owned banking Institutions.

The Board is managing the liquidity risk by ensuring that there will always be sufficient liquidity to meet its liabilities when due without incurring unacceptable damages to Board's reputation. Fixed deposits are held with state-owned banking Institutions for a short-term period.

Market risk is the risk that changes in interest rates will affect the Board's income or the value of its holding of financial instruments. The board manages and controls the market risk exposure regularly while optimizing the return.

6. RELATED PARTY TRANSACTIONS.

Development Lotteries Board was established under Development Lotteries Board act No. 20 of 1997. As per the act, the Board consists of the following directors.

- 1. The Chairman of the Mahapola Higher Education Scholarship Trust Fund or his representative.
- 2. The secretary to the President or his representative.
- 3. The secretary to the Ministry of the minister or his representative.
- 4. Two other members appointed by the minister.

The Board of Directors is considered as key management personnel. No Director has a direct or indirect interest in the contracts with the Board during the year.

Note 01 -I -Segment Report

Rs.

	Lagna Wasana- Shanida		Jayoda	Super Ball	Kapruka	Devel- opment Fortune	Ada Kotipathi	Sasiri	Valam- puri	Lucky Freedom	Supiri Dhana Sampatha	Instant	Total 2023
SALES	3,731,564,960	6,920,745,360	628,550,520	3,348,357,160	5,309,903,480	511,732,400	4,208,361,920	859,426,360	181,163,400	72,165,000	525,235,120	310,974,500	26,608,180,180
TAXES - VAT,	163,528,117	303,287,352	275,449,261	146,734,828	232,695,538	22,425,614	184,422,758	37,662,583	7,939,111	3,162,482	23,017,343	13,627,814	1,166,048,467
Revenue	3,568,036,843	6,617,458,008	601,005,593	3,201,622,332	5,077,207,942	489,306,786	4,023,939,162	821,763,777	173,224,289	69,002,518	502,217,777	297,346,686	25,442,131,713
COST OF SALES	178,812,788	276,197,717	34,028,801	138,059,941	204,182,182	30,762,149	169,657,228	46,667,838	10,183,822	3,028,333	20,308,515	35,770,712	1,147,660,028
PRIZE	1,862,998,174	3,647,300,158	313,461,709	1,650,954,415	2,626,018,818	253,566,148	2,073,987,603	423,267,482	102,603,658	40,721,250	305,949,457	150,134,740	13,450,963,612
DRAW COST	138,712,479	138,295,182	38,144,968	135,242,230	136,773,568	29,343,221	139,359,261	49,948,746	1,254,155	309,931	18,688,155	826,071,896	
GROSS PROFIT	1,387,513,402	2,555,664,951	215,370,116	1,277,365,746	2,110,233,374	175,635,267	1,640,935,070	301,879,711	59,182,653	24,943,003	157,271,650	111,441,234	10,017,436,178
ADD - OTHER INCOME	61,002,333	113,137,950	10,275,326	54,737,784	86,804,465	8,365,624	68,796,844	14,049,605	2,961,597	1,179,728	8,586,362	5,083,704	434,981,322
ADVERTISING EXPENCES	27,593,349	29,083,022	16,376,326	27,499,640	38,229,452	-	42,723,499	21,351,000	470,713	458,200	15,595,951	567,500	219,948,650
SELLING & DISTRIBUTION EXPENCES	133,993,479	325,848,463	22,048,937	121,199,405	203,021,407	17,574,977	152,569,859	30,255,279	11,641,751	4,812,438	29,123,958	9,504,323	1,061,594,277
Outdoor Advertising Corporate & Others	13,869,134	25,722,384	2,336,138	12,444,863	19,735,357	1,901,960	15,641,249	3,194,236	673,331	268,216	1,952,145	1,155,801	98,894,815
DEALER COMMISSION	699,668,430	1,297,639,755	117,853,223	627,816,968	995,606,903	95,949,825	789,067,860	161,142,443	33,968,138	13,530,938	98,481,585	58,304,494	4,989,030,559
DISTRIBUTOR COMMISSION	46,600,065	86,441,727	7,849,062	41,813,255	66,304,930	6,390,408	52,558,088	10,733,330	2,258,738	901,388	6,559,590	2,275,500	330,686,077
ADMINISTRATION & FINANCE EXPENCES	99,314,218	184,193,073	16,728,639	89,115,285	141,321,113	13,619,568	112,003,993	22,873,314	4,821,597	1,920,645	13,978,938	8,276,471	708,166,853
MARKETING RELATED EXPENSES	642,870	1,192,299	108,286	576,852	914,785	88,161	725,012	148,061	31,211	12,433	90,487	53,574	4,584,030
ADD - PRIZE WRITE BACK	67,499,480	136,973,320	10,692,200	65,781,120	88,366,060	12,451,060	80,158,340	9,636,260	3,800,100	1,426,300	476,784,240		
PROFIT BEFORE TAXES	494,333,670	855,655,498	53,037,032	477,418,384	820,269,953	60,927,053	624,600,695	75,867,913	12,078,872	5,644,776	75,358	36,387,274	3,516,296,477
INCOME TAX	(14,895,060)	(27,625,117)	(2,508,947)	(13,365,433)	(21,195,217)	(2,042,651)	(16,798,261)	(3,430,520)	(723,139)	(288,057)	(2,096,549)	(1,241,298)	(106,210,247)
.													
PROFIT AFTER TAXES	509,228,730	883,280,614	55,545,979	490,783,817	841,465,170	62,969,704	641,398,956	79,298,433	12,802,011	5,932,832	2,171,907	37,628,572	3,622,506,725
Other Comprehensive income													
Defined benefit plan actuarial													
gain/Loss	(782,125)	(1,450,568)	(131,742)	(701,806)	(1,112,940)	(107,258)	(882,060)	(180,133)	(37,971)	(15,126)	(110,088)	(65,179)	(5,576,996)
Revaluation Surplus	231,163,377	428,727,058	38,937,513	207,424,380	328,938,457	31,700,852	260,700,045	53,239,834	11,222,729	4,470,485	32,537,320	19,264,281	1,648,326,333
Total Comprehensive income for the Year	739,609,982	1,310,557,105	94,351,750	697,506,391	1,169,290,687	94,563,299	901,216,941	132,358,134	23,986,769	10,388,192	34,599,140	56,827,674	5,265,256,062

NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note 01 - Revenue		
Gross Sales		
Shanida	3,731,564,960	2,964,985,180
Lagna wasana	6,920,745,360	6,082,730,660
Jayoda	628,550,520	443,139,000
Instant	310,974,500	328,404,000
Super Ball	3,348,357,160	2,462,517,960
Kapruka	5,310,120,680	3,084,497,240
Development Fortune	511,732,400	406,092,200
Ada Kotipathi	4,208,361,920	3,301,557,840
Sasiri	859,426,360	621,807,460
Valampuri	181,163,400	58,799,000
Lucky Freedom	72,165,000	
Supiri Dhana Sampatha	525,235,120	
Total Sales	26,608,397,380	19,754,530,540
Less: Sales return	217,200	
Net Total Sales	26,608,180,180	19,754,530,540
Less: VAT	1,166,048,467	683,073,789
Revenue after Taxes	25,442,131,713	19,071,456,751
	2023 Rs.	2022 Rs.
Note 02 - Cost of Tickets		
Instant	35,770,712	22,619,963
Shanida	178,812,788	122,797,000
Lagna Wasana	276,197,717	251,574,619
Jayoda	34,028,801	21,374,530
Super Ball	138,059,941	102,908,489
Kapruka	204,182,182	133,196,763
Development Fortune	30,762,149	19,369,623
Ada kotipathi	169,657,228	138,361,598
Sasiri	46,667,838	29,953,256
Valampuri	10,183,822	2,084,919
Lucky Freedom	3,028,333	-
Supiri Dhana Sampatha	20,308,515	-
	1,147,660,028	844,240,759
	2023 Rs.	2022 Rs.
Note 03 - Prize Payout		
Shanida	1,862,998,174	1,482,492,790
Lagna wasana	3,647,300,158	3,041,366,030
Instant	150,134,740	166,900,666
Jayoda	313,461,709	221,569,700
Super Ball	1,650,954,415	1,231,258,980
Kapruka	2,626,018,818	1,542,249,320
Development Fortune	253,566,148	203,046,100

NOTES TO THE FINAL ACCOUNTS

	2023 Rs.	2022 Rs.
Ada Kotipathi	2,073,987,603	1,650,779,120
Sasiri	423,267,482	310,903,730
Valampuri	102,603,658	33,512,550
Lucky Freedom	40,721,250	-
Supiri Dhana Sampatha	305,949,457	-
	13,450,963,612	9,884,078,986

	2023 Rs.	2022 Rs.
Note 04 - Draw Cost		
Shanida	138,712,479	128,022,943
Lagna wasana	138,295,182	126,005,977
Jayoda	38,144,968	31,846,689
Super Ball	135,242,230	126,809,443
Kapruka	136,773,568	126,043,594
Development Fortune	29,343,221	33,472,365
Ada Kotipathi	139,359,261	128,014,607
Sasiri	49,948,746	50,593,890
Valampuri	1,254,155	331,513
Lucky Freedom	309,931	-
Supiri Dhana Sampatha	18,688,155	-
	826,071,896	751,141,022

	2023 Rs.	2022 Rs.
Note 05 - Other Income		
Sampath Repo Interest	-	2,006
Registration Fees	30,750	21,750
Staff Loan Interest	2,874,577	3,310,165
Miscellaneous Receipt	1,095,870	4,746,706
Investment interest income	357,336,147	233,746,005
Non-Refundable Deposit	1,175,100	1,222,238
Fine On Cancel tickets not return	88,335	316,300
Interest Sweep Account	19,905,634	25,797,746
7 Day Call Interest Income	19,333,133	13,595,186
Ticket Destroy Income	1,520,770	3,972,344
Disposal Items	14,037	46,020
Rent Income-Bus	1,031,493	536,382
Expenses Writeback	20,574,901	13,793,093
Profit on Disposal Promotional & Prize Item	-	8,440,470
Profit On Sale Computers & Accessories	259,501	-
Profit on Sale of Motor Cycle	-	439,700
Profit on Sale of Furniture & Fittings	38,494	23,772
Profit on Sale Mobile Phone	86,327	21,671
Distributor Deduction	8,743,210	9,975,498
Dealer Receivable Write Off	350,562	-
Over Six Month Cheques Writeback	522,482	839,591
Total Other Income	434,981,322	320,846,644

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note '06-I - Advertising		
Shanida	27,593,349	22,415,406
Lagna wasana	29,083,022	25,072,727
Jayoda	16,376,326	3,467,793
Instant	567,500	170,000
Super Ball	27,499,640	20,453,385
Kapruka	38,229,452	31,454,873
Development Fortune	-	2,096,891
Ada Kotipathi	42,723,499	20,522,232
Sasiri	21,351,000	157,225
Valampuri	470,713	3,200,713
Lucky Freedom	458,200	-
Supiri Dhana Sampatha	15,595,951	-
Corporate & Others	89,052,830	47,390,764
Outdoor Advertising	9,800,000	-
Web Advertising	41,985	111,271
	318,843,466	176,513,280
Note '06-II - Marketing Related Activities		
Chairman's vote	-	920,000
Souvenirs & Banners	4,125,000	3,100,000
Marketing Related Other Expenses	459,030	66,545
	4,584,030	4,086,545
	2023 Rs.	2022 Rs.
Note '06-III - Selling & Distribution Expenses		
SSCL Levy 2.5%	511,488,326	103,087,049
Selling Expenses	171,517,326	89,364,361
Other Selling & Distribution (Scanning / Validation)	11,678,721	11,248,176
Transportation	36,215,087	27,346,925
Vehicle Branding	1,130,127	-
Dealer & Distributor Motivation Cost	305,970,890	120,247,878
SO/ASPO Incentive	4,096,003	3,330,317
Promotional Vehicles Expenses	1,608,585	1,536,197
Vehicle Rent - Ticket Selling	93,750	525,000
Outdoor events/ Annual Promotion Calendar	8,263,440	473,500
Incentive for Distributor Sales Staff	2,162,550	1,292,040
Covid 19 - Dealers	-	190,000
Insurance Premium -	481,559	167,184
Draw Machine Maintenance	1,869,610	1,127,375
Propaganda Vehicle Promotion Expenses	4,298,495	475,019
Disposal Item Losses	249,307	114,027
Outlet Rent for Makubura	72,000	112,000
Selling Through Retail Shop Expenses	398,500	-
	1,061,594,277	360,637,049

NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note '06-IV - Commission		
Dealer Commission (1)		
Shanida	699,668,430	555,934,721
Lagna wasana	1,297,639,755	1,140,511,999
Jayoda	117,853,223	83,088,563
Instant	58,304,494	58,871,625
Super Ball	627,816,968	461,722,118
Kapruka	995,606,903	578,343,233
Development Fortune	95,949,825	76,142,288
Ada Kotipathi	789,067,860	619,042,095
Sasiri	161,142,443	116,588,899
Valampuri	33,968,138	11,024,813
Lucky Freedom	13,530,938	
Supiri Dhana Sampatha	98,481,585	
	4,989,030,559	3,701,270,351
Distributor Commission		
Shanida	46,600,065	36,967,377
Lagna wasana	86,441,727	75,855,611
Jayoda	7,849,062	5,526,695
Instant	2,275,500	2,582,980
Super Ball	41,813,255	30,702,677
Kapruka	66,304,930	38,459,757
Development Fortune	6,390,408	5,065,520
Ada Kotipathi	52,558,088	41,163,846
Sasiri	10,733,330	7,758,703
Valampuri	2,258,738	733,881
Lucky Freedom	901,388	
Supiri Dhana Sampatha	6,559,590	
	330,686,077	244,817,047
	6,704,738,408	4,487,324,271
	2023 Rs.	2022 Rs.
Note 07 - Administrative Expenses		
Staff Cost	470,633,011	421,675,524
Depreciation	46,098,384	42,364,540
Other Administrative	190,772,028	141,057,857
	707,503,423	605,097,921
	2023 Rs.	2022 Rs.
Note 08- Finance Expenses		
Bank Charges-General	618,431	948,746
Bank Charges-Prize	45,000	30,450
Total Finance Expenses	663,431	979,196

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note 09 -Income Tax		
Income Over expenditure for the year before tax	3,516,296,477	3,266,591,501
Income not liable for income tax	(3,516,296,477)	(3,062,338,167)
Income liable for Tax	-	204,253,333
Taxation	-	61,276,000
Over provision in respect of previous year	(106,210,247)	(5,371,541)
Charge/Reversal for the year	(106,210,247)	55,904,459
	2023 Rs.	2022 Rs.
Note 10 - Presidents' Fund Contribution		
Profit after Income Tax	3,622,506,725	3,210,687,041
Surplus Attributable to President's Fund	3,622,506,725	3,210,687,041
Payments made to the President's Fund for the year	2,939,776,000	2,894,896,000
Total President's Fund Payable	682,730,725	315,791,041

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note 12 -Held to Maturity Financial Assets		
Fixed Deposit -BOC/People's Bank	1,619,710,571	1,644,481,371
Dealer Deposits-	90,502,602	97,843,516
Total Fixed Deposits	1,710,213,172	1,742,324,887
	2023 Rs.	2022 Rs.
Note 13 - Inventories		
13.1 - Ticket Stock		
Shanida	1,862,179	1,472,005
Lagna wasana	4,917,438	2,775,781
Jayoda	475,914	1,666,753
Instant	25,725,606	597,038
Super Ball	1,638,360	1,815,473
Kapruka	3,237,053	6,508,658
Development Fortune	-	636,525
ada Kotipathi	2,506,248	2,158,941
Sasiri	239,408	2,165,364
Valampuri	-	2,689,549
Supiri Dhana Sampatha	1,293,038	
Total Ticket Stocks	41,895,243	22,486,086
13.2 - Other Stocks		
Stationery stock	11,514,474	16,573,906
Promotional items stock	1,884,716	4,686,519
Prize Item Stock	1,426,023	1,619,078
Other Items Stock	-	365,760
Lagna Wasana Tea cup Sets Stock	-	239,262
Total Other Stocks	14,825,212	23,484,525
	56,720,455	45,970,611
	2023 Rs.	2022 Rs.
Note 14 - Trade Debtors & Other Receivable		
Receivable	9,288,899	9,120,678
Debtors - Distributors	70,671,391	74,251,312
Loan to Staff	62,065,748	75,946,589
Festival Advance	5,000	6,250
Refundable Deposit	1,979,114	1,579,114
Security Deposit for Sri Lanka Railways(Guarantee)	1,800,000	1,800,000
FD WHT Credit	29,456,011	9,627,265
Income tax credit	653,294	-
VAT Credit	592,787	-
Supiri Dhana Sampatha Development Cost	40,302,708	-
	216,814,951	172,331,208
Less: Provision for Doubtful Debts	8,850,236	8,850,236
	207,964,715	163,480,972

NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note 15 -Prepayment & Deposits		
Prepayments	4,210,225	2,290,890
Advance - Internal	335,261	103,011
Advance - External	202,800	3,829,527
	4,748,286	6,223,428
	2023 Rs.	2022 Rs.
Note 16 - Cash & Cash equivalent		
Bank Balances		
BOC- General Receipt	176,885,582	131,427,543
BOC General 7 day Call	91,027,021	84,059,723
BOC -Prize	41,494,877	7,261,579
Sampath Bank	-	3,139,750
Peoples Bank	352,443	326,420
Sweep account	422,638,932	287,541,203
BOC- General Payment	17,809,654	30,968,718
BOC	996,500	997,500
Peoples Bank	100,000	100,000
Bank of Ceylon - 84401075	14,414,355	9,873,679
Peoples Bank 014-1-002-7-0010010	1,223,000	990,700
Hatton National Bank 003010525941	4,900	4,900
Hatton National Bank 3010534602	1,024,350	539,250
	767,971,615	557,230,963
D.L.B Disaster Relief Fund	9,404	9,404
	9,404	9,404
	767,981,019	557,240,367

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note -17 Employee Benefit Liability		
Balance at the beginning of the year	56,988,160	57,948,091
Provision made during the year	14,299,799	370,214
payments made during the year	(6,884,568)	(1,330,145)
Balance at the end of the year	64,403,392	56,988,160
Fixed Deposit for Gratuity Fund	55,322,099	61,426,890
Net Balance	9,081,293	(4,438,730)
Note- 17.1 Provision made during the year		
Interest Cost	4,582,631	5,680,527
Current service Cost	4,140,173	3,802,150
	8,722,804	9,482,677
Net actuarial (Gain)/Loss recognized	5,576,996	(9,112,463)
Total provision made during the year	14,299,799	370,214
Note- 17.2 Cost of retirement benefits		
Rate of discount	9.00%	10.00%
Rate of Salary increase	5%	5%
Retirement age	60	62

Fixed Deposit equivalent to Employee Benefit Liability at the end of the year has been maintained.

	2023 Rs.	2022 Rs.
Note 18 - Dealer & Distributor Deposit Payable		
Dealer Deposit Payable	35,475,881	34,418,881
Distributor Deposit Payable	4,400,000	4,300,000
Total Dealer & Distributor Deposit Payable	39,875,881	38,718,881

NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2023 Rs.	2022 Rs.
Note 19 -Trade & Other Payable		
Trade Creditors	414,095,595	361,518,639
Dealer Advance	671,765	671,735
Distributor Advance	65,748,664	41,374,642
VAT Payable	80,850,854	60,187,471
Social Security Contribution - LEVY Payable	48,319,916	37,039,920
Distributor Commission & Validation Payable	31,160,047	23,609,041
WHT Payable	26,164,771	13,471,731
Dealer & Distributor Target Payable	8,265,387	8,855,294
Welfare D.L.B	56,700	-
Vender Payable from staff Salary Deductions	25,200	-
E.P.F/E.T.F Payable	3,326,514	3,148,224
General Workers Union	-	59,000
Refundable Security Deposit	1,160,000	1,160,000
Provision for Income TAX Payable	-	57,977,908
Provision for Income Tax (2019)	-	3,463,533
Payable to Distributor for outlet	11,140	18,840
Provision for Income Tax (2016)		150,302,773
Provision for VAT (2016)	4,651,659	4,651,659
Provision for VAT (2019)	389,421	
Stamp Duty	37,175	38,050
Six Month Old Cheque Payable	196,095	-
TV Announcer Over Deduction for Costume	170,180	388,830
Refundable Tender Deposit	1,821,805	2,842,501
E Lottery Deposit Payable	588,165	103,065
Retention	3,015,530	143,321
Total Creditors	690,726,582	771,026,177
	2023 Rs.	2022 Rs.
Note 20 - Prize Payable		
Prizes Payable	1,344,193,430	988,393,015
Provision for Prize Payable - Non Winning-Draw Tickets		
Shanida	16,404,500	-
Jayoda	1,515,740	-
Lagna Wasana	35,457,700	-
Super Ball	10,749,200	3,943,500
Kapruka	27,488,580	9,810,000
Ada Kotipathi	18,576,200	1,160,000
Supiri Dhana Sampatha	2,400,000	
Total Prize Payable	112,591,920	14,913,500
	1,456,785,350	1,003,306,515

TEN YEAR SUMMARY

	2023 (Rs. '000)	2022 (Rs. '000)	2021 (Rs. '000)	2020 (Rs. '000)	2019 (Rs. '000)	2018 (Rs. '000)	2017 (Rs. '000)	2016 (Rs. '000)	2015 (Rs. '000)	2014 (Rs. '000)
Operational Results										
Revenue	25,442,132	19,071,457	15,364,398	15,033,029	17,065,414	15,854,856	13,981,500	14,759,875	11,874,659	12,271,477
Cost of Tickets	1,147,660	844,241	433,523	451,308	460,097	402,323	387,697	444,990	325,360	378,157
Prize payout	13,450,964	9,884,079	7,865,640	7,702,515	8,903,494	8,296,413	7,263,437	7,755,659	6,150,951	6,211,302
Administrative Expenses	707,503	605,098	536,791	506,927	541,800	463,619	419,811	382,655	332,597	347,408
Distribution cost	6,704,738	4,487,324	3,484,492	3,357,266	4,219,037	3,950,410	3,541,284	3,561,410	2,728,440	3,067,688
Surplus after operating Expenses	3,040,176	2,820,420	2,612,235	2,663,353	2,550,732	2,368,138	2,034,129	2,412,020	2,134,322	2,145,085
Equity										
President's Fund	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Mahapola Trust Fund	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
President's Fund payable	682,731	315,791	564,219	685,860	477,793	237,466	107,862	52,633	99,010	250,598
Prize Reserve Account	139,106	725,956	448,132	698,559	1,103,197	971,046	810,029	805,435	934,026	877,036
Liabilities										
Non Current Liabilities	48,957	34,280	37,656	40,027	36,110	35,395	38,180	1,318,429	1,615,846	223,288
Current Liabilities	2,315,313	1,897,686	1,733,768	1,209,938	1,484,836	1,414,220	1,722,249	1,237,896	846,842	581,768
Assets										
Non Current Assets	2,718,048	1,095,293	1,158,676	1,236,649	1,252,626	721,352	670,526	1,372,755	1,537,875	1,594,826
Current Assets	2,747,628	2,515,240	2,246,952	2,013,724	2,429,225	1,941,174	2,012,195	684,044	405,087	342,264

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

[illegible]

[illegible]