





"Marking a year of phenomenal success we have created a sustainable impact in the lives of the people of Sri Lanka. As we move forward we present a winning proposition by contributing to provide educational opportunities as well as elevating the lives of all Sri Lankans.

Building on a successful platform we move ahead by introducing innovative IT driven platforms to meet the expectations and aspirations of our modern customers."

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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. V.P.K Anusha Palpita – Chairman/CEO

Mrs. J. M Bhadrani Jayawardane – Director

Mr. Ravindra J Wimalaweera – Director

Mrs. Janet Jayawardena -Attorney at Law- Director

Ms. K. A. H. C. Pubudusiri- Director

Auditor

Auditor General

Bankers

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

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
- Maximise the contribution made to the President's Fund
- Acquire and utilise modern technology effectively
- Fulfil 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

The DLB employees hold an optimistic approach to every challenge they face when carrying out lottery business.

Result Orientation

The DLB employees are confident in their roles and focus on achieving the given targets in an effective manner.

Innovation

The Employees of DLB are 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

The DLB Employees work together to achieve organisational goals while fostering openness, mutual respect and individual development.

Orientation Towards Excellence

The employees strive to maximise the quality of service continuously.

A Glance Through History

The Evolution of the Development Lotteries Board

The Development Lotteries Board (DLB) was originally known as the Development Lottery Centre when it started operations in 1983. Its main objective was to concentrate on funding development in order to education and provide medical assistance inspired by its historic close ties to the President's Fund and the Mahapola Higher Education Scholarship Trust fund.

When Dr Wickrema Weerasooria envisaged setting up an ongoing income-generating scheme to finance numerous domestic financial and social development initiatives, and therefore he requested assistance from numerous private and government institutions to launch the 'Instant' lottery scheme.

However, the two favorable reactions originated from then-President J.R. Jayawardena who allocated Rs. 1.5 million and a comparable sum was invested by Minister Lalith Athulathmudali from the Mahapola Higher Education Trust Fund to start the Development Lottery Centre.

As per the Fund's strong vision, the first lotteries marketed were named 'Development lotteries' and subsequently, the Development Lottery Centre was set up on January 19, 1983, with seed funding from the President's Fund and the Mahapola Scholarship Fund.

The Development Lottery Centre accomplished significant achievements and gained significant revenues within the first year of its operations. As

shareholders of the initiative, both the President's Fund and Mahapola Higher Education Scholarship Trust fund received the majority of the profits. To date, the Development Lotteries Board's Profit has been attributed to the President's Fund for the primary intent of generating wealth within the country.

The President's Fund allocates 50% of the aforementioned profits to the Mahapola Higher Education Scholarship Trust Fund, which significantly assists higher education in the country. In 1993, the Lottery Development Centre was transformed into a Trust known as the 'Development Lottery Trust.' On August 12, 1997, the Development Lotteries Board Act saw the Development Lottery Trust re-launch as the Development Lotteries Board.

The first ever 'instant/scratch' lottery cards titled 'Development Lottery' were sold for Rs. 10 each through an island-wide network of dealers which created two jackpot winners within 24 hours thus fueling the venture's long-standing popularity.

In 1987, the Development Lottery Centre first introduced television lottery with the release of 'Shanida Wasanawa' which was initially broadcast on Saturdays. Subsequently which is currently drawn in all seven days of week. The tailor-made 'Wasana Chakraya' programme for non-winning instant lottery tickets began on January 25, 1998, which was aired on television on Sundays.

In response to the programmes favorable reception, a second television draw called 'Sanwardana Wasanawa' which was introduced

by the Development Lotteries Board to be aired on Tuesdays and Fridays in 1998 with the unique feature of twelve symbols of zodiac signs and renamed as Lagna wasanawa in 2015 by considering its USP and drawn in all seven days per week currently.

Apart from the standard jackpot and regular cash prizes, the Development Lotteries Board launched the 'Jayoda' draw on January 26, 2004, which was aired on television on Mondays and Thursdays. The Super Jackpot begins with an initial Rs. 10 million. In a landmark move in the Sri Lankan lottery sector Jayoda regular jackpot winners were allowed to opt for the Rs. 1 million money award or a house worth over Rs. 1 million.

The Development Lotteries Board launched 'Jana Jaya' on April 10, 2009 which was aired on Thursdays and Sundays. The lucky individual should match 4 numbers out of 64 numbers to receive the Super Prize and a super number from another machine out of 12 numbers. The starting with an initial prize of Rs. 2.5 million.

The implementation of the lottery 'Super Ball' on July 11, 2012 marked a great turning point in the history of the lottery sector. This specific lottery, beginning with a prize of Rs. 30 million was the biggest ever lottery jackpot and it succeeded in attracting a large number of customers from the general public.

In 2016, a variety of new lotteries were introduced by the Development Lotteries Board.

The Development Lotteries Board also launched 'Sanwardhana

Lakshapathi' on May 14, 2016 and recorded a landmark sale of 5.6 million. Kotipathi Shanida,' launched with 75 million Super jackpot on 8 April 2016 and purchased 4.4 million tickets during the initial sales round.

The television lottery scheme 'Sanwardhana Wasanawa,' was re-launched on December 12, 2016 with a new feel and an appeal along with three cash prizes. Ada Kotipathi lottery was launched on August 31, 2017 as the first lottery which was drawn in all seven days of week in the Sri Lankan Lottery History.

Furthermore, by keeping another step to uplift the lottery market, DLB introduced "DLB Sweep App", considering the convenience to purchase a lottery ticket to the customers through their smart

mobile phone and simultaneously launched the "Sasiri" digital lottery first time ever in the lottery market in Sri Lanka in 2020.

The Development Lotteries Board was established to raise funds for the President's Fund and Mahapola Higher Education scholarships trust fund. Hence, all profits of the DLB are remitted to the President's Fund. Accordingly, during the last 37 years DLB has remitted more than Rs. 27 billion as contribution to the President's Fund fulfilling its commitment to the people throughout the history.

MILESTONES

1983

Instant lottery introduced for the first time in Sri Lanka

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

1999

Computer system updated to meet technological challenges posed by the Year 2000 with the assistance of The World Bank.

1987

Introduction of the first Television Lottery Draw 'Shanida Wasanawa'

1998

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

- 'Development Fortune' was launched together with 'Windows' and 'Ureka' Instant Lotteries for Rs. 100 with a Super Luxury Motor Car as the winning prize

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

1993

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

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

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

2013

'Highway Dream' Lottery launched with the highest jackpot value

2014

SMS Lottery selling launched

2016

Launch of 'Sanwardana Lakshapathi', 'Kotipathi Shanida' and 'Sanwardana Wasanawa'

2017

Launch of 'Ada Kotipathi' Lottery

2018

IVR and SMS results alerts launched

2019

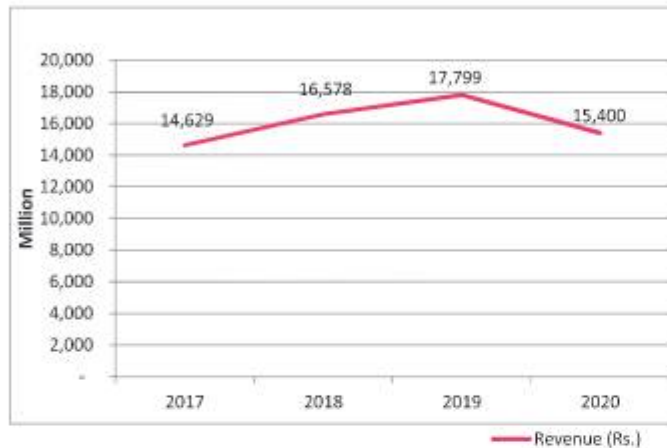
Launch of DLB Sweep App

2020

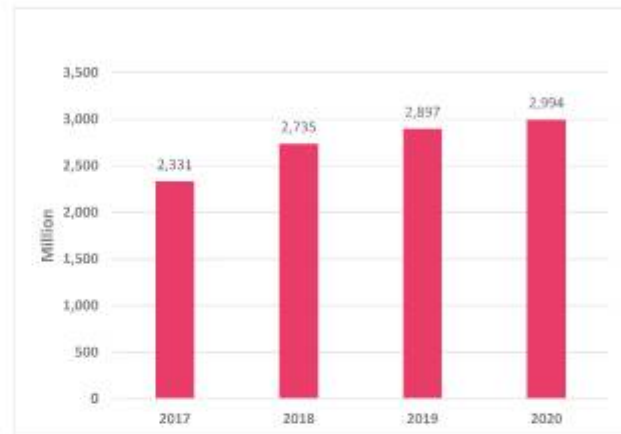
Launch of e-Lottery - Sasiri

Financial Highlights

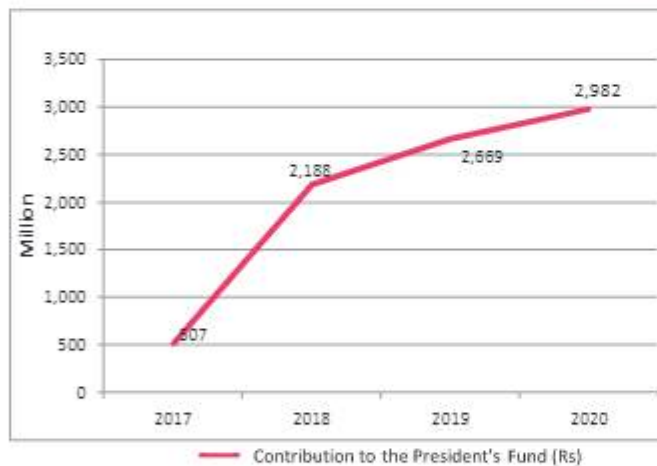
Sales Income (Rs)



Profit Before Tax



Contribution to the President's Fund (Rs)



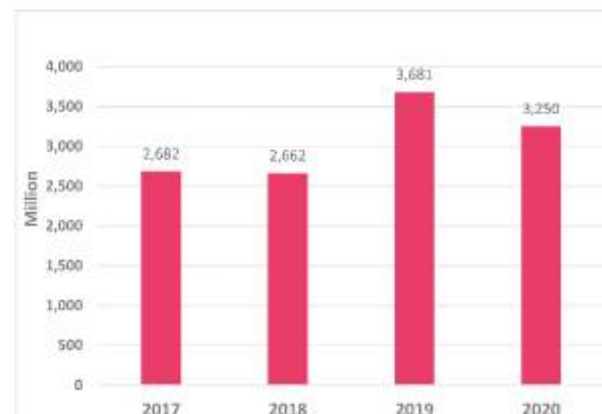
Income tax



Total Remittance to the state



Total Assets



Operating Results

	2020	2019
Revenue	15,033,029,360	17,065,414,012
Gross Profit	6,369,222,716	7,117,747,971
Profit before tax	2,993,501,638	2,897,130,924
Income Tax	10,921,555	235,073,385
Net Profit	3,018,654,911	2,668,792,667
Contribution to the President's Fund	2,982,580,083	2,668,792,667

Statement of financial Position**Assets**

Property Plant & Equipment	1,236,649,449	1,245,588,144
Employee Benefit Assets	-	7,038,067
Fixed deposit	1,338,731,761	1,451,307,572
Inventories	32,590,632	51,026,204
Trade Debtors & Other receivable	92,541,218	126,012,880
Prepayments & Deposits	8,197,378	5,212,271
Cash in hand & at Bank	541,662,763	795,666,048
Total Assets	3,250,373,201	3,681,851,186

Liabilities

Employee Benefits Liabilities	3,636,437	-
Dealer & Distributor Deposit Payable	36,390,381	36,110,381
Credit Voucher Payable	115,286,040	160,547,860
Trade & Other payable	516,032,675	563,493,496
President's Fund payable	685,860,083	477,792,667
Prize Payable	578,618,857	760,794,203

Equity

President's Fund	2,200,000	2,200,000
Mahapola Trust Fund	2,200,000	2,200,000
Prize reserve account	698,558,607	1,103,197,285
Revaluation Surplus	614,729,237	575,515,293
Re-measurement gain/(loss) on Employee Benefit plan	(3,139,116)	-
Total equity & liabilities	3,250,373,201	3,681,851,186

Profitability Ratio

Net Profit ratio	20%	17%
Gross Profit ratio	42%	42%

Liquidity Ratio

Current Asset ratio	1 : 1.66	1 : 1.64
Quick(Liquid) Assets Ratio	1 : 1.64	1 : 1.60

Chairman's Message and the progress report 2020

Even amidst challenging times, the Development Lotteries Board prioritized on customer preferences while ensuring convenience and efficiency at all times. The past 12 months have been a test against a deadly virus but the vibrant and dynamic support system backing each and every department at the DLB have made us reach closer to our targets.

The Development Lotteries Board sells government regulated Lottery products to the Sri Lankan public and the purchase of a lottery ticket means that they too are contributing to the development of our society. While balancing shareholder expectations and demands from customers, DLB has been able to deliver on this mandate with a few reasons for variance.

I hereby present the Annual Report and Financial Statements for the year ended December 31, 2020.

The Board is pleased to report that during the year 2020, it achieved a turnover of LKR 15,400 million – an achievement of 87% compared to the previous year while contributing LKR 2982 million to the President's Fund in challenging circumstances.

	2019	2020	Achievement
Revenue (Rs. Mn)	17,799	15,400	87%
Contribution to the President's Fund (Rs. Mn)	2,669	2,982	112%
Prize money for the winners (Rs. Mn)	8,903	7,702	87%

Current Financial Review - 2020

The Covid-19 pandemic has created unpredictable amount of uncertainty to the operation of the Development Lotteries Board. Even though the sales budgeted revenue stood at LKR 17,001 million, the actual revenue was LKR 15,400 million. The variance observed is due to the prevailing COVID-19 situation. On the other hand the actual contribution to the President's Fund was LKR 2982 million while the actual tax contribution to the government was LKR 378 million due to changes of tax law, reduction of VAT and abolishing of NBT charges. A drastic drop is observed in tax contribution in 2020 compared to that of 2019 (LKR 1220 million).

Our Achievements

Even amidst the COVID-19 situation the sales budget achievement was at 91%. The contribution to the President's Fund was 110% over the budget while the sales achievement for last year stood at 87%. The contribution to the President's Fund was 112% over the last year even amidst the prevailing COVID situation.

New milestones

We have a responsibility towards the larger society around. Payment of prize money stood at LKR 7.7 Bn. The highest contribution to the President's Fund (LKR 2.9 billion) was made in 2020.

Our Team

The dynamic and robust team at DLB has been a fundamental element of our success story. Teams at our Marketing, Finance, IT, Procurement, Sales, Administration and Internal Audit divisions have been forefront. Their innovative thinking have taken the Board to greater heights while propelling our products and bringing in newer dimensions to the lottery experience.

New Technology

DLB Sweep App

From the 24-hour Interactive Voice Response system we shifted a notch further by introducing an App. The DLB Sweep App allowed users to check their winnings through their smartphone. It also allows customers to verify their winnings and related prize money by simply scanning the ticket's QR code with the mobile phone.

Sasiri Digital Lottery

On the day of 29th September 2020 marked the arrival to a special milestone by the Development Lotteries Board with the launch of the South Asia's first ever Digital

Lottery under the patronage of Mr. S.R. Attygalle, Secretary of the Ministry of Finance. The facilities are now arranged for the general public to purchase the lottery under the brand "Sasiri" through the DLB Sweep mobile application introduced by the Development Lotteries Board alongside with the Lagna Wasana, Super Ball and Shanida which can be purchased through the same mobile application. A printed version of the Sasiri ticket is also available at the ticketing counters island wide.

SMS Lottery

Through the digitalization, the Development Lotteries Board has reached another significant milestone on 15th December 2020 by launching the facility to purchase tickets through any type of mobile handset via a SMS or by simply dialing an USSD code and the for the phase 01 of the project, the customers who are using Dialog and Mobitel connections are facilitated through the process. This facility will be extended to the other telecommunication providers under the phase 02 as well. Lagna Wasana, Super Ball, Shanida and Sasiri digital lottery are available to be purchased through the SMS/ USSD platform.

Bank Integration

As a government institution which revolutionized the Lottery Industry of Sri Lanka through the adaptation of latest technological trends, it is proud to mention that the Development Lotteries Board on the date of 20th March 2020 has collaborated with Bank of Ceylon and the Peoples' Bank towards enhancing the efficiency and the productivity of the financial transactions of the organization through the linkage of the computer systems of the aforesaid banks with the Lottery Management System used here at the DLB. The facility ensures a hassle-free experience which enables the distributors to virtually

deposit funds using the Bank's mobile applications, through CDMs and through online banking as well.

CSR Initiatives

The Development Lotteries Board organized a Programme to distribute Rs. 2500 as financial assistance to 16,350 dealers and sales assistants to recover from COVID-19. The budget for the programme was Rs. 40 Million.

A project had been launched by Development Lotteries Board in year 2020 to distribute 37,500 Gloves for the Dealers and Sales Assistants to protect themselves against COVID 19.

During year 2020 Development Lotteries Board had distributed 2421 DLB logo Mugs to Dealers and Sales Assistants.

Contributions for sponsorships

- Development Lotteries Board had distributed Rs 3.2 million worth of vegetable packs among people who got affected by COVID 19 in Colombo city limits.
- Contribution of Rs. 1,000,000.00 has been made in year 2020 by Development Lotteries Board for the Kelaniya Duruthu Perahera.
- Sponsorship of Rs. 1,000,000.00 has been made in year 2020 by Development Lotteries Board for the Esala Perahera held at Katharagama.
- In addition to the above, sponsorship of Rs. 250,000.00 has been made in year 2020 by Development Lotteries Board for the Gangaramaya Nawam Perahera held at Colombo.

I like to extend my gratitude to His Excellency the President, Honorable Minister of Finance and Secretary to the Treasury for their support and guidance. It has been a rewarding experience to work with our various stakeholders;

learning and sharing knowledge along the way with the support of a highly talented and dedicated staff over the past years and at present, who together have delivered and continue to deliver an exceptional service to our customers while supporting our communities.

I also give noteworthy thanks to all Draw judges, President's Fund staff, staff at Mahapola Higher Education Trust Fund, Distributors, Dealers, Sales assistants, Media, Bankers, all service providers and all our executive staff officers specially General Manager, Deputy General Managers and Assistant General Managers. We are also not forgetting all our other staff members of all categories for their extra effort dedication, good work and the contribution to make our success. They have truly assisted us in making our presence at DLB meaningful. We also wish to thank all the customers who have patronaged our services, without whom we would not have been able to achieve this success. We would also thank Superintendent of Audit and the Auditor General Department for their valuable contribution.

In conclusion, I wish to thank all our stakeholders, for the trust and confidence placed in this organization and I look forward to your continued support in the coming years.



Anusha Palpita
Chairman/CEO

Review of Board of Directors

DLB is governed by the Development Lotteries Act No. 20 of 1997. The main objective is to provide funds to the President's Fund and to the Mahapola Higher Education Scholarship Trust Fund. A significant contribution was made to the President's Fund during 2020 even amidst the pandemic.

	2019	2020	Achievement
Revenue (Rs. Mn)	17,799	15,400	87%
Contribution to the President's Fund (Rs. Mn)	2,669	2,982	112%
Prize money for the winners (Rs. Mn)	8,903	7,702	87%

Our Notable Achievements

With the COVID-19 pandemic we had to think of innovative ways to meet our customers' demands. Hence we achieved several milestones in the digital space during the past year. Some of these achievements are as follows :

• DLB Sweep Mobile Application

The DLB Sweep App was introduced to deliver a more enhanced and digitalized service to its customers. Apart from checking lottery results, the public can now purchase Lagna Wasana, Shanida, Super Ball and Sasiri Tickets through the application via payment methods such as credit/debit cards, bank accounts etc.

• Bank Integration : The Bank of Ceylon and People's Bank collaborated with DLB to enhance the efficiency and productivity of the transactions of the organization by linking computer systems of aforesaid banks with the Lottery Management System used at DLB.

• Sasiri Digital Lottery and DLB Sweep Public Launch : In September 2020, DLB launched South Asia's first ever digital lottery under the brand 'Sasiri'

CSR initiatives in view of the pandemic

Sales agents and sales assistants are the backbone of DLB and they share an integral part of our success story. Many sales agents and assistants were affected in view of the pandemic and several programmes were organized to give them a hand during these challenging times.

• 16,350 Dealers and Sales Assistants received Rs. 2,500 as a financial assistance to recover from COVID 19. A Programme worth Rs. 40 Million

• Project launched by Development Lotteries Board in year 2020 to distribute 37,500 Gloves for the Dealers and Sales Assistants to protect themselves against COVID 19.

• 2421 DLB logo imprinted Mugs distributed among Dealers and Sales Assistants.

Contributions for sponsorships

• Development Lotteries Board had distributed Rs 3.2 million worth of vegetable packs among people who got affected by COVID 19 in Colombo city limit.

• Contribution of Rs. 1,000,000.00 has been made in year 2020 by Development Lotteries Board for the Kelaniya Duruthu Perahera.

• Sponsorship of Rs. 1,000,000.00 has been made in year 2020 by Development Lotteries Board for the Esala Perahera held at Katharagama.

• In addition to the above, sponsorship of Rs. 250,000.00 has been made in year 2020 by Development Lotteries Board for the Gangaramaya Nawam Perahera held at Colombo.

On behalf of the Board of Directors , DLB would like to sincerely thank His Excellency the President and the Honorable Prime Minister and the Minister of Finance for their support and our employees who have worked diligently in meeting the annual target under the difficult condition prevailed in the country as a result of Covid 19 pandemic. Among many other to thanks , we should be grateful to our sales force specially Distributors, Dealers, Sales assistants , Resellers for their numerous contribution to the delivery of the products to our consumers.

To conclude, I wish to extend my sincere thanks to all our customers and other stakeholders for the trust and confidence placed in the DLB.



Ravindra J Wimalaweera
Director

Board of Directors - 2020

Mr. Amitha Gamage

Chairman /CEO
W.e.f 17.12.2020

Mrs. Janet Jayawardena

(Attorney at Law)
Director
W.e.f 15.01.2020

Mrs. J.M. Badrani Jayawardhane

Secretary
Ministry of Trade
Director
w.e.f 05.10.2020

Mr.Ravindra J Wimalaweera

Chief Financial Officer
Presidential Secretariat
Director
w.e.f 20.07.2020

Mr.H.G.Sumanasinghe

Additional Secretary
Ministry of Finance
Director
W.e.f 11.01.2020

Current Board of Directors

Mr.V.P.K Anusha Palpita

Chairman /CEO
W.e.f 19.06.2021

Mrs. Janet Jayawardena

(Attorney at Law)
W.e.f 15.01.2020

Mrs. J.M. Badrani Jayawardhane

Secretary
Ministry of Trade
W.e.f 05.10.2020

Ms. K. A. H. C. Pubudusiri

Director
Department of External Resources
Ministry of Finance
W.e.f 28.06.2021

Mr. Ravindra J Wimalaweera

Chief Financial Officer
Presidential Secretariat
W.e.f 20.07.2020

Management Team

- 01 **MR. V.P.K. ANUSHA PALPITA**
Chairman / CEO
- 02 **MR.W.K.A.A.JAYARATHNA**
General Manager
- 03 **MISS.W.A.V.C.SOMARATHNA**
Deputy General Manager (Finance)
- 04 **MR.D.D.C.DAMMINDA**
Deputy General Manager (Marketing)
- 05 **MR.K.N.BULATHSINHALA**
Assistant General Manager (Marketing)
- 06 **MR. SUNIL JAYARATHNA**
Assistant General Manager (Sales)
- 07 **MR.T.KASUN JAYASOORIYA**
Assistant General Manager (Finance)
- 08 **MR.NISHAN PERERA**
Assistant General Manager (Finance)
- 09 **MRS.ASANKHAA S. GUNASINGHE**
Assistant General Manager (Marketing)
- 10 **MR. P.B. MADURA HARSHANA**
Assistant General Manager (IT)
- 11 **MR. ROHANA PRASAD RANASINGHA**
Assistant General Manager (HR & Administration)
- 12 **MR.P.D.U.MALINTHA**
Assistant General Manager (Procurement)
- 13 **MR.S.M.A.WASANTHA UDAYAKUMARA**
Internal Auditor

Junior Managers

- | | | | |
|----|--|----|---|
| 01 | MR.E.D.I.N.S.ABERATHNA
Administrative Officer | 11 | MR.R.M.U.S.KUMARA
Territory Manager |
| 02 | MR.J.M.D.A.CRISHANTHA
Chief Security Officer | 12 | MR.N.V.INDIKA UPUL
Finance Officer |
| 03 | MR.M.B.M.N.K.BALAGALLA
Territory Manager | 13 | MRS.R.D.C.RAJAPAKSHA
Finance Officer |
| 04 | MR. C.C. AILAPPERUMA
Territory Manager | 14 | MRS.M.A.L.N.GUNASEKARA
Finance Officer |
| 05 | MR.G.A.R.S.RANATHUNGA
Territory Manager | 15 | MRS.R.A.W.G.RUPASINGHE
Finance Officer |
| 06 | MR.M.K.A.I.KAMALSIRI
Territory Manager | 16 | MR.U.G.ILLEPERUMA
System Anlysis |
| 07 | MR.I.D.PATHMA KUMARASIRI
Territory Manager | 17 | MRS.C.N.THEWARAPPERUMA
Human Resources Officer |
| 08 | MR.D.M.B.L.MAHINDA
Territory Manager | 18 | MR.B.A.C.J.KARUNARATHNA
Procurement Officer |
| 09 | MRS.M.L.GOWRI KAUSHALYA
Territory Manager | 19 | MR. P. PRASANNA GOKULA FERNANDO
Transport Officer |
| 10 | MR.R.A.SUNIL RATHNAYAKA
Territory Manager | 20 | MRS.G.D.S.PREMATHILAKA
Marketing & Advertising Officer |

Operational Review

Special facts on the sales activities in year 2020

Even though the Development Lotteries Board has planned properly its sale activities for year 2020, the achievement in the goals after first quarter of the year has shown a slow progress in the face of COVID 19 pandemic affected to the whole country. However, The DLB could bring its sales at higher level again in the final quarter of the year due to the strategies applied in the sales promotion. Further DLB has been able to remit a huge sum of money to the Presidents' Fund whilst awarding a considerable sum to the winners owing to the productive marketing process during the current year.

The sales of DLB could be enhanced during year 2020 following the below mentioned sales promotion methods.

01. Promotional programmes

• Shanida

Special draw was held on 8th (Monday) June 2020 for the 3322th draw on Saturday Fortune Called "Awurudu Wasana" and 1.4 million lottery tickets were sold out on this special draw day but this special draw was scheduled to be held on April and due to COVID 19 pandemic situation in the country it was not drawn on April. Also, a special draw was held for the 3416th draw on 29th (Thursday) October 2020 with a 1.4 million lottery ticket sale.

With the view to promote the brand "Saturday Fortune", it was introduced to the 07 days of the week and the name was changed to "Shanida" from 02nd

(Wednesday) September 2020 and series of mini draws called "Devini Ralla" were held from 02nd September 2020 to 22nd November 2020. This showed a significant sale growth due to the proportion.

• Lagna Wasana

Special draw was held on 28th (Friday) February 2020 for Lagna wasanawa lottery in the name of "Supiri Dana Yogaya". The total amount of sale tickets was made for the special draw is Rs. 2.8 million. In the meantime, another draw was also been held in the same name of "Supiri Dana Yogaya" on 28th (Monday) August 2020 and Rs. 2.6 million number of tickets were sold out. There was promotional programme in the name of "double Chance" which was held from 1st September to 31st October 2020.

• Jayoda

The draws of Jayoda lottery tickets were normally conducted on Tuesdays and Thursdays but the schedule revised, changing the draw days to Mondays and Wednesday from 02nd (Wednesday) September 2020.

• Super Ball

Taking in to the consideration of the higher demand, of the Super Ball lottery, the draws of the lottery has been introduced to 07 days of the week from 02nd September 2020 and a special draw has been held on 30th (Wednesday) September 2020 and a sale of Rs. 2.2 million lottery tickets could be reported from the lottery. In addition to the main draw called 'SUPER 500', a series of mini draws were held from September 2, 2020 to November 22, 2020.

• Sanwardana Wasanawa

The draws of Sanwardana Wasanawa lottery tickets were conducted on Wednesdays and Fridays but the schedule was revised changing the draw days to Thursdays and Saturdays from 02nd September 2020.

• Ada Kotipathi

A special draw was held in the name of 'Ada Wishesha Kotipathi' on 31st (Friday) July 2020 and a sale of Rs. 1.6 million lottery tickets were reported from the lottery promotion. Apart from the Ada Kotipathi main draw, a mini draw was held from 17th August 2020 to 17th October 2020 called "Salli season".

• Sasiri

A new lottery called "Sasiri" was introduced to market as the first e-lottery brand in South Asia on 14th (Wednesday) October 2020 and this lottery draws on Wednesday and Saturday.

• Instant Lotteries

In order to enhance the sales of instant lotteries, an instant lottery called "Athahitha" has been issued to the dealers and lamp, mike, horn, sola lamp, amp and PA system was offered as the prizes of the lottery.

02. Appointment of Sales Distributors and Sales Agents for year 2020

District No.	District	Sales Distributors	Sales Agents
01	Colombo	01	11
02	Kalutara		01
03	Kandy		05
04	Matale		03
05	Nuwaraeliya		01
06	Galle		01
07	Matara		
08	Hambantota		02
09	Jaffna		01
10	Mannar		01
11	Vavunia		
12	Batticaloa		
13	Ampara		01
14	Trincomalee		
15	Kurunegala		
16	Puttlam		
17	Anuradhapura		
18	Polonnaruwa		01
19	Badulla		
20	Monaragala		02
21	Rathnapura		
22	Kegalla		01
23	Gampaha		04
24	Kilinochchi		
25	Mulathivu		
		01	35

03. Special programmes organized for the benefit of Sales Agents and Sales Assistants

◆ Development Lotteries Board organized a Programme worth of Rs. 40 Million was distributed among 16,350 Dealers and Sales Assistants worth Rs. 2,500 as a financial assistance to recover from COVID 19.

◆ A project had been launched by Development Lotteries Board in year 2020 to distribute 37,500 Gloves for the Dealers and Sales

Assistants to be protective from COVID 19.

◆ During year 2020 Development Lotteries Board had distributed 2421 number of DLB logo Mugs to the Dealers and Sales Assistants.

◆ A new facility has been introduced on 12th March 2020 to the Distributors to deposit their funds to the Development Lotteries Board by using online banking methods with the integration of the Bank of Ceylon and the Peoples Bank systems with the existing Lottery Management system of

the Development Lotteries Board. The facility ensures a hassle-free experience which enables the distributors to virtually deposit funds using the Bank's mobile applications, through CDMs and through the online banking as well.

04. Contributions for sponsorships

◆ Development Lotteries Board had distributed Rs 3.2 million worth of vegetable packs among people who got affected by COVID 19 in Colombo city limit.

◆ Contribution of Rs. 1,000,000.00 has been made in year 2020 by Development Lotteries Board for the Kelaniya Duruthu Perahera.

◆ Sponsorship of Rs. 1,000,000.00 has been made in year 2020 by Development Lotteries Board for the Esala Perahera held at Katharagama.

◆ In addition to the above, sponsorship of Rs. 250,000.00 has been made in year 2020 by Development Lotteries Board for the Gangaramaya Nawam Perahera held at Colombo.

05. Special Programmes.

◆ Development Lotteries Board as stepped into the digital world in 14th October 2020 by launching DLB Sweep App for both IOS and Android smart phone users. The users could purchase Lagna Wasana, Super Ball, Shanida and Sasiri tickets online, check results of all the lottery brands and also redeem their prizes using this app.

◆ Development Lotteries Board has also launched SMS lottery and USSD mode to buy lottery tickets in 15th December 2020.

Product Portfolio Overview

The Development Lotteries board (DLB) provides funding for education and for community endeavors through 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.
- Brand Calendar



Monday / Tuesday
Wednesday / Thursday
Friday / Saturday &
Sunday



Monday / Tuesday
Wednesday / Thursday
Friday / Saturday &
Sunday



Monday / Tuesday
Wednesday / Thursday
Friday / Saturday &
Sunday



Monday / Tuesday
Wednesday / Thursday
Friday / Saturday &
Sunday



Tuesday / Friday &
Sunday



Thursday / Saturday



Monday / Wednesday



Wednesday / Saturday



01. ADA KOTIPATHI

- **Brand Vision**

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

- **Brand Mission**

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

- **Game Details**

Draw Days : Monday to Sunday (All 7 days)
Ticket Colors : Red, Dark Blue, Green, Purple, Yellow, Pink & Light Blue
Starting Jackpot : 50,000,000/-
Game : 04/77 No's, 1/26 English Letter

- **Prize Structure**

Combination	Prize (Rs.)
Any Single Number	Rs.20.00
Any English Letter	Rs.20.00
Any 2 Numbers	Rs.100.00
Any 3 Numbers	Rs.1,000.00
4 Numbers	Rs.1,000,000.00
Any one Number + English Letter	Rs.40.00
Any 2 Number + English Letter	Rs.1,000.00
Any 3 Numbers + English Letter	Rs.100,000.00
4 Numbers + English Letter	Rs.50,000,000.00

02. SHANIDA

- **Brand Vision**

To be a leading brand in Sri Lanka through the off-line draw lottery of Monday to Sunday (All 7 days)

- **Brand Mission**

As a leading brand of all 07 days off line lottery in Sri Lanka introducing innovative prize structures by state of art technology through enhancing the profitability of the board.

- **Game Details**

Draw Days : Monday to Sunday (All 7 days)
Ticket Colors : Dark Blue, Light Blue, Purple, Red, Orange, Green & Pink
Starting Jackpot : 30,000,000
Game : 04/75 No's, 1/26 English Letter

- **Prize Structure**

Combination	Prize (Rs.)
Any English Letter	Rs.20.00
Any Single Number	Rs.20.00
Any 2 Numbers	Rs.100.00
Any 3 Numbers	Rs.2,000.00
4 Numbers	Rs.1,000,000.00
Any one Number + English Letter	Rs.100.00
Any 2 Number + English Letter	Rs.1,000.00
Any 3 Numbers + English Letter	Rs.100,000.00
4 Numbers + English Letter	Rs.30,000,000.00

03. KOTIPATHI KAPRUKA

◆ **Brand Vision**

The lottery brand that fulfills dreams and aspirations of people who are driven by the jackpot.

◆ **Brand Mission**

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

◆ **Game Details**

Draw Date : Tuesdays, Fridays & Sundays
Ticket Colors : Pink, Green & yellow
Game : 04/80 No's, 1/26 English Letter

◆ **Prize Structure**

Combination	Prize (Rs.)
Any Single Number	Rs.20.00
Any English Letter	Rs.20.00
Any 1 Number + English Letter	Rs.60.00
Any 2 Numbers	Rs.100.00
Any 2 Numbers + English Letter	Rs.1,000.00
Any 3 Numbers	Rs.2,000.00
Any 3 Numbers + English Letter	Rs.100,000.00
4 Numbers	Rs.1,000,000.00
4 Numbers + English Letter	Rs.75,000,000.00

04. LAGNA WASANAWA

◆ **Brand Vision**

Become the number one lottery brand that fulfill aspirations of people who believes in fortune from zodiac Symbol.

◆ **Brand Mission**

Brand that is sought after by the people who believe in luck in fortune from zodiac symbol.

◆ **Game Details**

Draw Days : Monday to Sunday (All 7 days)
Ticket Colors : Yellow, Red, Green, Brown, Blue, Light blue, Purple
Starting Jackpots: Rs.2,000,000
Game : 04/62 No's, 1/12 Zodiac Symbol

◆ **Prize Structure**

Combination	Prize (Rs.)
Any Single Number	Rs.20.00
Any Zodiac Sign	Rs.20.00
Any 2 Numbers	Rs.100.00
Any 3 Numbers	Rs.1,000.00
4 Numbers	Rs.500,000.00
Any 1 Number + Zodiac Sign	Rs.60.00
Any 2 Numbers + Zodiac Sign	Rs.200.00
Any 3 Numbers + Zodiac Sign	Rs.10,000.00
4 Numbers + Zodiac Sign	Rs.2,000,000.00

05. SUPPER BALL



◆ **Brand Vision**

To be the market leader & a popular lottery in Sri Lanka.

◆ **Brand Mission**

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

◆ **Game Details**

Draw Date : Monday to Sunday (All 7 days)
 Ticket Colors : Purple, Light Blue, Orange, Green, Pink, Dark Blue & Red
 Starting Jackpot : 50,000,000
 Game : 04/77 Nos, 1/26 English Letter

◆ **Prize Structure**

Combination	Prize (Rs.)
Any English Letter	Rs.20.00
Any One Number	Rs.20.00
Any 2 Numbers	Rs.100.00
Any 3 Numbers	Rs.2,000.00
All 4 Numbers	Rs.1,000,000.00
Any One Number + English Letter	Rs.40.00
Any 2 Numbers + English Letter	Rs.1,000.00
Any 3 Numbers + English Letter	Rs.100,000.00
All 4 Numbers + English Letter	Rs.50,000,000.00

06. DEVELOPMENT FORTUNE



◆ **Brand Vision**

To be a popular brand on both the days it is being drawn, offering a unique, credible and a prestigious proposition, generating revenues and profits for DLB.

◆ **Brand Mission**

As a popular brand in Thursdays & Saturdays off line lottery in Sri Lanka introducing innovative prize structures by state of art technology through enhancing the profitability of the board.

◆ **Game Details**

Draw Days : Thursday / Saturday
 Ticket Colors : Blue & Red
 Starting Jackpots : 10,000,000/-
 Game : 03/70 No's, 1/09 Fate No, 1/26 English

◆ **Prize Structure**

Combination	Prize (Rs.)
Fate No	Rs.20.00
English Letter	Rs.20.00
Any Single Number	Rs.20.00
Any 02 no's	Rs.100.00
Any 03 no's	Rs.50,000.00
Any 01 no with fate no	Rs.100.00
Any 02 no with fate no	Rs.500.00
Any 03 no with fate no	Rs.500,000.00
Any 01 no with English letter	Rs.100.00
Any 02 no with English letter	Rs.500.00
Any 03 no with English letter	Rs.100,000.00
01 no + fate no+ English letter	Rs.200.00
02 no + fate no+ English letter	Rs.10,000.00
03 no + fate no+ English letter	Rs.10,000,000.00

07. JAYODA

- **Brand Vision**

To be a popular brand on Monday & Thursday offering unique and credible proposition and Generating revenue and profit for DLB.

- **Brand Mission**

As the most popular brand on Monday & Wednesday introducing innovative price structures by using state of technology through enhancing the profitability of the board.

- **Game Details**

Draw Days : Mondays and Wednesdays.
Ticket Colors : Yellow & Orange
Starting Jackpots : 20,000,000
Game : 04/70 No's, 1/26 English Letter

- **Prize Structure**

Combination	Prize (Rs.)
Any English Letter	Rs.20.00
Any One Number	Rs.20.00
Any 2 Numbers	Rs.100.00
Any 3 Numbers	Rs.2,000.00
All 4 Numbers	Rs.1,000,000.00
Any One Number + English Letter	Rs.40.00
Any 2 Numbers + English Letter	Rs.1,000.00
Any 3 Numbers + English Letter	Rs.50,000.00
All 4 Numbers + English Letter	Rs.20,000,000.00

08. SASIRI

- **Brand Vision**

Become a leading e-lottery brand.

- **Brand Mission**

To introduce innovative high-tech to create new untapped market and thereby to enhance the profitability of the board.

- **Game Details**

Draw Days : Wednesday and Saturday
Ticket Colors : Blue & Orange
Game : 03/50 No's

- **Prize Structure**

Combination	Prize (Rs.)
Any Single Number	Rs.20.00
Any 2 Numbers	Rs.100.00
Any 3 Numbers	Rs.100,000.00

09. INSTANT LOTTERY



◆ Introduction

Instant lottery was introduced to Sri Lanka by Development Lotteries Board in 1983 as the pioneer to the instant lottery. When it was introduced to the market it is novelty concept to the country.

◆ Brand Vision

To be the market leader in Sri Lanka through the off-line instant lottery.

◆ Brand Mission

As a market leader of off-line instant lottery in Sri Lanka introducing innovative prize structure and new face by state of art technology through to enhance the profitability of the board.

◆ Competitive landscape

After the DLB start instant lottery to the market two brands of instant lotteries were launched by NLB to the market. Those are Sevena and Samurddhi.

Sevena is the direct competitor of DLB scratch lottery. Sevena has been established as a separate entity to conduct the Instant lottery and manage separately by NLB. Therefore, people have recognized them as a one of instant lottery business entity.



Sustainability Report

"DLB is dedicated to responsible growth, which through its Lottery products and prizes creates constant and sustainable value over time for Sri Lankans."

Sustainability Report

For the past three decades, the Development Lotteries Board (DLB) has essentially been a sustainable business entity. Since its inception, DLB confidently believes that formulating competitive business strategies does not essentially conflict with society's overall long-term needs and values while taking into account more than just the interests of the immediate stakeholders. The Sustainability Report of the Company consists of the profile, strategy for sustainability, economic responsibility, social responsibility and environmental responsibility.

DLB is dedicated to responsible growth, which through its lottery products and prizes creates constant and sustainable value over time for Sri Lankans. This report highlights DLB's initiatives to maintain social, environmental and economic accountability. Social responsibility of DLB includes responsible initiatives for the protection of business, consumers and lottery winners as well as community outreach programmes. In order to achieve environmental responsibility, DLB monitors the environmental impacts of its corporate activities and makes Eco-friendly Instant Lottery. Economic responsibility translates into a model of governance that is transparent and balanced.

Our Core Values

The Development Lotteries Board continues to have a clear ambition to provide exceptional customer experience, commitment, confidence and advocacy in our selected business area. Delivering this ambition is not going to be straightforward and largely depends on our ability to prove

beyond question that we are becoming a responsible business in a sustainable manner.

And when it comes to our dedicated and highly spirited employees, we were given a great hand. That's why we're working hard to create an environment in which they're proud to be a part of. We understand that our business success depends on their job satisfaction and that is why we continue to invest in our people by offering opportunities for training and continuing education to encourage excellence and achievement in our workforce.

Our sustainability programme also aims to improve customer experience, create jobs in the industry and increase revenue to support important services such as healthcare and education through contribution to the President's Fund and Mahapola Trust Fund. DLB is more customer-oriented on the delivery of lotteries and continues to provide oversight of service providers.

Environmental Responsibility

Our efforts to reduce the impact on the environment have been successful. DLB provides a gateway to effective community support services through comprehensive employee training, innovative technology and collaboration with stakeholders. Introduction of the DLB Sweep App and products such as Sasiri - e-Lottery service and SMS Lottery services are proof of these objectives. Through digitalization DLB aims to minimize the carbon footprint on the planet while introducing more Apps and e-services for the convenience of our customers. We intend to improve DLB's operations

on environmental impact and increase green awareness among customers and employees. We will demonstrate the progress we are making in these areas each year through this report and articulate our goals for the coming year. DLB focuses on committed development through its Lottery products and prizes creating consistent and sustainable value to the lives of Sri Lankans. These activities highlight that DLB has executed to look after social, environmental and monetary obligations. DLB monitors the environmental impacts of its corporate exercises.

Corporate Social Responsibility

We at Development Lotteries board want to be recognized as a valued community member based on our Corporate Social Responsibility Policies. Therefore, DLB focuses on contributing to the community through meaningful, long-term partnerships and conducting business in an environmentally sustainable way. DLB commits funding to the President fund and Mahapola Higher Education Trust Fund, host communities, local charities, and enrich the lives of our people in Sri Lanka. DLB has had the ability to launch several social ventures programmed that focus on empowering entrepreneurship for individuals by providing assistance to the whole chain of lottery Agent / Distributors.

To empower employment, we have:

- Distributed Rs. 40 million among sales assistant as Covid relief support
- Distributed 37,500 hand gloves
- Distributed food worth Rs. 3.2 million among affected people in colombo district due to Covid Pandemic.

Other CSR activities

A scholarship scheme was introduced for agents' children who entered universities. 25 such children benefitted from the scheme.

Our beneficiaries are living proof of the fact that we have contributed meaningfully towards impacting the lives of students by way of disbursement of scholarships to needy students in our society. Through the President Fund.

Human Resources

We recognize our employees' important role in developing good business practices and building lasting customer relationships. We value our employees deeply

and strive to create a workplace that is innovative, supportive and engaging to show our appreciation for their many contributions.

Staff development objectives

- Create and encourage job and career opportunities
- Continue progressing with workforce planning and talent management programmed, quality recruitment and retention initiatives, development of leadership and succession planning, and continuous learning
- Ensure that our employees are empowered and rewarded for their achievements
- Ensure that our staff is well informed and aware of the company's strategic direction empowered and rewarded for their achievements
- Ensure that our staff is well informed and aware of the company's strategic direction

Local training programmes (Short term)

Training programme/ workshop	Participant's name	Position	Training period	Venue
Air Conditioning Systems And Applications For Buildings	Mr. D.N.S.A Rajapaksa	Electrician	2 days	Construction Equipment Training Centre
Essential Skills For New Managers		Junior Manager	2 days	Skills Development Fund
Duties Responsibilities & Ethics For Security Guards & Officers	Mr. Krishantha Jayamaha Mr. Sujith Priyankara Mr. Donald Denavaka Mr. M. R. P Udayakumara Mr. Nevil Gunawardana Mrs. Rasika Jayathilaka Mr. Laksiri Jayasinghe Mr. Mahesh Chameera	Chief Security Officer 12 Security Assistants	1 day	Skills Development Fund

Samarathunga
Mr. Nishantha Adikari
Mr. Dumindu Mallawarachchi
Mr. Manjula Sisirakumara
Mr. Carmen Samarathunga
Mr. H. P. Thilakaratna

Provide Excellent customer Service	25 Management assistant	Management assistants	3 hours	SLIM
Event Management	Mrs. Sepalika Premathilaka Mr. Dineshan Priyashangar Mr. Tharaka Wickramasinghe	Sales and Marketing Officer Management Assistants	2 days	Skills Development Fund Skills Development Fund
Leadership & Personality Development	Mr. Indika Upul Mrs. Chandra Rajapaksa Mr. Chaminda Karunaratne Mr. Prasanna Gokula Mrs. Chamila Thevarapperuma	Junior Managers	2 days	Skills Development Fund
Certificate Course in Stock Control and Network Management	Mrs. Manojitha Sanjeewani	Management Assistant	5 days	Construction Equipment Training Centre
Certificate in Public Procurement	Mrs. Dharshi Rathnasekara	Management Assistant	5 days	MILODA

Gender Analysis

Male staff	223
Female staff	93
Total	316

Staff Age Analysis

Age Category	No Of staff
20-30	54
30-40	120
40-50	89
Over 50	53
Total	316

Category wise staff

CHAIRMAN / CEO	1
General Manager	1
DGM	2
AGM	8
Internal Auditor	1
Administrative Officer	1
Chief Security Officer	1
Territory Manager	9
Finance Officer	4
System Analysis	1
Human Resources Officer	1
Procurement Officer	1
Transport Officer	1
Marketing & Advertising Officer	1
Area Sales promotion Assistant	16
IT. Assistant	2
Media & Public Relation Assistant	1
Chief management Assistant	1
Management Assistant	129
Sales Coordinator	3
Driver	44
ELECTRITION	2
KKS	60
Field Promoter	9
Field Mobile Announcer	1
Security Assistance	15
Total	316

Cadre Position as at 31.12.2020

Designation	Salary	Approved	Existing	Vacancies	Excess
Chairman/ CEO		1	1		
Working Director		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	2		
Asst.General Manager(Finance)	M.M- 1.1	3	2	1	
Asst.General Manager(Sales)	M.M- 1.1	2	1	1	
Asst.General Manager(HRM/Adm)	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	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	9	1	
Finance Officer	J.M- 1.1	4	4		
Sys./Prog.Anlyst	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		1	
IT Assistant	MA - 3	4	2	2	
Media & Public Relation Assistant	MA-3	1	1		
Finance Assistant	M.A-2.2	2	0	2	
Chief Management Assistant	MA-1.2	1	1		
Personal Assistant	MA-1.2	1		1	
Management Assistant	MA-1.2	137	129	8	
Sales Coordinator	MA-1.1	5	3	2	
Driver	P.L - 3	43	44		1
Electrician	P.L -3	2	2		
KKS	P.L -1	65	60	5	
Field Promoter	P.L -1	10	9	1	
Field Mobile Vehicle Announcer	P.L -1	6	1	5	
Security Assistant	P.L -1	3	15		12
TOTAL		342	316	39	13

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. Structure of the board has been specified under section 3(i) of the act, as follows.

(a). 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.

(b). 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 line with government policies, the board of directors is responsible for the organization's efficient management. This should

be achieved while protecting resources, maintaining adequate accounts, ensuring accurate reports are compiled while complying with all statutory and other management regulation requirements.

Hence, the Board should ensure the following :

- Ensure that the organization's strategic objectives are in place
- Give leadership to achieve strategic objectives
- Ensure an effective internal control and risk management system is in place
- Monitor Organization management functions effectively
- Adequately report on financial aspects and disclosures required on a regular basis is made to shareholders
- Use resources and assets responsibly
- Be accountable for all their actions in accordance with relevant statuses, guidelines and circulars etc.

Board Meetings

Organizational operations and results at board meetings are monitored closely and regularly against budgets and relevant standards. A standard agenda is followed along with any other issues that require the attention of the Board in detail. The Board meets once a month and special board meetings are held whenever necessary.

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

Compliance Officer

DGM Finance, Head of Finance Division represents the Compliance Officer to ensure compliance with regulatory and statutory requirements and board governance laws and regulations.

The Management

The Board's day-to-day operations are entrusted to the Chairperson and CEO's top management and senior management teams. The teams ensure that risks and opportunities are identified and steps are taken in time and budgets are being set to achieve goals.

Board of Directors & Number of Board Meetings in 2020

Date of meeting	Name of Director	Designation	Present
14.02.2020	Mr. Jagath P. Wijeweera	Chairman/CEO	☑
	Mr. H.G. Sumanasinghe	Director	☑
	Mr. Anura Dissanayake	Director	ab
	Ms. Jenat Jayawardana	Director	☑
27.02.2020	Mr. Jagath P. Wijeweera	Chairman/CEO	☑
	Mr. H.G. Sumanasinghe	Director	☑
	Mr. Anura Dissanayake	Director	☑
	Ms. Jenat Jayawardana	Director	☑
30.04.2020	Mr. Jagath P. Wijeweera	Chairman/CEO	☑
	Mr. H.G. Sumanasinghe	Director	☑
	Mr. Anura Dissanayake	Director	☑
	Ms. Jenat Jayawardana	Director	☑
22.06.2020	Mr. Jagath P. Wijeweera	Chairman/CEO	☑
	Mr. H.G. Sumanasinghe	Director	☑
	Mr. Anura Dissanayake	Director	☑
	Ms. Jenat Jayawardana	Director	ab
28.07.2020	Mr. Jagath P. Wijeweera	Chairman/CEO	☑
	Mr. H.G. Sumanasinghe	Director	☑
	Mr. Anura Dissanayake	Director	☑
	Mr. Ravindra J. Wimalaweera	Director	☑
	Ms. Jenat Jayawardana	Director	ab
02.09.2020	Mr. H.G. Sumanasinghe	Director/Actg. Chairman	☑
	Mr. Ravindra J. Wimalaweera	Director	☑
	Ms. Jenat Jayawardana	Director	☑
19.10.2020	Mr. H.G. Sumanasinghe	Director/Actg. Chairman	☑
	Ms. J.M. Bhadrani Jayawardane	Director	☑
	Mr. Ravindra J. Wimalaweera	Director	☑
	Ms. Jenat Jayawardana	Director	☑
28.10.2020	Mr. H.G. Sumanasinghe	Director/Actg. Chairman	☑
	Ms. J.M. Bhadrani Jayawardane	Director	☑
	Mr. Ravindra J. Wimalaweera	Director	☑
	Ms. Jenat Jayawardana	Director	☑
09.12.2020	Mr. H.G. Sumanasinghe	Director/Actg. Chairman	☑
	Ms. J.M. Bhadrani Jayawardane	Director	☑
	Mr. Ravindra J. Wimalaweera	Director	☑
	Ms. Jenat Jayawardana	Director	☑
31.12.2020	Mr. Amitha Gamage	Chairman/CEO	☑
	Mr. H.G. Sumanasinghe	Director	☑
	Ms. J.M. Bhadrani Jayawardane	Director	ab
	Mr. Ravindra J. Wimalaweera	Director	☑
	Ms. Jenat Jayawardana	Director	☑

Risk Management Report

Effective risk management is a key factor in the business process of DLB. We seek to achieve an appropriate balance between risk and reward in our business and continue to and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment. Risk management is at the core of the DLB's operating structure. We seek to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite.

A responsible approach to risk identification and mitigation is included in the DLB risk management system. Our major focus is to create a strong risk management culture that supports risk awareness, behaviours thereby influencing decisions taken based on risk. We will continue to improve our risk strategies to ensure DLB's long-term sustainability.

The risk management strategy of DLB operates as a feedback system for specific stakeholders, managers and boards. It is unique in its position as a strategic hub for informed decision making for businesses, operations, systems and services of the Board. This provides a consistent approach at strategic and business planning, project management and business process levels to address business risks by :

- Providing a general understanding of risks across business functions and units
- Providing management with an ongoing risk assessment to facilitate improved priority setting and decision-making
- Increasing employee awareness and management responsibilities

DLB is subject to a particular set of risks as given below :

Prize Pay-Out Risk

A standard pay-out ratio of prizes must be maintained at all consignment levels. The risk may be that there would have been an increased prize ratio due to the likelihood of occurrences which could affect cash flow. DLB also takes insurance coverage from the printers to cover the above-mentioned risk.

Economic Risk

DLB customers' buying patterns are influenced by the country's socio-economic and political changes.

Financial Risks

Risks associated with inefficient cash flow management and financial information could jeopardize the profitability and effectiveness of organizations. DLB uses conventional practices of financial risk management such as ensuring proper insurance coverage and coordinating cost control strategies throughout the organization.

Liquidity Risk

Liquidity risks may arise from early earnings of high-level prizes. In order to mitigate the risk, DLB maintains high cash assets. Liquidity risk arises when DLB, despite being solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations as they call due or can only do so at materially disadvantageous terms.

Operational Risk

Operational risks include potential losses resulting from system failures, human error, criminal activity and internal systematic breakdown. Such situations could harm the confidence of customers and the organizational image. In

order to reduce operational risk, DLB constantly enhances internal controls. In order to mitigate the threat of organizational risk, the management of DLB carries out regular risk assessments of operational units, business processes and large-scale units.

Business Risk

Business risk relates to the potential revenue shortfall compared to the cost base due to strategic and/or reputational reasons. DLB's ability to generate revenue is impacted by, among others, the external macroeconomic environment, its chosen strategy and its reputation in the markets in which it operates.

Reputation Risk

Reputational risk results from damage to DLB's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationship.

DLB's reliance on visual media and public interest puts the Organisation at considerable reputational loss risk. DLB undertakes effective marketing campaigns to retain public interest and complies to strict systematic transparency in order to mitigate this risk.

Legal risk

Failure to defend prospective legal actions against DLB increases the risk of legal damage. DLB has taken appropriate steps to mitigate the actions in consultation with accredited legal professionals.

IT Risk

An integral part of the operational process of DLB is precise and timely information obtained from the IT system. DLB has launched a plan of action to upgrade the organization's IT system.

Audit and Management Committee Report

We are pleased to present our report for the financial year ended 31st December 2020.

Composition of the Audit Committee

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

Mr. H.G. Sumanasinghe	Chairman of Audit & Management Committee
Mr. Ravindra J Wimalaweera	Member of Audit & Management Committee
Mrs. Janet Jayawardena	Member of Audit & Management Committee
Mrs. J.M Bhadrani Jayawardane	Member of Audit & Management Committee

The General Manager, Deputy General Manager - 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.

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 2020 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 2020 and attendance is given below.

Name of Director	Attendance	Excused
Mr. H.G. Sumanasinghe	03/03	Nil
Mr. Anura Dissanayake	01/01	Nil
Mr. Ravindra J Wimalaweera	03/03	Nil
Mrs. Janet Jayawardena	04/03	01
Mrs. J.M. Bhadrani Jayawardane	03/02	01



Mr. H.G. Sumanasinghe
Chairman - Audit & Management Committee

Financial Report



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Independent Auditors Report

Chairman,

Development Lotteries Board

Report of the Auditor General on the financial statements for the year ended 31 December 2020 and other legal and regulatory requirements of the Development Lotteries Board in terms of Section 12 of National Audit Act No. 19 of 2018

The aforesaid report is sent herewith.



W.P.C. Wickramarathna

Auditor General

Copy: Secretary, Ministry of Finance

Chairman,

Development Lotteries Board

Report of the Auditor General on the financial statements for the year ended 31 December 2020 and other legal and regulatory requirements of the Development Lotteries Board in terms of Section 12 of National Audit Act No. 19 of 2018

1. Financial Statements

1.1. Qualified Opinion

Financial statements of the Development Lotteries Board for the year ended 31 December 2020, which comprise the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes of equity, and the cash flow statement for the year then ended, and notes to the financial statements and the summary of significant accounting policies were audited under my order in terms of the provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 to be read with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in Parliament in due course in terms of Article 154(6) of the Constitution.

It is my opinion that, except for effect of the matters described under Basis for the Qualified Opinion in my report, the financial position of the Development Lotteries Board as at 31 December 2020 and its financial performance and cash flows for the year then ended represent a true and fair view of the state of affairs in accordance with the Accounting Standards of Sri Lanka.

1.2. Basis for the qualified opinion

1.2.1. Accounting Deficiencies

- a. As a depreciation of Rs. 78,698,220 had been allocated exceeding the cost value of 5 types of assets of which the cost value was Rs. 7,514,727, the net book value of those assets had been understated by Rs.71,233,493 as at 31 December 2020.
- b. The cost of a cab valued Rs. 8,095,000, which the Board did not possess physically, had been stated in the financial statements as fixed assets.

- c. Although a sum of Rs. 492,392 that had been spent on a construction activity in a land that does not belong to the Board had been entered in accounts under lands and buildings, it was observed that the said amount had been receivable from the Thissamaharama Divisional Secretariat. As a result, the value of property, plant and equipment had been overstated by that amount and the current assets had been understated by the same amount.
- d. Although a court case that had been filed regarding a sum of Rs. 1,266,631 payable to a private agency in connection with an imported vehicle had been concluded during the year under review, the liability for that had not been removed from current liabilities and had continued to be stated in the statement of financial position.
- e. Although the recoverable credit balance as per the financial statements as at 31 December 2020 was Rs. 1,246,717, the said balance was stated as Rs. 1,096,717 in the schedule that had been presented for the audit. Accordingly, a difference of Rs. 150,000 was observed.
- f. Action had not been taken to recognize unrecognized cheques and deposits valued Rs. 2,535,717 that were available in 03 bank accounts as at 31 December 2020 and to make necessary adjustments in the relevant accounts.
- g. Although the balance in the withholding tax account that was payable as at 01 January 2020 was Rs. 36,259,336, provisions for the month of December 2019 was Rs. 35,900,655. No reason was given for the difference of Rs. 358,681 that was in the opening balance, and this amount remained the same even at the end of the year under review.
- h. It was observed that, as the agreement that had been entered into by the Board for obtaining the building located at No. 234 in the Vauxhall Street on rent basis since October 2006 had been violated unilaterally, action had not been taken for 15 years by now to recover a sum of Rs. 5,700,000, being the total of the sum of Rs. 723,780, which had been paid as the deposit and the sum of Rs. 4,976,220, which is a part of the amount that was paid as the rent for that year.

1.2.2 Unreconciled balance

A difference of Rs. 1,544,912 was observed when reconciling the value of the stock of prize items and the value of the stock of promotional items with the books and the management reports of the stores.

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

1.3. Other information contained in the Annual Report 2020 of the Board

Other information refers to the information that is included in the Annual Report 2020 of the Board, that is expected to be presented to me after the date of this Audit Report, but not included in the financial statements and my audit report on the same. The management is responsible for other information.

My opinion regarding the financial statements does not cover the other information, and I will not give any assurance or express any opinion regarding the same.

My responsibility in relation to my audit of the financial statements is to read the other information identified above when it is available to me, and in doing so, to consider whether the other information is materially inconsistent with the financial statements or with the knowledge I have gained during the audit or otherwise.

If I decide while reading the annual report 2020 of the Board that there are material misstatements in the report, it is required that I report such information to the management for correction. If there are further misstatements that have not been corrected, they will be included in the report that will be tabled in Parliament in due course by me in terms of Article 154(6) of the Constitution.

1.4. Responsibility of the management and the administration for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards, and for determining the internal controls necessary for enabling the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

It is the responsibility of the management to determine the going concern of the institute when preparing the financial statements, and except where the management intends to liquidate the Board or to cease operations in the absence of any alternative, keeping accounts on the basis of going concern and disclosing the matters relating to the going concern of the Board, too, are responsibilities of the management.

The administration of the Board is responsible for the financial reporting process of the institute.

In terms of Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Board should properly maintain books and reports on its income, expenditure, assets and liabilities in order to enable the preparation of annual and timely financial statements of the Board.

1.5. Responsibility of the Auditor for the audit of financial statements

My intention is to give a fair assurance that the financial statements, as a whole, are free of material misstatements due to fraud and error, and to issue the report of the auditor containing my opinion. Fair assurance is an assurance of a higher level, but when conducting the audit in terms of Sri Lanka Auditing Standards, it will not be a confirmation that it always discloses material misstatements. Material misstatements may occur due to the effect of frauds and errors either individually or collectively, and it is expected that it could have an impact on the economic decisions made by users based on these financial statements.

I conducted the audit in terms of Sri Lanka Auditing Standards with professional judgment and professional dubiousness. Further,

- When identifying and assessing the risks of material misstatements that may occur in financial statements due to fraud or error, as the case may be, obtaining adequate and appropriate audit evidence to avoid the risks caused by frauds or errors by planning proper audit procedures is the basis for my opinion. The effect of a fraud is more serious than the effect of material misstatements, and collusion, preparation of forged documents, intentional omissions or breach of internal controls result in frauds.
- Understanding of the internal control of the institute was gained in order to plan appropriate auditing procedures, but it is not intended to express an opinion about the effectiveness of the internal control.
- Fairness of the principles of accounting and accounting estimates used and applicability of the related disclosures were evaluated.
- Relevance of using the basis of going concern of the institute for accounting based on the audit evidence obtained regarding whether there exists a material uncertainty about the going concern of the institute due to events or situations was determined. If I determine that there exists a material uncertainty, attention of my audit report should be directed towards the disclosures related to them in the financial statements, and if such disclosures are not adequate, my opinion should be modified. However, the going concern may end based on the future events or situations.
- Presentation, the structure and the content of the financial statements that include disclosures were evaluated, and it was evaluated that the transactions and events used for that were appropriately and fairly included in the financial statements.

The administration is informed of the significant audit findings, weaknesses of the key internal controls, and other matters that were identified during my audit.

2. Report on other legal and regulatory requirements

2.1. National Audit Act No. 19 of 2018 contain special provisions regarding the following requirements:

- 2.1.1. According to the requirements provided under Section 12(a) of the National Audit Act No. 19 of 2018, subject to the observations stated under Section 1.2 of this report, I obtained all the information and clarifications required for the audit, and as it is observed through my examination, the Board had maintained proper financial records.
- 2.1.2. According to the requirement provided in Section 6(1)(d)(iii) of the National Audit Act No. 19 of 2018, the financial statements of the institute are consistent with the preceding year.
- 2.1.3. According to the requirement provided in Section 6(1)(d)(iv) of the National Audit Act No. 19 of 2018, the recommendations made by me in the previous year with regard to the observations stated under Sections 1.2.1 (b), (c) and (h) of this report had not been implemented when presenting the financial statements for the year under review.

2.2. Based on the procedure that was adopted and the evidence that was obtained, and limitation to material factors, nothing has come to my attention that require making of following statements:

2.2.1. According to the requirement provided in Section 12(d) of the National Audit Act No. 19 of 2018, a member of the board of directors of the institute has an interest outside the normal business situation of the institute directly or otherwise regarding a contract that relates to the institute.

2.2.2. According to the requirement provided in Section 12(f) of the National Audit Act No. 19 of 2018, the institute has not complied with an applicable written law or other general or special direction issued by the board of directors of the intitute except for the following observations:

Reference to law/direction	Observations
(a) Section 17(5) of the Development Lotteries Board Act.	Although the income that is earned by selling the prizes that winners had not claimed and that have exceeded the time limit of 06 months, should be credited first to the fund and then to the President's Fund, it was observed that action had not been taken to credit to the President Fund the income received by the sale of 162 items related to 11 items which had cost Rs. 1,428,172 and of which the time limit of 06 moths had expired.
(b) Section 8 of Chapter XIV of the Establishments Code of Democratic Socialist Republic of Sri Lanka.	Although only Rs.12 can be paid per kilometer for the vehicle that is used by field officers of public institutes for the purpose of performing their field duties, the Board had paid Rs. 40 per kilometer for the vehicle used by the sales managers.
(c) Financial Regulation 381 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	Although approval should be obtained from the Treasury (Public Accounts Department) to open an official bank account, such approval had not been obtained for 11 current accounts that the Board had maintained in 02 state banks and in 02 private banks. Those current accounts had been opened only on the approval of the Board of Directors.
(d) Paragraph (2) of the Public Enterprise Circular No. 02/2018 dated 14 November 2018.	Balance amounts valued Rs. 5,486,920 belonging to the Board as at 31 December 2020 had been deposited in an account in a private without depositing in a state bank, and this amount had then be invested in Treasury Bills.
(e) Paragraph 5.2 III of the National Budget Circular No. 142 of the Ministry of Finance and Planning dated 31 December 2008.	It was observed that the Board had paid a sum of Rs. 10,011,540 to 144 officers as distress loan exceeding the limit of Rs. 250,000. Further, apart from the distress loan, action had also been taken to give a loan amount that is equal to the amount of the basic salary in order to help cope with the weak economic situation that arose as a result of the corona pandemic.

- 2.2.3. According to the requirement provided in Section 12(g) of the National Audit Act No. 19 of 2018, the Board has performed inconsistent with the powers, functions and duties of the Board.
- 2.2.4 According to the requirement provided in Section 12(h) of the National Audit Act No. 19 of 2018, except for the following observations, the resources of the Board have not been procured and utilized economically, efficiently and effectively within the time frames in accordance with the relevant laws and rules.
- a. On occasions where issues arise due to certain flaws such as existence of lottery tickets that had not been issued by the Board to the sales agents by the time of the draw of daily-draw lotteries and not issuing lotteries with the correct barcode by the sub-stores in accordance with the relevant invoices, there had been occasion where such tickets had been entered in the computer system considering them to be sales of the relevant agents and the draw had been done accordingly. Approval of the Assistant General Manager (Finance) had been granted for this, and after the draw had been over, action such as suspending the prices relevant to the barcodes of such tickets, and later removing them and returning money to the sales agents after obtaining a written request from the agents had been done by the Assistant General Manager (Finance) himself without obtaining proper approval. It was observed that there had been 13 such occasions during year 2020, and their sales value was Rs. 307,801.
 - b. The number of tickets that had been ordered additionally from the printer during the year was 31,7779,000 and the number of tickets that had not been issued and that had remained at the stores was 1,255,570. As a percentage, this was 4 percent of the number of tickets that had been ordered additionally, and for Ada Kotipathi Lottery, this was as high as 6 percent. It was observed during the audit that placing orders for tickets had not been done with proper management.
 - c. The Double Wheel Crew Cab without rear body that had been purchased at Rs. 5,565,000 in year 2018 had been handed over to a private firm on 18 October 2018 to build as a sales promotional vehicle, and although a period of over 02 years had lapsed by 31 December 2020, the expected objective of the Board had not been fulfilled. Specifications had been prepared without taking into consideration the provisions in Section 2.6 of the Procurement Guidelines, and quotations had been called, and modifications had been done to the vehicle without approval from the supplier company. Further, it was observed during the audit that, given the issues such as expiration of the one-year warranty period of the equipment that had been purchased for this purpose, not paying attention towards the asset and the protection of its accessories, and also the expiration of the performance bonds, this operational activity that had been proposed to be carried out at a cost of Rs. 11,991,900 was questionable.

- d. Printing of lotteries, which is a key operational activity of the Board, had not been done according to a proper procurement plan since 2017, and the procurement process had been commenced after the existing agreement period was nearing its expiration. Usually, the procurement process goes on for about 06 months, and therefore, the existing agreement period, too, had been extended by 06-08 months. Only two printing companies had been selected for that from 01 August 2017 to date.

2.3 Other audit observations

- a. Due to the purchase of promotional materials without proper planning, promotional materials valued Rs. 3,623,367, namely umbrellas (gents'), T-shirts, solar lamps, caps, porcelain sets and water filters had been kept at the stores. Therefore, it was not observed that adequate method of internal control had been followed with regard to the level of re-orders for promotional stocks of the Board.
- b. At the meeting that was held on 24 October 2019 for discussing the prize patterns of lottery tickets, the Board had taken a decision to use for the future competitions the prizes that had been remaining in the stores, for which the winners had not made claims and of which the 06-month period had expired. Accordingly, although instructions had been issued to the Deputy General Manager (Marketing) to take action to use the 02 motorcycles valued Rs. 529,850, that had been purchased in 2018, as a prize for the instant lottery to be introduced to the market in December 2019 and as a prize for the special draw of the Lagna Wasana Lottery to be held in February 2020, it was observed during the physical examination that both of those motorcycles were remaining at the stores even by the 12 February 2021, which was the date of the audit..
- c. It was observed that all the 123 gift vouchers valued Rs. 592,500, which had not been used and were being retained, had been retained by the Board for 12 years without making use of them. Out of them, 07 vouchers valued Rs. 7,500 had expired on 31 August 2019. Further, there were 117 vouchers for Rs. 5,000 valued Rs. 585,000, and although there was no expiry date mentioned on them, they had been purchased in 2009, and as such, it had been 12 years since those vouchers had been purchased. Hence, it was observed during the audit that there was uncertainty about the possibility of using these vouchers for awarding prizes in future.
- d. The winning bidder that had be selected for supplying scooties for the special draw of the Superball lottery as per the recommendations of the procurement committee on 30 January 2020 had been issued supply orders on the same day. However, soon after the final decision regarding awarding of the contract had been taken within the period of validity of the bid for awarding the contract, a letter of acceptance had not been issued to the supplier in terms of

Section 8.7.1(b) of the Procurement Guidelines. Action had not been taken to get performance bonds in terms of Section 5.4.10 of the Procurement Guidelines and to sign the contract agreement in terms of Section 8.9.1 of the Procurement Guidelines either.

- e. Although the Board had taken action to issue lotteries through the Sweep App incurring an expense of Rs. 3,275,246, it had not been agreed to issue the lotteries printed by a private company through that facility. Further, despite flaws such as not having any additional printing machine and having continued to print lotteries with errors, it was questionable at the audit as to how that company had been recognized as a company that had fulfilled the required qualifications.
- f. The total additional cost that the Board had to incur in printing lotteries during the period from 2017 to 2020 because of the decisions of the Procurement Committee and the Technical Evaluation Committee had been Rs. 72,479,000.
- g. Seven (07) motorcycles, which had cost Rs. 1,352,610.58, that had been used by Sales Promotion Officers, had been retained in the stores at the office premises without making use for a period of 02 years and 11 months.
- h. When comparing the vehicles belonging to the Board and the vehicles registered with the Department of Motor Traffic under the name of the Board, it was observed that 37 vehicles that had been registered with the Department of Motor Traffic under the name of the Board had not been entered in the fixed assets register of the Board.
- i. When the period from March to July 2020 was taken into consideration, it was observed that the income of the Board during that period had dropped by Rs. 3,124,722,840, i.e. by 45%, due to the Corona pandemic as against the same period in year 2019.
- j. It was observed during the physical examination that, out of the prize items, the warranty period of 08 mobile phones and 04 tab computers valued Rs. 548,224, which had exceeded a period of 02 years after purchasing, had expired, and 02 mountain bicycles valued Rs. 32,510 and a wooden TV stand had become unusable. It was observed that, although 03 mobile phones, 04 tab computers and 02 mountain bicycles out of them had been recommended for sale by the stocks verification in 2019, action had not been taken to sell those items even by 12 February 2021, which was the date of the Audit.
- k. Although 119 items relating to promotional items valued Rs. 505,407, that had not been made use of, but had become unusable, and had been kept in the stores from the time before 2016, had been handed over to the Administration Division for auctioning, and an income of Rs. 38,954 had been earned in year 2020 by auctioning 76 goods out of them relating to 07 items valued Rs. 325,954. Accordingly, it was observed that the Board had incurred a loss of Rs. 286,615, i.e. 88%, from the unutilized promotional items.
- l. The determination of the case that had been filed 23 years ago seeking an order against a person in Ward Place to pay back to the Board a sum of Rs. 2,520,000 that had been paid to him as a building deposit as per the rent agreement that the Board had entered into with him

in 1990 had been issued on 11 January 2016, and although nearly 5 years has passed since the court has issued the determination that the said amount should be paid back to the Board, no action had been taken to recover this amount.

m. A total of Rs. 3,626,727 that was comprised of the sum of Rs.2,877,144 paid on 3 occasions during 2013 and the sum of 749,583 paid in 2014 had been paid to a private company as an advance payment of a consultation fee. It was observed that no action had been taken to recover this amount that a third party had been keeping with them for 7 – 8 years.

n. As at 31 December 2020, a sum of Rs. 270,749,417 that the Board belonged had been kept in 06 current accounts instead of depositing in a Call Deposit account.



W.P.C. Wickramaratne

Auditor General

Audit Report 2020 and action taken by the Management

Answers to the report of the Auditor General on the financial statements for the year ended 31 December 2020 and other legal and regulatory requirements of the Development Lotteries Board in terms of Section 12 of National Audit Act No. 19 of 2018

Matters contained in the report of the Auditor General	Answers of the Board
<p>1.2.1 Accounting Deficiencies</p> <p>a. As a depreciation of Rs. 78,698,220 had been allocated exceeding the cost value of 5 types of assets of which the cost value was Rs. 7,514,727, the net book value of those assets had been understated by Rs.71,233,493 as at 31 December 2020.</p> <p>b. The cost of a cab valued Rs. 8,095,000, which the Board did not possess physically, had been stated in the financial statements as fixed assets.</p> <p>c. Although a sum of Rs. 492,392 that had been spent on a construction activity in a land that does not belong to the Board had been entered in accounts under lands and buildings, it was observed that the said amount had been receivable from the Thissamaharama Divisional Secretariat. As a result, the value of property, plant and equipment had been overstated by that amount and the current assets had been understated by the same amount.</p> <p>d. Although a court case that had been filed regarding a sum of Rs. 1,266,631 payable to a private agency in connection with an imported vehicle had been concluded during the year under review, the liability for that had not been removed from current liabilities and had continued to be stated in the statement of financial position.</p>	<p>The cost of assets and the net book value are accurately stated under Note 11 of the Financial Statement.</p> <p>Even though the cab worth Rs. 8,095,000/- is not in the possession of the Board, it has been purchased and registered in the name of the Board and payment has been made to United Motors for this purpose, and therefore, its cost has been stated under fixed assets considering it be an asset belonging to the Board. Legal action is currently being taken to recover the cost of the vehicle from the party who took the vehicle.</p> <p>Although efforts were made to recover the amount of Rs. 492,392/- that was spent on this land, Divisional Secretary, Thissamaharama, has informed the Board that there is no possibility of getting the amount that has been spent on developing a state land recovered. Accordingly, a Board Paper was submitted to the 248th meeting of the Board of Directors that was held on 02 March 2021 to get that amount written off, and approval of the Board was granted for that. Accordingly, action has been taken to write off the amount of Rs. 492,392 as at July 2021.</p> <p>An additional amount of Rs. 8,095,000 was estimated at the end of year 2018 as an as interest calculated as 10% each for the period of 10 years for the amount of Rs. 8,095,000 that had been payable to United Motors Ltd. in connection with the Cab numbered PB – 6024. However, the Administration Division had informed the Accounts Division through the letter dated 10.03.2021 that only a sum of Rs. 6,828,368.83 is payable to United Motors Ltd. as interest, and necessary adjustments were made regarding these overprovisions and were correctly entered in the accounts in March 2021.</p>

<p>e. Although the recoverable credit balance as per the financial statements as at 31 December 2020 was Rs. 1,246,717, the said balance was stated as Rs. 1,096,717 in the schedule that had been presented for the audit. Accordingly, a difference of Rs. 150,000 was observed.</p> <p>f. Action had not been taken to recognize unrecognized cheques and deposits valued Rs. 2,535,717 that were available in 03 bank accounts as at 31 December 2020 and to make necessary adjustments in the relevant accounts.</p> <p>g. Although the balance in the withholding tax account that was payable as at 01 January 2020 was Rs. 36,259,336, provisions for the month of December 2019 was Rs. 35,900,655. No reason was given for the difference of Rs. 358,681 that was in the opening balance, and this amount remained the same even at the end of the year under review.</p> <p>h. It was observed that, as the agreement that had been entered into by the Board for obtaining the building located at No. 234 in the Vauxhall Street on rent basis since October 2006 had been violated unilaterally, action had not been taken for 15 years by now to recover a sum of Rs. 5,700,000, being the total of the sum of Rs. 723,780, which had been paid as the deposit and the sum of Rs. 4,976,220, which is a part of the amount that was paid as the rent for that year.</p>	<p>It is agreed. Stating the sum of Rs. 150,000/- which had been stated under Staff Loan Recovery - COVID 19, which should have been stated as Employee Contribution, was corrected in the account of the current year itself, and there has been no change relating to the final balance in Schedule I.</p> <p>This issue has arisen as the deposits that had been paid to the Board by Distributors and Sales Agents for sales of tickets and as other special payments had not been properly identified. Action has already been taken to enter the deposits, which had been made prior to over six months and cannot be identified, in the accounts as other income. Also, distributors and sales agents have been given the necessary instructions to make payments in way that the deposits can be identified, when depositing money in the accounts of the Board,</p> <p>This has been corrected in the accounts in August 2021.</p> <p>A committee was appointed by the Secretary to the Ministry of Finance to get recommendations regarding recovering or writing off the amount of Rs. 5,700,000, which has been recoverable by the Board in connection with renting of No. 234 building in Vauxhall Street. This Committee had met on 04 occasions and had discussed this matter extensively, and the final report of the Committee has been handed over the Secretary to the Ministry of Finance.</p>
<p>1.2.2 Unreconciled balance</p> <p>A difference of Rs. 1,544,912 was observed when reconciling the value of the stock of prize items and the value of the stock of promotional items with the books and the management reports of the stores.</p>	<p>The items in the prize and promotional stocks ledger in the Accounts Division and in the stores are quantitatively accurate, and there are variations in their values. The values of inventory items are calculated in the financial statements in accordance with FIFO accounting policy.</p>

2. Report on other legal and regulatory requirements

2.2.2 According to the requirement provided in Section 12(f) of the National Audit Act No.

19 of 2018, the institute has not complied with an applicable written law or other general or special direction issued by the board of directors of the institute except for the following observations:

<u>Reference to law/direction</u>	<u>Observations</u>
(a) (a) Section 17(5) of the Development Lotteries Board Act.	<p>Although the income that is earned by selling the prizes that winners had not claimed and that have exceeded the time limit of 06 months, should be credited first to the fund and then to the President's Fund, it was observed that action had not been taken to credit to the President Fund the income received by the sale of 162 items related to 11 items which had cost Rs. 1,428,172 and of which the time limit of 06 months had expired.</p> <p>As per the instructions received in this regard from the Attorney General's Department, it has been stated that, when prizes are obtained for re-draws using the funds in the prize reserve account, on occasions where the relevant winners have not claimed their prizes, the proceeds from the sale of such prize items should be credited again to the prize reserve account. Accordingly, approval of the Board of Directors has been granted for disposal of a part of the stock of those prize items. If not, as stated under those instructions, such prize items can be used as prizes for future promotional programmes. The management has decided to offer the remaining stock (motorcycles) as prizes once again.</p>
(b) (b) Section 8 of Chapter XIV of the Establishments Code of Democratic Socialist Republic of Sri Lanka.	<p>Although only Rs.12 can be paid per kilometer for the vehicle that is used by field officers of public institutes for the purpose of performing their field duties, the Board had paid Rs. 40 per kilometer for the vehicle used by the sales managers.</p> <p>Unlike the field staff of other institutes, the field staff of the Board has to be engaged in resolving issues whenever such issues occur in the field, and therefore they always have to engage in field duty. Further, the geographical area that an officer has to cover is very large. Therefore, taking this situation into consideration, a fuel allowance of Rs. 40/- per kilometre has been paid. Moreover, as these officers use their own vehicles and as they themselves drive the vehicles, the cost for the vehicle and the cost for the driver, too, are included in this rate of Rs. 40/-. Further, this rate was determined based on the fuel prices that prevailed in 2018, and when quotations were called from cab services, it was found that the rate they charge per kilometer was higher</p>

<p>(c) Financial Regulation 381 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.</p>	<p>Although approval should be obtained from the Treasury (Public Accounts Department) to open an official bank account, such approval had not been obtained for 11 current accounts that the Board had maintained in 02 state banks and in 02 private banks. Those current accounts had been opened only on the approval of the Board of Directors.</p>	<p>than Rs. 40/-. and as such, it was decided that it would be appropriate to Rs. 40/-. Approval of the Board of Directors has been obtained for this and payments are made accordingly.</p>
<p>(d) (c) Paragraph (2) of the Public Enterprise Circular No. 02/2018 dated 14 November 2018.</p>	<p>Balance amounts valued Rs. 5,486,920 belonging to the Board as at 31 December 2020 had been deposited in an account in a private without depositing in a state bank, and this amount had then be invested in Treasury Bills.</p>	<p>Development Lotteries Board is an entity that is governed under the Ministry of Finance and is independent Governed by Board of Directors. Therefore, if the Board needs to open a bank account for some official purpose, the procedure that has been in practice so far is to submit the required drafts to the Board of Directors and to open and maintain the account with a state or a commercial bank after getting the approval of the Board of Directors. The 11 accounts referred to in this audit query are accounts that have been opened following the said procedure. Further, as the Board of Directors of the Development Lotteries Board includes a Director who represents the Ministry of Finance, these accounts have been opened with the full approval of the Board of Directors including the Director who represents the Ministry of Finance. This account has been opened with the view to making it easier for the district sales agents to make their daily deposits. After observing the amount of transactions done, a decision will be made regarding continuation of this account.</p>
<p>(e) (d) Paragraph 5.2 III of the National Budget Circular No. 142 of the Ministry of Finance and Planning dated 31 December 2008.</p>	<p>It was observed that the Board had paid a sum of Rs. 10,011,540 to 144 officers as distress loan exceeding the limit of Rs. 250,000. Further, apart from the distress loan, action had also been taken to give a loan amount that is equal to</p>	<p>From the establishment of the Development Lotteries Board to date, distress loans have been granted following this methodology in order to motivate employees. At the initial stage of the Corona pandemic, as the country had been locked down from 18 March 2020 to 12 March 2020; operational activities of the Board were not carried out during that period. Under this</p>

<p>the amount of the basic salary in order to help cope with the weak economic situation that arose as a result of the corona pandemic.</p>	<p>situation, the members of the staff requested that a loan advance be granted to them as their daily life had been disrupted since their income had been affected due to this situation. However, their request was turned down. However, as they kept on requesting, an amount that is equal to their basic salary had to be given to them amidst their strong opposition because the amount given was much less than that they had requested. Approval of the Board of Directors was granted for this. As at present, all amounts relating to that advance have been recovered. No approval has been obtained either from the Ministry of Finance or from the Public Enterprises Department for paying this advance. However, it has been decided not pay advances of this nature in the future.</p>
<p>2.2.3 According to the requirement provided in Section 12(g) of the National Audit Act No. 19 of 2018, the Board has performed inconsistent with the powers, functions and duties of the Board.</p> <p>2.2.4 According to the requirement provided in Section 12(h) of the National Audit Act No. 19 of 2018, except for the following observations, the resources of the Board have not been procured and utilized economically, efficiently and effectively within the time frames in accordance with the relevant laws and rules</p>	
<p>a. On occasions where issues arise due to certain flaws such as existence of lottery tickets that had not been issued by the Board to the sales agents by the time of the draw of daily-draw lotteries and not issuing lotteries with the correct barcode by the sub-stores in accordance with the relevant invoices, there had been occasion where such tickets had been entered in the computer system considering them to be sales of the relevant agents and the draw had been done accordingly. Approval of the Assistant General Manager (Finance) had been granted for this, and after the draw had been over, action such as suspending the prices relevant to the barcodes of such tickets, and later removing them and returning money to the sales agents after obtaining a written request from the agents had been done by the Assistant General Manager (Finance) himself without obtaining proper approval. It was observed that there had been 13 such occasions during year 2020, and their sales value was Rs. 307,801.</p>	<p>Lotteries are transported to distributors by train and on buses. Sometimes, there are occasions where such stocks of lotteries get misplaced on the train or on buses. On such occasions, transactions are entered under the names of relevant distributors considering that those lotteries have been sold by the relevant distributors. Later, after getting written verifications accepting the receipt of those lotteries by the distributors, the relevant amounts are credited back to the accounts of those distributors. However, after the audit had pointed out the issues relating to this process, if stocks of lotteries get misplaced, after getting it verified on the very first day after transporting the tickets to the distributors that the tickets have been misplaced, such stocks of lotteries are not entered in accounts as sales. Accordingly, no such issue will arise in future.</p>

b. The number of tickets that had been ordered additionally from the printer during the year was 31,777,000 and the number of tickets that had not been issued and that had remained at the stores was 1,255,570. As a percentage, this was 4 percent of the number of tickets that had been ordered additionally, and for Ada Kotipathi Lottery, this was as high as 6 percent. It was observed during the audit that placing orders for tickets had not been done with proper management.

c. The Double Wheel Crew Cab without rear body that had been purchased at Rs. 5,565,000 in year 2018 had been handed over to a private firm on 18 October 2018 to build as a sales promotional vehicle, and although a period of over 02 years had lapsed by 31 December 2020, the expected objective of the Board had not been fulfilled. Specifications had been prepared without taking into consideration the provisions in Section 2.6 of the Procurement Guidelines, and quotations had been called, and modifications had been done to the vehicle without approval from the supplier company. Further, it was observed during the audit that, given the issues such as expiration of the one-year warranty period of the equipment that had been purchased for this purpose, not paying attention towards the asset and the protection of its accessories, and also the expiration of the performance bonds, this operational activity that had been proposed to be carried out at a cost of Rs. 11,991,900 was questionable.

d. Printing of lotteries, which is a key operational activity of the Board, had not been done according to a proper procurement plan since 2017, and the procurement process had been commenced after the existing agreement period was nearing its expiration. Usually, the procurement process goes on for about 06 months, and therefore, the existing agreement period, too, had been extended by 06-08 months. Only two printing companies had been selected for that from 01 August 2017 to date.

During the period from January to July in 2020, sale of lottery tickets dropped drastically due to situations that are beyond control of the Board, i.e. due to the outbreak of the COVID-19 pandemic and due to raising its head from time to time, and consequent lockdown of the country and other restrictions imposed by the country in response to the pandemic. As a result, the number of tickets that remain with the Board without been sold, too, is very high. Therefore, limited numbers of lottery tickets are being printed these days.

Building the rear body of this vehicle has been completed and it has been handed over to the Board at present. Although it had been planned to carry out sales promotion programmes in future using this vehicle, all promotion programmes have been suspended at present due to the prevailing pandemic situation in the country. Once the country returns to normalcy, action will be taken to carry out those sales promotion activities.

Accordingly, bids were invited for this by the department procurement committee, and those bids were opened on 04.08.2020. However, due to some technical reason, the said invitation of bids was cancelled by the department procurement committee, and it was decided to invite bids again through the procurement committee of the Ministry. Accordingly, it is informed that, the Technical Evaluation Committee has prepared the set of bid documents required for inviting bids by the Cabinet Appointed Procurement Committee. It is further informed that it will be able to invite bids in early October.

2.3 Other observations

- a. Due to the purchase of promotional materials without proper planning, promotional materials valued Rs. 3,623,367, namely umbrellas (gents'), T-shirts, solar lamps, caps, porcelain sets and water filters had been kept at the stores. Therefore, it was not observed that adequate method of internal control had been followed with regard to the level of re-orders for promotional stocks of the Board.

These items have been purchased according to a plan – they were items that had been included as the prizes of the instant lottery that had been planned to be issued to the market at that time. For one type of such lotteries, (for one type of instant lotteries) 5,000 pieces of such items were used, and as those items had to be available at the stores of the Board before the lottery was issued to the market, the orders had been placed in advance and the items were brought to the stores. All those items were issued to the market as prizes, and out of the prizes of the winning lotteries, only some amount of items for which the prizes had not been claimed by winners are remaining in the stores. The items that had been obtained as prizes were those that were included within the prize percentage of the lotteries. Further, in addition to that, we purchased items as follows to be awarded to sales assistants as prizes as part of the programme for the promotion of instant lotteries and special lotteries. However, some amount of those items have remained in the stores as the promotion programmes could not be implemented as planned due to the COVID-19 pandemic, which has prevailed since last year.

- b. At the meeting that was held on 24 October 2019 for discussing the prize patterns of lottery tickets, the Board had taken a decision to use for the future competitions the prizes that had been remaining in the stores, for which the winners had not made claims and of which the 06-month period had expired. Accordingly, although instructions had been issued to the Deputy General Manager (Marketing) to take action to use the 02 motorcycles valued Rs. 529,850, that had been purchased in 2018, as a prize for the instant lottery to be introduced to the market in December 2019 and as a prize for the special draw of the Lagna Wasana Lottery to be held in February 2020, it was observed during the physical examination that both of those motorcycles were remaining at the stores even by the 12 February 2021, which was the date of the audit.

One of those items, namely a motorcycle of Honda CD 11 model was used for the special draw of the Lagna Wasana Lottery, and although the items that had been proposed to be used for the instant lottery were used for that lottery during the early part of year 2020, printing of that lottery was stopped temporarily due to the COVID-19 pandemic. Action will be taken to use these items for those promotion activities in future.

c. It was observed that all the 123 gift vouchers valued Rs. 592,500, which had not been used and were being retained, had been retained by the Board for 12 years without making use of them. Out of them, 07 vouchers valued Rs. 7,500 had expired on 31 August 2019. Further, there were 117 vouchers for Rs. 5,000 valued Rs. 585,000, and although there was no expiry date mentioned on them, they had been purchased in 2009, and as such, it had been 12 years since those vouchers had been purchased. Hence, it was observed during the audit that there was uncertainty about the possibility of using these vouchers for awarding prizes in future.

d. The winning bidder that had be selected for supplying scooties for the special draw of the Superball lottery as per the recommendations of the procurement committee on 30 January 2020 had been issued supply orders on the same day. However, soon after the final decision regarding awarding of the contract had been taken within the period of validity of the bid for awarding the contract, a letter of acceptance had not been issued to the supplier in terms of Section 8.7.1(b) of the Procurement Guidelines. Action had not been taken to get performance bonds in terms of Section 5.4.10 of the Procurement Guidelines and to sign the contract agreement in terms of Section 8.9.1 of the Procurement Guidelines either.

e. Although the Board had taken action to issue lotteries through the Sweep App incurring an expense of Rs. 3,275,246, it had not been agreed to issue the lotteries printed by a private company through that facility. Further, despite flaws such as not having any additional printing machine and having continued to print lotteries with errors, it was questionable at the audit as to how that company had been recognized as a company that had fulfilled the required qualifications.

Discussions headed by the Secretary to the Ministry of Trade were held with Sathosa to get the vouchers of the value that has been stated here updated, and as Sathosa did not have the relevant details, all relevant details were provided to Sathosa by the Development Lotteries Board. Accordingly, the Ministry of Trade has informed Sathosa in writing to pay the said amount back to the Development Lotteries Board. The Board will receive this amount shortly.

When purchasing motorcycles to be awarded as prizes, the practice of purchasing all the pieces at the same time and keeping them stored has been minimized, because all the winners do not claim the prizes, and as a result certain parts of motorcycles get damaged due to corrosion, models get outdated, year of manufacture gets too old, and physical damages are caused. Therefore all the motorcycles are not purchased at the same time. Only the required number of motorcycles are ordered and obtained when the winners claim their prizes, and bids were not invited and agreements were not signed as done when purchasing other items because of the reasons described above. It is informed that action has been taken in this manner because, if bids were invited for all the motorcycles, the Board has to enter into an agreement to purchase all the pieces at the same time.

Oracle International Company has not supplied the said e-lottery tickets because the number of lottery tickets required is not specified when lotteries are issued for the Sweep App, and as an additional insurance coverage has to be obtained for the e-tickets, the cost for that insurance

<p>f. The total additional cost that the Board had to incur in printing lotteries during the period from 2017 to 2020 because of the decisions of the Procurement Committee and the Technical Evaluation Committee had been Rs. 72,479,000.</p> <p>g. Seven (07) motorcycles, which had cost Rs. 1,352,610.58, that had been used by Sales Promotion Officers, had been retained in the stores at the office premises without making use for a period of 02 years and 11 months.</p> <p>h. When comparing the vehicles belonging to the Board and the vehicles registered with the Department of Motor Traffic under the name of the Board, it was observed that 37 vehicles that had been registered with the Department of Motor Traffic under the name of the Board had not been entered in the fixed assets register of the Board.</p> <p>i. When the period from March to July 2020 was taken into consideration, it was observed that the income of the Board during that period had dropped by Rs. 3,124,722,840, i.e. by 45%, due to the Corona pandemic as against the same period in year 2019.</p>	<p>coverage is high. However, as Oracle company is already a ticket supplier of the Board, and as there haven't been any flaws in the supply of tickets so as not to call it as a successful supplier, the Technical Evaluation Committee has identified Oracle Company as a successful bidder.</p> <p>Giving recommendations relating to a procurement in terms of procurement guidelines is done by the technical evaluation committee and the procurement committee. Therefore, as bids are accepted as per the recommendations of those committees, no additional cost as pointed out by the audit had to be incurred.</p> <p>These motorcycles will be disposed properly through a proper process in the future.</p> <p>Certain motor vehicles that had been in the possession of the Board and then disposed of have been sold to external parties and institutes following the proper tender procedure. Therefore, it is observed that, this has occurred as such parties, who purchased such vehicles, have not transferred those vehicles to their names. However, after obtaining a report from the Department of Motor Traffic, it is expected to take action regarding the parties who have purchased the vehicles that had been tendered through the disposal process.</p> <p>In this respect, as a step to minimize the drop of sales, measures such as change of draw date of the lotteries that had been issued to the market by the Board, having daily draws of lotteries such as Shanida and Super Ball, introducing a new lottery named Sasiri, introducing the DLB Sweep App as digital lottery were carried out.</p>
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<p>j. It was observed during the physical examination that, out of the prize items, the warranty period of 08 mobile phones and 04 tab computers valued Rs. 548,224, which had exceeded a period of 02 years after purchasing, had expired, and 02 mountain bicycles valued Rs. 32,510 and a wooden TV stand had become unusable. It was observed that, although 03 mobile phones, 04 tab computers and 02 mountain bicycles out of them had been recommended for sale by the stocks verification in 2019, action had not been taken to sell those items even by 12 February 2021, which was the date of the Audit.</p> <p>k. Although 119 items relating to promotional items valued Rs. 505,407, that had not been made use of, but had become unusable, and had been kept in the stores from the time before 2016, had been handed over to the Administration Division for auctioning, and an income of Rs. 38,954 had been earned in year 2020 by auctioning 76 goods out of them relating to 07 items valued Rs. 325,954. Accordingly, it was observed that the Board had incurred a loss of Rs. 286,615, i.e. 88%, from the unutilized promotional items.</p> <p>l. The determination of the case that had been filed 23 years ago seeking an order against a person in Ward Place to pay back to the Board a sum of Rs. 2,520,000 that had been paid to him as a building deposit as per the rent agreement that the Board had entered into</p>	<p>Further, one of the biggest challenges that the Board had to face during this pandemic was in relation distribution lottery tickets throughout the country. As an alternative measure, action was taken to distribute lotteries throughout the country using the vehicles belonging to the Board. Even during the second wave of the pandemic, the Board managed to maintain sales at a considerable level.</p> <p>Approval of the Board of Directors has been obtained (Board Paper No. 2021/04/1792) to put up these items for auction in future, and action is being taken accordingly.</p> <p>There is no possibility of selling these items, which were purchased in 2016 and had been kept in the stores for more than four years, at the price at which they had been purchased originally. Drop of the market value, reduction of the quality and the items getting outdated can be cited as examples for this.</p> <p>Therefore, the objective of having an auction of items of this nature is to minimize the loss that will be caused to the institute by selling the items in auction. As such, the loss of Rs. 286,615/- referred to by you has been caused.</p> <p>Legal action has already been taken to recover the sum of Rs. 2,520,000/- that is receivable to the Board from a person living in Ward Place in terms of a rent agreement</p>
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with him in 1990 had been issued on 11 January 2016, and although nearly 5 years has passed since the court has issued the determination that the said amount should be paid back to the Board, no action had been taken to recover this amount.

- m. A total of Rs. 3,626,727 that was comprised of the sum of Rs.2,877,144 paid on 3 occasions during 2013 and the sum of 749,583 paid in 2014 had been paid to a private company as an advance payment of a consultation fee. It was observed that no action had been taken to recover this amount that a third party had been keeping with them for 7 – 8 years.

- n. As at 31 December 2020, a sum of Rs. 270,749,417 that the Board belonged had been kept in 06 current accounts instead of depositing in a Call Deposit account.

that had been entered into in 1990, and the District Court, at which the case has been filed, has informed the Board that the progress of the hearing of the case will be informed to the Board in future. Accordingly, a letter of demand has been sent to the relevant party through the court demanding payment of the said amount.

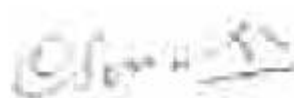
An advance payment of Rs 36,26,727/- has been made to Archype Company in 2014 for preparing the plans for a modification of the building and for preparing its architecture. However, it has been decided later not to do this modification. The files relating to this procurement had been taken to the custody of the Commission to Investigate Bribery and Corruption, and an investigation is being carried out.

These amounts of money are those that have been collected for payment of prizes, and without retaining these amounts in the current accounts of the Board, they are retained in seven-day instant access accounts. By retaining these amounts in seven-day instant access accounts, the Board can generate an additional income. Further, as per the requirement of the Board, and as the Board is not aware of the number of winners who will claim the prizes and the time in which they will make such claims, these funds are retained in seven-day instant access accounts as stated above even without retaining them as short-term investments.

Statement of Comprehensive Income

for the year ended 31st December		2020	2019
		Rs.	Rs.
Revenue	01	15,033,029,360	17,065,414,012
Cost of Tickets	02	451,308,013	460,097,151
Prize payout	03	7,702,515,219	8,903,494,383
Draw Cost	04	509,983,411	584,074,507
Gross Profit		6,369,222,716	7,117,747,971
Other Income	05	158,323,671	193,820,035
Distribution Cost	06	3,357,266,425	4,219,036,579
Administrative Expenses	07	506,926,732	541,799,568
Surplus after operating Expenses		2,663,353,230	2,550,731,860
Finance Cost	08	382,172	438,396
Prize Write back		330,530,580	346,837,460
Profit before Tax		2,993,501,638	2,897,130,924
Income Tax	09	10,921,555	235,073,385
Profit after Income Tax	10	2,982,580,083	2,662,057,539
Other Comprehensive income			
Re-measurement gain/(loss) on Employee Benefit plan	17.1	(3,139,116)	6,735,128
Revaluation Surplus		39,213,944	
Total Comprehensive income for the Year		3,018,654,911	2,668,792,667

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)



Amitha K Gamage
Chairman/CEO



Janet Jayawardana
Director

Statement of Financial Position

As at 31 st December		2020 Rs.	2019 Rs.
Assets			
Non Current Assets	11		
Property Plant & Equipment		1,192,868,608	1,221,373,015
Capital work in progress		37,729,237	14,665,947
Intangible Assets	11	6,051,604	9,549,182
		1,236,649,449	1,245,588,144
Employee Benefit Assets	17		7,038,067
Total Non Current Assets		1,236,649,449	1,252,626,211
Current Assets			
Inventories	13	32,590,632	51,026,204
Trade Debtors & Other receivable	14	92,541,218	126,012,880
Prepayment & Deposits	15	8,197,378	5,212,271
Fixed Deposit	12	1,338,731,761	1,451,307,572
Cash & Cash equivalent	16	541,662,763	795,666,048
Total Current Assets		2,013,723,752	2,429,224,975
Total Assets		3,250,373,201	3,681,851,186
Equity & Liabilities			
Contributed Capital			
President Fund		2,200,000	2,200,000
Mohapola Trust Fund		2,200,000	2,200,000
Prize Reserve Account		698,558,607	1,103,197,285
Presidents' Fund Payable		685,860,083	477,792,667
Revaluation Surplus		614,729,237	575,515,293
Re-measurement gain/(loss) on Employee Benefit plan		(3,139,116)	
Total Equity		2,000,408,811	2,160,905,245
Non Current Liabilities			
Employee Benefit Liabilities	17	3,636,437	
Dealer & Distributor Deposit Payable	18	36,390,381	36,110,381
Total Non Current Liabilities		40,026,818	36,110,381
Current Liabilities			
Trade & Other Payable	19	516,032,675	563,493,496
Prize Payable	20	578,618,857	760,794,203
Credit Vouchers Payable		115,286,040	160,547,860
Total Current Liabilities		1,209,937,573	1,484,835,560
Total Equity & Liabilities		3,250,373,201	3,681,851,186

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. Somaratne
Deputy General Manager (Finance)



Amitha K Gamage
Chairman/CEO



Janet Jayawardana
Director

Cash Flow Statement

For the year ended at 31 st December	Notes	2020 Rs.	2019 Rs.
Cash Flow from Operating Activities			
Profit before tax		2,993,501,638	2,897,130,924
Adjustments for			
Depreciation on Fixed Assets		81,003,610	80,242,809
Prize Reserve		(404,638,678)	132,151,335
Provision for Gratuity		8,615,668	8,395,852
Gratuity Paid		(612,535)	(1,031,009)
Interest Income		(151,670,804)	(173,307,868)
Profit from sale of Fixed Assets		(501,217)	-
Income Tax paid			(27,382,719)
Prior income tax paid		(88,020,107)	(190,444,919)
President's Fund paid		(2,774,512,667)	(2,428,466,297)
Operating Profit before Working Capital changes		(336,835,092)	297,288,108
Increase/Decrease in Operating Assets			
Increase/Decrease in Inventories		18,435,572	29,314,446
Increase/Decrease in Debtors		41,830,116	43,362,714
Decrease in Deposit and Prepayments		(2,985,107)	6,421,509
Increase/Decrease in Operating Liabilities			
Increase in Creditors		888,914	(140,214,430)
Increase/Decrease in Prize Payable		(182,175,346)	111,959,087
Decrease in Credit Vouchers		(45,261,820)	66,274,100
Net Cash flow from Operating Activities		(506,102,763)	414,405,534
Loan to Staff Received		16,751,788	
Loan to Staff paid		(25,110,242)	
Fixed Assets Additions (Property Plant and Equipment)		(4,102,154)	(15,882,721)
Fixed Assets Disposal (Property Plant and Equipment)			
Profit from sale of Fixed Assets		501,217	
Interest Income		151,670,804	173,307,868
Investments in Fixed Deposits		112,108,066	(238,562,026)
Increase in Dealer Distributor Deposits		280,000	715,000
Net cash from Investing Activities		252,099,478	(80,421,879)
		(254,003,285)	333,983,655
Net Cash Increase/Decrease in cash & cash Equivalents		(254,003,285)	333,983,655
Cash & Cash Equivalents at the beginning of the Year		795,666,048	461,682,393
Cash & Cash Equivalents at the end of the Year	16	541,662,763	795,666,048
Cash at Banks			
Bank of Ceylon		326,599,529	485,654,516
People's Bank		208,778,128	268,621,669
Sampath Bank		5,486,920	41,373,458
Hatton National Bank		783,781	
Cash in Hand		14,404	16,404
		541,662,763	795,666,048

Statement of Changes in Equity

For the Year ended 31 st December 2020	Presidents' Fund & Mahapola Trust Fund	Prize Reserve Account	Retain Earnings	Revaluation Reserve	Re-measure- ment gain/ (loss) on Employee Benefit plan	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2019	4,400,000	971,045,950	237,466,297	-		1,212,912,247
Additions during the year 2019		132,151,335	2,668,792,667			2,800,944,001
Revaluation Reserve				575,515,293		575,515,293
Appropriation to President Fund 2019			(2,428,466,297)			(2,428,466,297)
Balance as at 31.12.2019	4,400,000	1,103,197,285	477,792,667	575,515,293		2,160,905,245
Additions during the year 2020		(404,638,678)	2,982,580,083	39,213,944	(3,139,116)	2,614,016,233
Appropriation to President Fund			(2,774,512,667)			(2,774,512,667)
Balance as at 31.12.2020	4,400,000	698,558,607	685,860,083	614,729,237	(3,139,116)	2,000,408,810

Accounting Policies

1. REPORTING ENTITY

Development Lotteries Board incorporated under an act of parliament named Development Lotteries Board act of 20 of 1997. The address of the Board's registered office is No.356, Dr. Colvin R De Silva Mawatha Union Place, Colombo 02. During the year, the principal activity of the Board was sale of Lotteries.

Board's functional currency. All 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 2020 were authorized for issue by the Board of Directors on 23 February 2021.

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 off-set 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. BASIS OF PREPARATION

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.

2.5. 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.

2.7. Income Tax

The Board is subject to income taxes and other taxes including Value Added Taxation, and Nation Building 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. IRD has issued 7 number of Income Tax and VAT assessments during the year 2019. Board has appealed and objected. Board of the opinion is that no major liability would arise from the said assessments. Above assessments have not been finalised yet.

2.2. Basis of measurement

The financial statements have been prepared on historical cost basis, except as indicated below.

Investments on Fixed Deposits

- Fair Value

Land & Building

- Revalued amounts

Gratuity Provision

- Gratuity formula and recognized at present value of the defined benefit obligation

2.3. Functional & presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the

2.6. Materiality and Aggregation

In compliance with LKAS 01 on presentation of financial statements, each material class of similar items is presented separately in the

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 the going concern basis.

2.9. Useful life-time of the property, plant and equipment

The company reviews the residual values, useful lives and methods of depreciation of assets as 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.

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 servicing, 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. 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 labour, 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.

- c. **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 Group 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 are recognized in profit or loss as incurred.

d. 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 cost incurred, licensed to be used by the company, which are not integrally related to 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.

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 are accounted as follows:

LagnaWasana	At actual cost
Shanida	At actual cost
Jayoda	At actual cost
Instant	At actual cost
KotipathiKapruka	At actual cost
Development Fortune	At actual cost
Super Ball	At actual cost
Ada Kotipathi	At actual cost
Sasiri	At actual cost

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.

Noncurrent 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 the Board

WP/HCCA/COL/160/2004/F1 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.

3.3.3 Prize allocation

50% of the Gross Sales has been allocated for the prize expenses. Board maintains a Prize Reserve accounts to credit not won prizes in

terms of the requirement mentioned in the DLB act. Prize Reserve accounts 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 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 expense 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 the 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. However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continues service. Any gains or losses arising are recognized immediately in the income statement. Gratuity fund has been externally funded. Net impact from Gratuity Provision and the fund have been shown under note number 17.

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 the Group 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. Since the start of 2020, the COVID 19 outbreak has created interruption for operations and to our key stakeholders such as customers, Distributors, agents and resellers. The Board recognize the difficulties this poses and have put actions in place to support them through this challenging time. There is a possibility for any associated economic slowdown which would impact our lottery

activities. We foresee possible reductions in the revenue due to decrease in the ticket sales and volume of transactions taking place, and potential losses stemming from disruption to our stakeholder base. We continue to monitor the situation closely and develop strategies to turnaround.

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 net of cash in hand, cash at bank.

3.8. Segment Information

For management purposes, the Board has organized eleven 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 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 present 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 market place. 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 categorising them in to 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 the positive intention and ability to hold them to maturity. After initial measurement, HTM investments are measured at amortised 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 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 finance losses to the board if a recipient of a service or counterparty to a financial instrument fails to meet its contractual obligations. To minimise 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 at a short-term period. Market risk is the risk

that changes in interest rates which 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 optimising the return.

6.1 Related Party Transactions

Development Lotteries Board 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.

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

Segment Report

Note 01 -I -Segment Report

	Shanida	Lagna Wasanawa	Jayoda	Niyatha Jaya	Super Ball
SALES	2,036,709,215	4,889,527,220	701,767,000		2,034,276,780
TAXES - VAT 8%	48,539,558	116,528,903	16,724,753		48,481,587
Revenue	1,988,169,657	4,772,998,317	685,042,246		1,985,795,193
COST OF SALES	58,200,515	130,483,610	19,724,110		57,306,090
PRIZE	1,018,406,920	2,444,863,410	350,898,900		915,278,490
DRAW COST	75,700,981	116,322,080	32,367,829		83,348,857
GROSS PROFIT	835,861,241	2,081,329,218	282,051,407		929,861,756
ADD - OTHER INCOME	20,938,848	50,267,887	7,214,674		20,913,841
ADVERTISING EXPENCES	19,579,746	9,102,088	3,394,723		38,026,305
MARKETING RELATED EXPENSES	823,099	1,976,013	283,606		822,116
Corporate & Others	2,688,587	6,454,489	926,377		2,685,376
DEALER COMMISSION	381,883,283	916,786,354	131,581,313		381,426,896
DISTRIBUTOR COMMISSION	25,347,016	60,885,485	8,736,563		25,326,875
ADMINISTRATION & FINANCE EXPENCES	67,093,341	161,070,965	23,117,631		67,013,212
SELLING & DISTRIBUTION EXPENCES	20,274,113	48,672,057	6,985,633		20,249,899
ADD - PRIZE WRITE BACK	38,003,120	100,022,600	16,121,460	2,204,100	39,270,560
PROFIT BEFOR TAXES	377,114,025	1,026,672,253	130,361,695	2,204,100	454,495,478
INCOME TAX	1,444,413	3,467,602	497,686		1,442,688
PROFIT AFTER TAXES	375,669,612	1,023,204,651	129,864,009	2,204,100	453,052,790
Other Comprehensive income					
Re-measurement gain/(loss)					
on Employee Benefit plan	(415,159)	(996,672)	(143,047)		(414,663)
Revaluation Surplus	5,186,179	12,450,457	1,786,946		5,179,985
Total Comprehensive income for the Year	380,440,632	1,034,658,437	131,507,908	2,204,100	457,818,111

Kotipathi Kapruka	Development Fortune	Ada Kotipathi	Sasiri	Instant	Total 2020
1,107,771,000	642,494,988	3,294,700,000	116,192,440	576,610,000	15,400,048,643
26,400,781	15,312,163	78,520,429	2,769,138	13,741,969	367,019,283
1,081,370,219	627,182,825	3,216,179,571	113,423,302	562,868,031	15,033,029,360
32,052,685	18,285,805	93,325,210	3,854,291	38,075,697	451,308,013
655,806,600	321,263,900	1,647,384,100	58,096,220	290,516,679	7,702,515,219
47,674,493	33,385,906	114,750,924	6,432,341		509,983,411
345,836,440	254,247,214	1,360,719,336	45,040,449	234,275,655	6,369,222,716
11,388,689	6,605,315	33,871,906	1,194,543	5,927,969	158,323,671
3,364,370	4,790,331	7,128,914	18,481,116	245,000	104,112,592
447,685	259,653	1,331,493	46,957	233,026	6,223,649
1,462,329	848,135	4,349,215	153,381	761,162	20,329,050
207,707,063	120,467,963	617,756,250	21,786,083	104,485,025	2,883,880,228
13,795,083	8,001,588	41,011,300	1,447,896	4,871,655	189,423,459
36,492,228	21,165,091	108,534,115	3,827,615	18,994,705	507,308,904
11,027,138	6,395,619	32,796,591	1,156,620	5,739,777	153,297,447
32,957,920	14,822,100	87,128,720			330,530,580
115,887,154	113,746,251	668,812,085	(664,676)	104,873,273	2,993,501,638
785,620	455,651	2,336,567	82,402	408,926	10,921,555
115,101,534	113,290,600	666,475,518	(747,079)	104,464,347	2,982,580,083
(225,806)	(130,965)	(671,585)	(23,684)	(117,535)	(3,139,116)
2,820,775	1,636,018	8,389,466	295,867	1,468,252	39,213,944
117,696,503	114,795,653	674,193,398	(474,896)	105,815,064	3,018,654,911

Notes to the Final Accounts

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note 01 - Revenue		
Gross Sales		
Shanida	2,036,812,215	2,175,605,225
Lagna wasana	4,889,726,820	4,074,350,800
Jayoda	701,797,800	990,764,800
Instant	576,610,000	566,718,000
Galaxy Star	-	16,961,600
Niyatha Jaya	-	468,700,000
Super Ball	2,034,347,180	2,214,580,000
Dasa Lakshapathi	-	16,318,200
Kotipathi Kapruka	1,107,823,000	1,847,575,600
Development Fortune	642,526,988	872,109,613
Ada Kotipathi	3,294,768,200	4,561,106,000
Sasiri	116,192,440	-
Total Sales	15,400,604,643	17,804,789,838
Less: Sales return	556,000	5,465,620
Net Total Sales	15,400,048,643	17,799,324,218
Less: VAT	367,019,283	733,910,206
Revenue after Taxes	15,033,029,360	17,065,414,012

Note 02 - Cost of Tickets

Instant	38,075,697	36,073,962
Shanida	58,200,515	54,004,361
Lagna Wasana	130,483,610	99,384,827
Jayoda	19,724,110	24,296,719
Niyatha Jaya	-	11,541,524
Super Ball	57,306,090	53,889,057
Galaxy Star	-	418,863
Dasa Lakshapathi	-	381,582
Kotipathi Kapruka	32,052,685	50,051,548
Development Fortune	18,285,805	21,468,233
Ada kotipathi	93,325,210	108,586,476
Sasiri	3,854,291	-
	451,308,013	460,097,15

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note 03 - Prize Payout		
Prize Expenses-Shanida	1,018,406,920	1,087,801,500
Prize Expenses-Lagna wasana	2,444,863,410	2,037,175,400
Prize Expenses-Instant	290,516,679	284,459,983
Prize Expenses-Jayoda	350,898,900	495,382,400
Prize Expenses-Galaxy Star	-	8,480,800
Prize Expenses-Niyatha Jaya	-	234,350,000
Prize Expenses-Super Ball	915,278,490	1,107,290,000
Prize Expenses-Dasa Lakshapathi	-	8,159,100
Prize Expenses-Kotipathi Kapruka	655,806,600	923,787,800
Prize Expenses-Development Fortune	321,263,900	436,054,400
Prize Expenses-Ada Kotipathi	1,647,384,100	2,280,553,000
Prize Expenses-Sasiri	58,096,220	
	7,702,515,219	8,903,494,383
Note 04 - Draw Cost		
Shanida	75,700,981	62,582,507
Lagna wasana	116,322,080	122,374,096
Jayoda	32,367,829	42,180,369
Galaxy Star		1,208,650
Niyatha Jaya		24,431,958
Super Ball	83,348,857	80,314,098
Dasa Lakshapathi		824,612
Kotipathi Kapruka	47,674,493	62,565,190
Development Fortune	33,385,906	43,044,151
Ada Kotipathi	114,750,924	144,548,877
Sasiri	6,432,341	
	509,983,411	584,074,507

Notes to the Final Accounts

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note 05 - Other Income		
Sampath Repo interest	168,697	645,008
Registration Fees	(1,750)	21,500
Sales of Receipt Books	5,655	23,790
Staff Loan Interest	2,775,429	2,547,378
Covid 19 Loan Interest	27,393	-
Miscellaneous Receipt	378,185	1,160,923
Investment interest income	124,654,328	145,207,283
Non Refundable Deposit	1,447,000	1,249,500
Fine On Cancel tickets not return	-	5,000
Interest Sweep Account	18,480,698	20,635,172
7 Day Call Interest Income	5,564,258	4,273,027
Paper Shredding Income	824,995	540,408
Disposal Items	24,320	51,389
Rent Income-Bus	240,506	486,853
Profit on Sale of Motor Vehicle	459,081	-
Studio Rent Income	-	6,000
Profit on Disposal Promotional & Prize Item	153,370	-
Distributor Deduction	1,896,186	5,866,720
Miscellaneous Receipt - Staff Recovery	-	7,625
Niyatha Jaya Jackpot write back	-	10,441,580
Incentive Writeback	-	650,879
Over Six Month Cheques Writeback	1,183,184	-
Profit on Sale of Three Wheel	42,136	-
Total Other Income	158,323,671	193,820,035
Note 06 - Distribution Expenses		
Note 06 - I - Advertising		
Shanida	19,579,746	48,698,329
Lagna wasana	9,102,088	35,848,302
Jayoda	3,394,723	19,366,888
Instant	245,000	567,254
Galaxy Star	-	31,684
Niyatha Jaya	-	1,745,319
Super Ball	38,026,305	28,779,796
Dasa Lakshapathi	-	94,986
Kotipathi Kapruka	3,364,370	59,302,052
Development Fortune	4,790,331	20,555,198
Ada Kotipathi	7,128,914	43,234,029
Sasiri	18,481,116	-
Corporate & Others	16,061,216	29,059,344
New Draw Format	4,230,355	-
Web Advertising	37,479	455,795
Enterprises Sri Lanka	-	39,418,099
	124,441,642	327,157,074

Note 06-II - Marketing Related Activities

CSR Project	3,200,000	11,116,745
Chairman's vote	-	1,074,420
Souvenirs & Banners	2,944,400	29,001,160
Marketing Related Other Expenses	79,249	2,818,059
	6,223,649	44,010,383

Note 06-III - Selling & Distribution Expenses

NBT 2%	-	250,694,455
Selling Expenses	56,583,648	62,753,531
Other Selling & Distribution(Scanning / Validation)	8,780,579	9,967,149
Transportation	14,041,829	13,306,945
Dealer & Distributor Motivation Cost	17,420,625	57,741,532
SO/ASPO Incentive	2,484,676	1,829,238
Promotional Vehicles Expenses	51,450	1,045,923
Vehicle Rent - Ticket Selling	412,475	455,756
Dealer Distributor Convention	-	70,000
Outdoor events/ Annual Promotion Calendar	398,648	570,540
Fabricating New Outlet	1,746,460	16,723,934
Lottery Shop	4,901,416	386,990
Retail Shops	127,626	
Sales Incentive - Sales Assistant	-	3,076,300
Incentive for Distributor Sales Staff	172,000	380,700
Draw Processing Charges	-	447,384
Covid 19 - Dealers	44,172,000	
Insurance Premium -	966,095	
Draw Machine Maintenance	1,037,920	
	153,297,447	419,450,376

Note 06-IV - Commission**Dealer Commission (1)**

Shanida	381,883,283	392,140,567
Lagna wasana	916,786,354	740,406,850
Jayoda	131,581,313	178,827,273
Instant	104,485,025	97,426,550
Galaxy Star	-	2,968,280
Niyatha Jaya	-	81,871,412
Super Ball	381,426,896	399,550,094
Dasa Lakshapathi	-	2,855,685
Kotipathi Shanida	207,707,063	333,065,491
Development Fortune	120,467,963	157,209,464
Ada Kotipathi	617,756,250	823,029,495
Sasiri	21,786,083	
	2,883,880,228	3,209,351,159

Notes to the Final Accounts

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Distributor Commission		
Shanida	25,347,016	27,115,752
Lagna wasana	60,885,485	50,771,942
Jayoda	8,736,563	12,349,594
Instant	4,871,655	4,282,035
Galaxy Star		211,130
Niyatha Jaya		5,826,778
Super Ball	25,326,875	27,603,387
Dasa Lakshapathi		203,175
Kotipathi Shanida	13,795,083	23,006,618
Development Fortune	8,001,588	10,872,050
Ada Kotipathi	41,011,300	56,825,126
Sasiri	1,447,896	
	189,423,459	219,067,587
	3,357,266,425	4,219,036,579

Note 07 - Administrative Expenses

Staff Cost	351,843,167	356,298,212
Depreciation	48,316,517	47,823,897
Other Administrative	106,767,048	137,677,459
	506,926,732	541,799,568

Note 08- Finance Expenses

Bank Charges-General	348,372	406,896
Bank Charges-Prize	33,800	31,500
Total Finance Expenses	382,172	438,396

Notes to the Final Accounts

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note 09 - Income Tax		
Income over expenditure for the year before tax	2,993,501,638	2,897,130,924
Income not liable for income tax	(2,756,433,830)	(2,322,914,188)
Income liable for tax	237,067,808	574,216,736
Taxation	56,896,274	160,780,686
Over provision in respect of previous year	(45,974,719)	74,292,699
(Charge / Reversal) for the year	10,921,555	235,073,385
Note 10 - Presidents' Fund Contribution		
Profit after Income Tax	2,982,580,083	2,668,792,667
Surplus Attributable to President's Fund	2,982,580,083	2,668,792,667
Appropriation to the President's Fund for the year	2,296,720,000	2,191,000,000
Total President Fund Payable	685,860,083	477,792,667

Notes to the Final Accounts

Note 11 - Fixed Assets RS.

	Land	Land Tissamahar amaya	Buildings/ Improvement & Studio	Capital work in progress	Motor Vehicles/ T'Wheel/ Motor Bicycle
			10%		20%,25%
Cost					
Balance as at 01.01.2020	855,500,000	492,392	109,808,250	14,665,947	150,044,030
Revalue			468,000		(23,382,012)
Additions during the year				24,845,653	175,000
Disposals during the year					(1,895,639)
Transfer				(1,782,363)	
	855,500,000	492,392	110,276,250	37,729,237	124,941,380
Depreciation					
Balance as at 01.01.2020			10,918,555		46,792,272
Revalue					(62,127,956)
Depreciation for the year			11,074,425		26,059,073
Transfer					
Depreciation for the Disposer					(1,895,639)
	-	-	21,992,980	-	8,827,751
Net book balance as at 31.12.2020	855,500,000	492,392	88,283,270	37,729,237	116,113,629

Machinery	Office Equipment & Mobile Phone	Computers & Accessories	Furniture & Fittings	Branded Stalls	Computer Software	Website Development	Network system	Total
12.50%	25% 50%	33.33%	25%	16.66%	33.33%	33.33%		
135,036,884	34,549,721	50,072,848	16,421,311	8,735,946	15,269,335	989,655		1,391,586,319
								(22,914,012)
	3,848,480	3,923,023	364,707				1,481,592	34,638,454
								(1,895,639)
	(5,120)							(1,787,483)
								-
135,036,884	38,393,081	53,995,871	16,786,018	8,735,946	15,269,335	989,655	1,481,592	1,399,627,640
								-
								-
23,445,237	16,688,824	24,591,283	8,116,249	8,735,946	5,856,626	853,182		145,998,175
								(62,127,956)
16,254,175	7,646,131	11,814,563	3,176,073	-	4,667,291	136,473	175,406	81,003,610
								-
								(1,895,639)
39,699,412	24,334,956	36,405,847	11,292,322	8,735,946	10,523,917	989,655	175,406	162,978,191
								-
95,337,472	14,058,125	17,590,024	5,493,696	-	4,745,418	-	1,306,186	1,236,649,449

Notes to the Final Accounts

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note 12 -Held to Maturity Financial Assets		
Fixed Deposit -BOC/People's Bank	1,246,519,291	1,365,380,923
Dealer Deposits-	92,212,470	85,926,650
Total Fixed Deposits	1,338,731,761	1,451,307,572
Note 13 - Inventories		
13.1 - Ticket Stock		
Shanida	1,667,040	1,426,000
Lagna wasana	2,937,100	3,730,600
Jayoda	354,200	745,200
Instant	4,496,762	7,000,059
Super Ball	1,486,030	1,818,800
Kotipathi Kapruka	542,800	1,391,500
Development Fortune	333,960	890,560
Ada Kotipathi	1,742,710	4,069,620
Sasiri	281,260	
Total Ticket Stocks	13,841,862	21,072,339
13.2 - Other Stocks		
Stationery stock	5,856,498	8,525,850
Promotional items stock	4,343,148	5,624,293
Prize Item Stock	7,788,902	14,995,427
Gold Coin Stock - Staff	155,200	64,000
Other Items Stock	365,760	365,760
Lagna Wasana Tea cup Sets Stock	239,262	378,534
Total Other Stocks	18,748,770	29,953,865
Total Stocks	32,590,632	51,026,204

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note 14 - Trade Debtors & Other Receivable		
Receivable	12,492,241	11,386,218
Debtors - Distributors	8,296,082	8,562,452
Loan to staff	72,124,799	63,766,345
Festival Advance	468,750	8,750
Refundable Deposit	1,479,114	1,737,114
ESC Tax Credit	-	32,824,620
Security Deposit for Sri Lanka Railways (Guarantee)	1,800,000	1,800,000
FD WHT Receivable	3,246,551	13,258,499
Receivable For Damage Prize Item	129,901	165,101
	100,037,438	133,509,100
Less :		
Provision for Doubtful Debts	7,496,220	7,496,220
	92,541,218	126,012,880
Note 15 - Prepayment & Deposits		
Prepayments	1,592,312	1,369,015
Advance - Internal	325,539	13,729
Advance - External	6,279,527	3,829,527
	8,197,378	5,212,271
Note 16 - Cash & Cash equivalent		
Bank Balances		
BOC- General Receipt	116,708,235	174,840,607
BOC General 7 day Call	62,184,487	141,324,975
BOC -Prize	44,943,263	40,757,500
Sampath Bank	5,486,920	41,373,458
Peoples Bank	(389,495)	679,465
Sweep account	206,987,668	267,842,204
BOC- General Payment	100,765,944	126,753,935
BOC	997,500	977,500
Peoples Bank	335,000	100,000
Bank of Ceylon - 84401075	1,000,100	1,000,000
Peoples Bank 014-1-002-7-0010010	1,844,955	
Hatton National Bank 003010525941	566,261	
Hatton National Bank 3010534602	217,520	
	541,648,359	795,649,644
Petty cash for Sub Stores	-	2,000
Petty cash-Regional Office	5,000	5,000
D.L.B Disaster Relief Fund	9,404	9,404
	14,404	16,404
	541,662,763	795,666,048

Notes to the Final Accounts

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note -17 Employee Benefit Liability		
Balance at the beginning of the year	46,321,413	45,691,696
Provision made during the year	11,754,784	1,660,725
Payments made during the year	(612,535)	(1,031,009)
Balance at the end of the year	57,463,662	46,321,413
Fixed Deposit for Gratuity Fund	53,827,225	53,359,480
Net Balance	3,636,437	(7,038,067)
Note- 17.1 Provision made during the year		
Interest Cost	4,362,314	4,490,847
Current service Cost	4,253,353	3,905,006
	8,615,668	8,395,852
Net actuarial (Gain)/Loss recognized	3,139,116	(6,735,128)
Total provision made during the year	11,754,784	1,660,720
Note- 17.2 Cost of retirement benefits		
Rate of Discount	10%	10.05%
Rate of Salary increase	7%	5%
Retirement age	60	60
Fixed Deposit equivalent to Employee Benefit Liability at the end of the year has been maintained.		
Note 18 - Dealer & Distributor Deposit Payable		
Dealer Deposit Payable	32,840,381	32,560,381
Distributor Deposit Payable	3,550,000	3,550,000
Total Dealer & Distributor Deposit Payable	36,390,381	36,110,381

For the Year ended 31st December

	2020 Rs.	2019 Rs.
Note 19 - Trade & Other Payable		
Trade Creditors	278,980,880	261,825,182
Provision for Incentive Payments	225,555	225,555
Dealer Advance	671,684	671,647
Distributor Advance	63,783,221	51,177,346
NBT Payable	(110,107)	(110,107)
VAT payable	19,893,000	(715,942)
Payee Tax	40,438	259,018
Distributor Commission & Validation Payable	21,127,313	21,171,376
WHT P'able	31,134,390	37,313,971
Dealer & Distributor Target payable	8,115,950	8,617,130
Dealer Commission Payable	444,538	15,971,718
E.P.F/E.T.F payable	3,559,440	3,217,062
Payable for United Motors	1,266,631	1,266,631
Refundable Security Deposit	2,645,375	1,164,000
Provision for Income TAX Payable	56,299,415	133,397,967
Payable to Distributor for Outlet	7,000	-
Provision for Income Tax (2016)	20,000,000	20,000,000
Provision for VAT (2016)	4,655,245	4,655,245
Stamp Duty	35,500	23,575
Welfare D.L.B	18,900	27,200
Draw Machine Payable Account	1,513,900	1,513,900
Six Month Old Cheque Payable	369,667	1,381,588
Retention	-	117,850
Refundable Tender Deposit	670,001	321,585
E Lottery Deposit Payable	675,940	
W & O.P Payable	8,800	
Total Creditors	516,032,675	563,493,496
Note 20 - Prize Payable		
Prizes Payable	562,888,557	743,671,973
Provision for Prize Payable - Non Winning-Draw Tickets		
Saturday Fortune	4,067,500	3,310,950
Lagna Wasana	3,219,700	2,373,700
Super Ball	4,334,500	-
Koatipathi Kapruka	-	7,083,580
Ada Kotipathi	4,108,600	4,354,000
Total Prize Payable	15,730,300	17,122,230
	578,618,857	760,794,203

Ten Year Summery

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
Operational Results										
Revenue	15,033,029	17,065,414	15,854,856	13,981,500	14,759,875	11,874,659	12,271,477	10,611,073	8,624,166	6,884,267
Cost of Tickets	451,308	460,097	402,323	387,697	444,990	325,360	378,157	410,016	359,844	313,956
Prize payout	7,702,515	8,903,494	8,296,413	7,263,437	7,755,659	6,150,951	6,211,302	6,481,076	5,113,981	4,120,099
Administrative Expenses	506,927	541,800	463,619	419,811	382,655	332,597	347,408	330,967	280,682	281,397
Distribution cost	3,357,266	4,219,037	3,950,410	3,541,284	3,561,410	2,728,440	3,067,688	627,574	497,755	325,886
Surplus after operating Expenses	2,663,353	2,550,732	2,368,138	2,034,129	2,412,020	2,134,322	2,145,085	1,979,330	1,757,752	1,318,519
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	685,860	477,793	237,466	107,862	52,633	99,010	250,598	132,775	493,970	220,124
Prize Reserve Account	698,559	1,103,197	971,046	810,029	805,435	934,026	877,036	776,867	753,236	645,679
Liabilities										
Non Current Liabilities	40,027	36,110	35,395	38,180	1,318,429	1,615,846	223,288	36,806	35,134	38,506
Current Liabilities	1,209,938	1,484,836	1,414,220	1,722,249	1,237,896	846,842	581,768	1,228,404	512,576	479,722
Assets										
Non Current Assets	1,236,649	1,252,626	721,352	670,526	1,372,755	1,537,875	1,594,826	1,733,435	1,624,369	1,202,917
Current Assets	2,013,724	2,429,225	1,941,174	2,012,195	684,044	405,087	342,264	641,588	317,323	381,078

Note : 1 Effectively from 2015 and 2014 , Gross Sales have been recorded and Agency Commission has been included under Distribution Cost.