

**SRI LANKA HANDICRAFTS BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2024**

	Notes	2024 LKR	2023 LKR
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment	09	716,293,139	687,635,857
<b>Total non-current assets</b>		<b>716,293,139</b>	<b>687,635,857</b>
<b>Current assets</b>			
Inventories	10	616,196,265	524,015,737
Trade and other receivables	11	210,017,576	83,130,903
Cash and cash equivalents	12	26,174,274	59,202,624
<b>Total current assets</b>		<b>852,388,115</b>	<b>666,349,264</b>
<b>Total assets</b>		<b>1,568,681,254</b>	<b>1,353,985,121</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital		69,628,878	69,628,878
Capital reserves		510,806	510,806
Revaluation reserves		454,366,157	454,366,157
Capital grants		107,951,172	107,951,172
Retained earnings		(303,885,989)	(322,362,281)
<b>Total equity</b>		<b>328,571,024</b>	<b>310,094,732</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	13	56,422,498	59,301,223
Deferred income		-	-
Long term borrowings	14	324,320,623	419,491,154
<b>Total non-current liabilities</b>		<b>380,743,121</b>	<b>478,792,377</b>
<b>Current liabilities</b>			
Trade and other payables	15	760,221,056	535,004,994
Income tax payable		63,173,746	20,398,486
Short term borrowings	16	32,757,672	8,332,827
Bank overdrafts	17	3,214,635	1,361,705
<b>Total current liabilities</b>		<b>859,367,109</b>	<b>565,098,012</b>
<b>Total liabilities</b>		<b>1,240,110,231</b>	<b>1,043,890,389</b>
<b>Total equity and liabilities</b>		<b>1,568,681,254</b>	<b>1,353,985,121</b>

.....  
Mr.D.A.N.D.Dissanayaka  
**Asst.Accountant-Act**

**(For director Finance)**

.....  
Mrs R.C Vancuylenberg  
**Asst.Accountant-Act**

The Accounting policies and Notes form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Financial Statements were approved by the Board of Directors and signed on their behalf on ----- at the Board meeting held in Laksala Thummulla, Colombo 07

.....  
Mrs.Nadeeka Amrathunga  
**Board Member**

.....  
Mrs.G.L Darshika  
**Board Member**

.....  
Mrs.J.D.S.Padmakumari  
**Chairperson**

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

**SRI LANKA HANDICRAFTS BOARD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2024

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>LKR</b>	<b>LKR</b>
<b>Revenue</b>	<b>3</b>	<b>902,918,181</b>	<b>641,276,597</b>
Cost of sales		(389,142,013)	(245,826,257)
<b>Gross profit</b>		<b>513,776,168</b>	<b>395,450,340</b>
Interest on Saving Accounts	<b>4</b>	98,068	70,513
Other income	<b>5</b>	16,362,394	23,733,287
Administrative expenses	<b>6</b>	(298,355,691)	(253,942,587)
Selling & distribution expenses	<b>7</b>	(94,206,981)	(57,892,687)
<b>Results from operating activities</b>		<b>137,673,958</b>	<b>107,418,866</b>
<b>Finance cost</b>	<b>8</b>	<b>(52,130,860)</b>	<b>(50,298,576)</b>
<b>Profit before tax</b>		<b>85,543,098</b>	<b>57,120,290</b>
Income Tax		(26,783,782)	-
<b>Profit for the year</b>		<b>58,759,316</b>	<b>57,120,290</b>

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

**SRI LANKA HANDICRAFTS BOARD**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2024

	Stated capital	Capital reserves	Revaluation reserves	Capital grants	Retained earnings	Total equity
	LKR	LKR	LKR	LKR	LKR	LKR
<b>Balance as at 1 January 2023</b>	69,628,878	510,806	454,366,157	107,951,172	(281,916,107)	<b>350,540,906</b>
Adjustments to prior year errors	-	-	-	-	(97,566,464)	<b>(97,566,464)</b>
Profit for the year					57,120,290	<b>57,120,290</b>
<b>Balance as at 31 December 2023</b>	<b>69,628,878</b>	<b>510,806</b>	<b>454,366,157</b>	<b>107,951,172</b>	<b>(322,362,281)</b>	<b>310,094,732</b>
Adjustments to prior year errors					(40,283,025)	<b>(40,283,025)</b>
Profit for the year	-	-	-		58,759,316	<b>58,759,316</b>
<b>Balance as at 31 December 2024</b>	<b>69,628,878</b>	<b>510,806</b>	<b>454,366,157</b>	<b>107,951,172</b>	<b>(303,885,989)</b>	<b>328,571,024</b>

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

**SRI LANKA HANDICRAFTS BOARD**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2024**

	Notes	2024 LKR	2023 LKR
<b>Cash generated from operations</b>			
Profit before tax		85,543,098	57,120,290
<b>Adjustments for:</b>			
WIP Adjustments			45,451,390
Retirement benefit obligations		8,609,607	8,401,558
Interest expenses		51,537,682	50,001,511
Depreciation		10,919,049	26,766,077
Interest On saving Accounts		(98,068)	(70,513)
Amortization of capital expenditure costs		8,089,360	19,303,925
Prior Year Adjustment		(40,283,025)	(97,566,464)
Grants amortised		-	(8,824,711)
		<b>124,317,704</b>	<b>100,583,063</b>
<b>Changes in working capital</b>			
Inventories		(92,180,528)	(40,113,836)
Trade and other receivables		(126,886,673)	6,849,541
Trade and other payables With Tax		259,860,357	80,211,518
<b>Cash generated from operations</b>		<b>165,110,860</b>	<b>147,530,286</b>
VRS paid			
Gratuity paid		(11,488,333)	(6,779,865)
Interest paid		(27,591,879)	(53,258,817)
<b>Net cash generated from operating activities</b>		<b>126,030,649</b>	<b>87,491,605</b>
<b>Cash flows from investing activities</b>			
Interest On saving Accounts		98,068	70,513
Capital Work in progress		(85,175,318)	
Purchases of property, plant & equipment		(5,088,993)	(1,546,964)
<b>Net cash used in investing activities</b>		<b>(90,166,243)</b>	<b>(1,476,451)</b>
<b>Cash flows from financing activities</b>			
Long/short term loans obtained		14,969,382	22,617,250
Loan repayments		(85,715,068)	(103,282,868)
<b>Net cash used in financing activities</b>		<b>(70,745,686)</b>	<b>(80,665,618)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(34,881,280)</b>	<b>5,349,537</b>
Cash and cash equivalents at the beginning of the year		57,840,919	52,491,382
<b>Cash and cash equivalents at the end of the year</b>		<b>22,959,639</b>	<b>57,840,919</b>
Bank overdrafts	17	(3,214,635)	(1,361,705)
Cash in hand and at bank	12	26,174,274	59,202,624
		<b>22,959,639</b>	<b>57,840,919</b>

Notes from pages 9 to 28 form an integral part of these financial statements. Figures in brackets indicate deductions.

# SRI LANKA HANDICRAFTS BOARD

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Revenue

#### Showroom sales

	2024 LKR	2023 LKR
Thummulla	457,611,760	314,244,629
Galle	87,735,280	55,717,125
Peradeniya	94,604,999	74,964,140
Katunayaka	83,197,566	55,678,612
Fort	38,332,327	25,486,840
Battaramulla	19,455,298	19,498,538
Kandy	44,642,568	26,639,196
Katubadda	20,514,852	15,487,215
Pinnawala	38,739,206	20,431,048
Ella	30,052	-
Nuwara Eliya	4,461,712	3,611,477
<b>Total showroom sales</b>	<b>889,325,621</b>	<b>611,758,820</b>
Foreign Sales-Sala Global Village	-	13,531,063
Direct/custom made orders	13,592,560	15,986,714
	<b>902,918,181</b>	<b>641,276,597</b>

### 4. Investments

Interest on saving account	82,573	70,513
Interest on staff Loan	15,495	
	<b>98,068</b>	

### 5. Other income

	2024 LKR	2023 LKR
Rental income	16,062,394	13,165,076
Grant Amortization Income	-	8,824,711
Sponser ship	300,000	1,750,000
Foreign exchange gain	-	(6,500)
	<b>16,362,394</b>	<b>23,733,287</b>

**SRI LANKA HANDICRAFTS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>6. Administrative expenses</b>	<b>Note</b>	<b>2024</b> <b>LKR</b>	<b>2023</b> <b>LKR</b>
Salaries & Allowance *		80,214,324	67,949,878
Incentive		7,960,888	4,456,555
E.P.F. & E.T.F.		8,943,764	8,367,900
Gratuity		8,609,607	8,401,558
Transport Allowance		8,492,958	9,838,635
Directors Fees & Board Meeting Expenses		499,500	641,904
Audit Fees/Professional Fees		945,000	975,000
Legal Fees		335,040	602,500
Security Charges		11,998,064	10,815,284
Rent & Rates *		43,535,731	22,021,792
Electricity		14,599,345	11,353,395
Depreciation		10,919,049	26,766,077
Building Development Amortization-Exp		8,089,376	19,303,925
Cleaning Services		8,688,838	7,084,036
Other Staff Cost *	<b>6.1</b>	18,324,350	13,935,267
Other Operational Cost *	<b>6.2</b>	66,199,857	41,428,881
		<b>298,355,691</b>	<b>253,942,587</b>
<b>Subnote 6.1</b>			
<b>Included under other staff cost *</b>		<b>2024</b> <b>LKR</b>	<b>2023</b> <b>LKR</b>
Overtime		6,967,400	4,401,033
Staff Welfare		7,524,862	5,159,026
Cash Security Interest		75,317	196,686
Staff Training		6,195	1,505,070
Medical Expenses		2,035,580	2,043,654
		<b>18,324,350</b>	<b>13,935,267</b>

# SRI LANKA HANDICRAFTS BOARD

## NOTES TO THE FINANCIAL STATEMENTS

<b>Subnote 6.2</b>	<b>2024</b>	<b>2023</b>
<b>Included under other operation cost *</b>	<b>LKR</b>	<b>LKR</b>
Consultancy Fees	5,790,000	-
SSCL tax Expenses	11,320,094	8,016,785
Advertisement	1,266,547	680,475
Printing & Stationery	4,050,480	3,797,019
News Papers & Periodicals	858	200
Postage/Tele/Telex	9,178,489	8,677,683
Fuel & Lubricants	1,048,816	1,540,225
Supplier Welfare Contribution	2,545,435	-
Stock Verification	27,190	218,270
Trade Licence Fees	519,756	457,488
Computer Expenses	1,043,850	1,088,485
Insurance	177,064	163,828
Water Bill	2,645,489	1,446,809
Rep & Maint - Building	4,714,046	3,353,650
Rep & Maint - Machinery	3,801,522	1,328,348
Vehicle Rental Charges	6,712,465	4,301,850
Translation Fess	17,520	141,529
Membership Fees	-	4,880
Concession Fees	9,454,960	6,204,557
Opening Ceromany Expenses	1,885,250	-
Stamp Fees	25	6,800
	<b>66,199,857</b>	<b>41,428,881</b>

# SRI LANKA HANDICRAFTS BOARD

## NOTES TO THE FINANCIAL STATEMENTS

<b>7. Selling &amp; distribution expenses</b>	<b>Nots</b>	<b>2024</b>	<b>2023</b>
		<b>LKR</b>	<b>LKR</b>
Guide Commission		59,015,949	30,921,093
Credit card Commision		13,131,633	8,539,603
Sponsorships & Donations		-	-
Packing Materials Locals		7,607,088	4,227,403
Business Promotion		1,441,425	3,386,068
Rep.& Main.Purchase Goods		1,502,061	419,880
Non Refundable Tender Deposits		15,000	3,354
Exhibition and Trade Fair		74,000	7,681,447
Shortages		6,687,842	
Travelling Expenses		3,527,124	2,641,402
Registration Fees		3,000	3,400
Valuation Expenses		16,100	16,620
Insurance & Freight Charges		1,185,760	52,027
Inventry write off		-	390
		<b>94,206,981</b>	<b>57,892,687</b>

  

		<b>2024</b>	<b>2023</b>
		<b>LKR</b>	<b>LKR</b>
<b>8. Finance costs</b>			
Bank charges		593,178	297,065
Loan interest -Boc		26,894,676	50,001,511
-Rdb*		24,643,006	-
		<b>52,130,860</b>	<b>50,298,576</b>

\*\* RDB Loan was restructured due to non payment and as discussed interest calculation for the year 2024 was subsidized, carrying forward the reduced interest amount to be paid from 2025 onwards.



**SRI LANKA HANDICRAFTS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**09. Property, plant and equipment**

	Notes	2024 LKR	2023 LKR
Freehold assets	9.1	667,111,059	559,500,023
Building development costs	9.2	49,182,080	128,135,836
		<b>716,293,139</b>	<b>687,635,859</b>

**9.1 Freehold assets**

	Land LKR	Buildings LKR	Plant & machinery LKR	Furniture fittings & office equipment LKR	Computer equipment LKR	Articles LKR	Software LKR	Capital work in progress LKR	Total LKR
<b>Cost or valuation</b>									
<b>Balance at 1 January 2023</b>	380,788,639	248,131,099	101,029,992	60,179,729	23,780,056	33,494,774	10,193,250	-	<b>857,597,538</b>
Additions	-	-	290,274	-	1,114,840	141,850	-	-	<b>1,546,964</b>
<b>Balance at 31 December 2023</b>	<b>380,788,639</b>	<b>248,131,099</b>	<b>101,320,266</b>	<b>60,179,729</b>	<b>24,894,896</b>	<b>33,636,624</b>	<b>10,193,250</b>	<b>-</b>	<b>859,144,502</b>
Additions	-	-	2,925,226	88,516	1,316,544	758,707	-	100,020,127	<b>105,109,120</b>
<b>Balance at 31 December 2024</b>	<b>380,788,639</b>	<b>248,131,099</b>	<b>104,245,492</b>	<b>60,268,245</b>	<b>26,211,440</b>	<b>34,395,331</b>	<b>10,193,250</b>	<b>100,020,127</b>	<b>964,253,622</b>

**Depreciation**

<b>Balance at 1 January 2023</b>	-	58,661,462	93,404,770	58,523,771	22,159,501	29,935,647	10,193,250	-	<b>272,878,400</b>
Charge for the year	-	6,203,277	10,121,990	6,017,973	1,066,020	3,356,818	-	-	<b>26,766,079</b>
<b>Balance at 31 December 2023</b>		<b>64,864,739</b>	<b>103,526,760</b>	<b>64,541,744</b>	<b>23,225,521</b>	<b>33,292,465</b>	<b>10,193,250</b>		<b>299,644,479</b>
Adjustments			(6,070,885)	(5,162,934)		(2,187,147)			<b>(13,420,966)</b>
Charge for the year	-	6,203,277	2,102,717	327,657	1,236,793	1,048,605	-	-	<b>10,919,050</b>
<b>Balance at 31 December 2024</b>	<b>-</b>	<b>71,068,016</b>	<b>99,558,592</b>	<b>59,706,467</b>	<b>24,462,314</b>	<b>32,153,923</b>	<b>10,193,250</b>	<b>-</b>	<b>297,142,563</b>

**Carrying amounts**

At 31 December 2023	380,788,639	183,266,360	(2,206,495)	(4,362,015)	1,669,375	344,159	-	-	559,500,023
<b>At 31 December 2024</b>	<b>380,788,639</b>	<b>177,063,083</b>	<b>4,686,900</b>	<b>561,778</b>	<b>1,749,126</b>	<b>2,241,407</b>	<b>-</b>	<b>100,020,127</b>	<b>667,111,059</b>

**9.2 Building development costs**

	2024 LKR	2023 LKR
<b>Cost or deemed cost</b>		
Balance at 1 January additional	386,954,261	386,954,261
<b>Balance at 31 December</b>	<b>386,954,261</b>	<b>386,954,261</b>

**Amortisation**

Balance at 1 January	258,818,425	239,514,502
Charge for the year	8,089,360	19,303,923
*Adjusted	70,864,396	
<b>Balance at 31 December</b>	<b>337,772,181</b>	<b>258,818,425</b>

<b>Carrying amounts as at 31st</b>	<b>49,182,080</b>	<b>128,135,836</b>
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**SRI LANKA HANDICRAFTS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**9.2 Building development costs (contd.)**

<b>Amortisation Site</b>	<b>Year</b>	<b>Cost incurred</b>	<b>Rate % @ 2 decimal</b>	<b>Cumulative amortisation balance at 01 January 2024</b>	<b>Amortised during 2024</b>	<b>Cumulative amortisation balance at 31 Dec 2023</b>	<b>Carrying amounts of building development cost at 31 Dec 2024</b>
Museum	2013	172,847,765					
Museum	2014	1,881,295					
Museum	2015	389,178					
<b>Total</b>		<b>175,118,238</b>	5.77%	175,118,238		175,118,238	-
Battaramulla	2013	117,704,905					
Battaramulla	2014	7,119,772					
Battaramulla	2015	9,744,208					
<b>Total</b>		<b>134,568,885</b>	5.77%	78,885,238	7,762,237	86,647,474	47,921,412
Pinnawala	2013	<b>10,086,000</b>	10.00%	10,086,000		10,086,000	-
Wagolla	2014	<b>810,487</b>	10.00%	810,487		810,487	-
Peradeniya	2013	31,657,965					
Peradeniya	2014	8,968,352					
Peradeniya	2015	677,222					
<b>Total</b>		<b>41,303,539</b>	10.00%	41,303,539		41,303,539	-
Welipanna	2013	<b>10,269,019</b>	10.00%	10,269,019		10,269,019	-
Race course	2013	<b>1,113,613</b>	10.00%	1,113,613		1,113,613	-
Katunayake	2013	<b>1,060,004</b>	10.00%	1,060,004	-	1,060,004	-
Unawatuna	2013	<b>1,000,004</b>	10.00%	1,000,004		1,000,004	-
K-Zone	2013	<b>8,353,071</b>	10.00%	8,353,071		8,353,071	-
Thunmulla		<b>769,766</b>	10.00%	692,808	76,959	769,767	-
kandy	2019	1,993,423					
Adjusted	2020	508,213					
		<b>2,501,636</b>	10.00%	990,802	250,164	1,240,966	1,260,670
<b>Grand total</b>		<b>386,954,261</b>		<b>329,682,823</b>	<b>8,089,360</b>	<b>337,772,180</b>	<b>49,182,082</b>

# SRI LANKA HANDICRAFTS BOARD

## NOTES TO THE FINANCIAL STATEMENTS

		2024	2023
	Notes	LKR	LKR
<b>10. Inventories</b>			
Showroom trading first quality finished goods		443,011,255	349,816,762
Second quality finished goods		172,792,715	173,806,680
Raw materials and work in progress	<b>10.1</b>	392,295	392,295
		<b>616,196,265</b>	<b>524,015,737</b>

### 10.1 Raw materials and work in progress

Raw materials and work in progress consist of items manufactured for custom made direct orders.

		2024	2023
	Notes	LKR	LKR
<b>11. Trade and other receivables</b>			
Trade receivables	<b>11.1</b>	10,239,173	15,080,268
Other receivables	<b>11.2</b>	80,017,564	8,666,539
Deposits and prepayments	<b>11.3</b>	119,760,840	59,384,096
		<b>210,017,577</b>	<b>83,130,903</b>
<b>11.1 Trade receivables</b>			
Trade Debtors		16,976,085	16,229,979
Doubtful Debtors	<b>11.4</b>	(9,578,372)	(9,578,372)
Receivable Credit Card		2,841,460	8,428,661
		<b>10,239,173</b>	<b>15,080,268</b>
<b>11.2 Other receivables</b>			
Staff loans		2,828,578	122,250
Rent receivable		5,019,909	8,057,192
NBT receivable		1,287,828	485,097
Miscellaneous Receivable		16,850	2,000
Museum Building Amortised Cost		70,864,399	-
		<b>80,017,564</b>	<b>8,666,539</b>
<b>11.3 Deposits and prepayments</b>			
Security deposits		-	50,000
Prepayments		3,479,762	5,341,392
Advances paid		104,446,560	42,793,490
Retention money		500,000	500,000
Refundable deposit		11,334,518	10,699,214
		<b>119,760,840</b>	<b>59,384,096</b>
<b>11.4 Doubtful Debtors</b>			

### 11.4 Doubtful Debtors

In the year 2018 provision had been passed for Rs.9,578,372 /=-in relation to the old balances

**SRI LANKA HANDICRAFTS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12. Cash and cash equivalents**

Cash at bank

Cash in hand

<b>2024</b>	<b>2023</b>
<b>LKR</b>	<b>LKR</b>
22,941,061	54,357,013
3,233,213	4,845,611
<b>26,174,274</b>	<b>59,202,624</b>

**Other components in revenue reserve**

Opening balance

Previous year revision

(220,965,470)	(123,399,006)
(40,283,025)	(97,566,464)
<b>(261,248,495)</b>	<b>(220,965,470)</b>

Other components in revenue reserve includes amendments related to prior periods which were retrospectively incorporated through the cumulative revenue reserves.

**13. Retirement benefit obligations**

Opening balance

Gratuity provision for the year

Gratuity paid during the year

Closing balance

<b>2024</b>	<b>2023</b>
<b>LKR</b>	<b>LKR</b>
59,301,223	57,679,530
8,609,607	8,401,558
(11,488,333)	(6,779,865)
<b>56,422,498</b>	<b>59,301,223</b>

The liability for retirement benefit obligation under the payment of Gratuity Act. No. 12 of 1983 is a defined benefit plan covering 90 employees of the organization.

# SRI LANKA HANDICRAFTS BOARD

## NOTES TO THE FINANCIAL STATEMENTS

	2024 LKR	2023 LKR
<b>14. Long term borrowings</b>		
Opening balance	427,823,981	503,616,664
Loan paid during the year	(85,089,086)	(75,792,683)
Closing balance	342,734,895	427,823,981
(Less) Payable within one year	(18,414,272)	(8,332,827)
<b>Long term loan obligations</b>	<b>324,320,623</b>	<b>419,491,154</b>

### 14.1 Bank of Ceylon – Loan Balance Rs.171.7 Mn as at end 2024

Initially loans were taken within the periods of 2012 to 2018 for approximately Rs.950 Mn for working capital requirements by mortgaging the Fort building. While having upgraded the showrooms with the loans taken, Laksala found a substantial growth in revenue to service the loans. Eventually having settled the capital loan amounts & reducing the Bank of Ceylon loans from year 2013 to 2019 to Rs.273Mn. But due to the economic situation in the country Laksala was not able to settle the capital and the interest from year 2020 to 2023. Therefore as provided by the Central bank of SL many moratoriums' were taken in 2020 and 2023 .and the loans were re-structured to suit the then prevailing cash flow situation in 2023 and loans are being currently serviced accordingly.

**14.2** During the financial year 2022 six additional moratoriums were provided for the existing 3 loans.

2022 BOC loan balance	Rs .332.6 Mn
2023 BOC capital paid	Rs. <u>75.8 Mn</u>
<b>Total BOC loan balance</b>	<b>Rs. 256.8 Mn</b>
2024 BOC capital paid	Rs. <u>85.1 Mn</u>
<b>Total BOC loan balance</b>	<b>Rs. 171.7 Mn</b>

### 14.3 Regional Development Bank – Rs.200 Mn

Rs.200 Mn facility was obtained from the Rural Development Bank Kelaniya branch in the year 2013 to meet urgent working capital requirements. No security was offered by Laksala as the General Treasury has arranged the loan facility through the bank. In the year 2021 due to the financial situation arised as a result of COVID-19 the interest was capitalized and the loan was structured with the substantial wave-off of the interest portion. Initiatives have been taken to re-start the payment of the loan with the cashflows available in the near future.

#### Main Loan

2022 RDB loan balance	Rs .158.4 Mn
2023 RDB capital paid	Rs. <u>00.0 Mn</u>
<b>Total RDB loan balance</b>	<b>Rs. 158.4 Mn</b>
2024 RDB capital paid	Rs. <u>00.0 Mn</u>
<b>Total RDB loan balance</b>	<b>Rs. 158.4 Mn</b>

**During the financial year 2022 Main loan Interest payable balance Rs.12.6 Mn was capitalized**

**SRI LANKA HANDICRAFTS BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**15. Trade and other payables**

	<b>2024</b> <b>LKR</b>	<b>2023</b> <b>LKR</b>
Trade payables	382,245,431	329,473,485
Other payables	235,100,820	115,368,931
Accrued expenses	142,874,805	90,162,578
	<b>760,221,056</b>	<b>535,004,994</b>

**16. Short term borrowings**

Current portion of the long term loan obligations	18,414,272	8,332,827
Short term loan	14,343,400	-
	<b>32,757,672</b>	<b>8,332,827</b>

**17. Bank overdrafts**

	<b>2024</b> <b>LKR</b>	<b>2023</b> <b>LKR</b>
Bank overdrafts	<b>3,214,635</b>	<b>1,361,705</b>

The bank overdraft amounting to Rs.3,214,635.00 (2023: Rs.1,361,705.00 ) is the balance appearing in the cash book as of the year end. With the restructuring of the BOC loans in the previous financial years an approval was provided by the bank for an overdraft facility of Rs.15 Mn.

## SRI LANKA HANDICRAFTS BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### 18. Contingent Liabilities and Commitments

##### Pending litigations against the board:

Court No.	Case filed on:	Case filed by	Nature of the case	Current status
DMR/0280/13	13-Jul-15	Kotte Municipal Council	Litigation filed in the District Court by the Kotte Municipal Council against Laksala for breaching of contract for fixing of solar panels.	Decision was given to pay Rs.4,020,000 along with interest to Kotte Municipal Council. However, Laksala has filed an appeal on this case. As the court decision was given, a similar amount was provided as a payable as of 31 December 2024.
DMR/2255/16	9-May-16	Dimo Pvt Ltd	Litigation filed on District court by Dimo against Laksala for breaching of contract due to non payment of balance dues.	Decision still pending and no probable commitment prevails as at 31st December 2024
138/2018/MR	8-Mar-18	JAT Holdings Pvt Ltd	Litigation filed in Colombo commercial High Court with regard to a contract taken by Laksala from Tourist Board and sub contracted to JAT Holdings & a payment pending of Rs.8,184,683.49	Attorney general Department has submitted objections on behalf of Laksala (SLHB).
139/2018/MR	10-Apr-18	JAT Holdings Pvt Ltd	Laksala has signed an agreement with the Ministry of Justice to renovate the Arbitration centre in the 22nd floor of the World Trade Centre. Laksala had sub contracted this to JAT Holding and the job has been completed. But Ministry of justice had not settled the balance amounts to pay to JAT Holdings. Therefore JAT Holdings have filed a case in the Colombo High Court against Laksala for not settling a sum of Rs.32,256,980	Attorney general Department has submitted objections on behalf of Laksala (SLHB).

##### Internal inquiries

Internal inquiries were held against two senior officers Mrs.L.M.E. Perera and Mrs.S.R.M.Perera however as per the court decision for the LT case No 31/18/2023 on temperaly interdicted officer Mrs.S.R.M Perera Sri Lanka Handicrafts Board-Laksala arranged of payment of LKR 6,294,099/=to the Assistant Commissioner of labor-J-Ela.