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விவசாய அமைச்சு  
Ministry of Agriculture



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இலங்கை ஹதபிம அதிகாரசபை  
HADABIMA AUTHORITY OF SRI LANKA



වාර්ෂික වාර්තාව - 2014  
வருடாந்த அறிக்கை - 2014  
ANNUAL REPORT - 2014





# HADBIMA AUTHORITY OF SRI LANKA

## ANNUAL REPORT 2014

P.O. Box 09, Gannoruwa, Peradeniya.

Telephone No : 0812-388107

Fax : 0812-388132

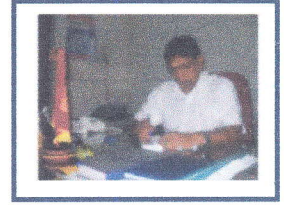
E-mail : [authority@hadabima@gmail.com](mailto:authority@hadabima@gmail.com)

Web : [www.hadabima.gov.lk](http://www.hadabima.gov.lk)

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## Message from the Chairman,



The annual report 2014 of the Hadabima Authority of Sri Lanka as per State Agricultural corporation Act No.11 1972 is submitted Herewith.

It was targeted to conserve and develop 4000 hectares belonging to 12500 farming families in 40 D. S. divisions in Kandy, Matale, Nuwara Eliya, Kegalle, Ratnapura and Badulla districts where the agricultural and environmental conservation programmes were carried out by the Hadabima Authority of Sri Lanka.

Accordingly the performance achieved from the soil conservation programme which is considered as the foremost task launched by the Authority is 98%. The progress achieved by the implementation of the other development programmes in parallel to it was 90%. It was unable to reach the targeted progress due to unfavorable weather conditions, and dearth of the technical officers for the field activities. However the progress was obtained by the management of human and physical resources successfully.

Rs. 70 million was allocated to the Authority by the Treasury for the development year 2014 and was able to receive a financial performance in 90.33% by launching the respective development tasks by spending Rs. 63.237 million for it. Rs. 12.01million was allocated by the Ministry of Agriculture for the commencement of the development activities of the Authority in addition to the funds received from the Treasury in 2014. Two development projects were carried out in Matara district by using the allocations during 2014. The cultivation of commercial plots development project and production and popularizing the use of organic manure are the two projects launched in Matara district during 2014 Nearly 20,000 farmers have participated in the entire development programmes. I am pleased that the Hadabima Authority was able to fulfill the necessary contribution by intervening the process of educating the persons including their family units in using of lands, crop cultivation and organic manure production activities. Further the contributions made towards the environmental conservation process through this task cannot be measured.

The leadership and the guidance rendered by the Hon'ble Minister of Agriculture Mr. Mahinda Yapa Abeywardana together with the secretary to the Ministry Mr. R. M. D. M. Meegasmulla in this respect are appreciated and the staff of the Ministry has supported us in every manner.

Accordingly I would like to convey my gratitude to the Executive Director and the entire staff of the Authority for their support given to me in the implementation of the development activities.

Nandasena Herath  
Chairman

## Message from the Executive Director,



Central hills are environmentally very sensitive zone which contribute for the formation of 103 rivers in the island. The capacity of each river is decided on the situation of the catchment area. However the environmental system which was in a well balanced state from the ancient time had become unbalanced due to the human activities from the colonial era and turned to fallow and marginal condition as a result of the soil erosion in those areas.

The environmentalists have revealed the necessarily of a National environmental conservation programme in order to minimize this situation after identifying the environmental imbalances which caused the national environmental problems. As such the National agricultural diversification and settlement development Authority (NADSA) was established to assist this task. This institute which was formed in 1978 has come across various stages during the past three decades and performing its environmental conservation activities as the Hadabima Authority of Sri Lanka at present.

This institution carrying its activities entirely on the funds of the Treasury is engaged in the agricultural development by conserving the marginal lands with the assistance of the farming community living in the respective areas. Necessary steps are being taken to convert the marginal lands into the productivity level. Accordingly 3925.2 hectares belonging 8326 farming families were conserved by using Rs. 70 million received as an allocation from the Treasury in 2014. Accordingly a special programme is launched by the Authority to purchase and sell the agri produce obtained from those lands by intervening into it after the fulfillment of the targets. This has helped the farmer to obtain a reasonable price for their agri produce and the urban consumer too can purchase fresh agricultural produce at a fair price.

The support rendered by the Hon'ble Minister of Agriculture and The Secretary to the Ministry for the implementation of the development programme of the Hadabima Authority which is directly involved in the environmental conservation activities among the other institutions under the Ministry of Agriculture is appreciated. All the staff of the Ministry of Agriculture too have given their support to fulfill the activities in the targeted development programmes in 2014. I would like to pay my gratitude to the Chairman of the Authority Mr. Nandasena Herath and the entire staff for their co-operation rendered for the success of this targeted programme.

J. C. Ranepura  
Executive Director.

## **VISION**

“ A Country fulfilled with prosperous harvest by prosperous earth towards prosperous earth through fertile soil ”

## **MISSION**

“ Contributing to increase the National Agricultural Production by confirming the National Food Security with upgrading fertility and productivity of the Land through soil conservation while preventing the soil erosion ”

## INTRODUCTION

The under mentioned powers were assigned to the National Agricultural Diversification and settlement Agency (NADSA) which was established in 1978 as per the Agricultural corporation Act no 11 of 1978.

1. Agricultural Diversification and management of settlement and water falls.
2. Environmental management and water conservation in order to achieve the maximum productivity from the lands assigned to the Authority.
3. Involving in the process and in sale of Agricultural produce.
4. Supply and maintenance of equipment used for the agricultural diversification and settlement development.

The development activities were commenced in 1978 as per the powers stated above and the conservation activities were begun in the more sensitive areas situated in the wide catchment areas of the Mahaweli River and the surroundings of it and the catchment areas of the Maoya river and its surrounding areas in the Kegalle district under stage one. It was targeted to conserve 5000 areas belonged to Land Reform Commission which were considered as magical lands due to soil erosion. The funds were received from the World Food Organization for the development and conservations.

Plantations were introduced to these areas during the colonial era and the forests in these areas were destroyed as a result of it and the imbalance was caused by the marginal lands in the area due to soil erosion and reduction. This had created a national environmental problem. As the 103 main rivers of the country start from this sensitive environmental area, the situation prevailed affected the area badly due to this reason.

Hence targeted 5000 areas were up graded as productivity units by using the assistance of the community in those areas at the maximum level for the environmental conservations. An environmental survey was carried out in respect of the project as soon as the project period was completed. Further as the objectives of the project were fulfilled it has recommended to extend the project areas by considering as a necessity.

Accordingly the official name of NADSA Sri Lanka Diversification and Settlement Development Authority was amended as Hadabima Authority of Sri Lanka from 1991 and the Central hills and

the surrounding districts Monaragala, Badulla, Nuwara Eliya, Ratnapura and Matale districts were named as project areas. Funds were received from the World Food Organizations for this project. The functioning of the Authority was assigned to the Treasury with the objective of continuation of its activities after the completion of the foreign funds. Later the activities of the Authority were extended up to Kurunegala, Mathara and Galle Districts.

Accordingly Rs. 70 million and Rs. 47 million as Capital expenditure and recurrent expenditure respectively were released to the Hadabima Authority by the Treasury on the action plan submitted to it. Further it has been targeted to conserve and develop 4000 hectares with the participation of 12500 farming families living in 40 D. S. divisions in Kandy, Matala, Kegalle, Ratnapura and Badulla districts by using the allocations.

It is expected to submit this performance details in order to give the particulars of the progress achieved by the implementation of the entire project in 2014 targeting the objectives and motives of the Authority.





## PARTICULARS IF THE ADMINISTRATION

## HADABIMA AUTHORITY OF SRI LANKA

### Board of Directors

- |                                  |   |          |
|----------------------------------|---|----------|
| 1. Mr. Nandasena Herath          | - | Chairman |
| 2. Mr. Lalith Rohana Nanayakkara | - | Member   |
| 3. Mr. Buddhi Ramawickrama       | - | Member   |
| 4. Mr. Ranjan Dharmawardena      | - | Member   |
| 5. Mr. H. M. Gamini Senevirathne | - | Member   |
| 6. Mr. K. A. Samantha            | - | Member   |
| 7. Mr. S. K. Dhammika            | - | Member   |

Mr. Wimal S. K. Liyanage represented the Treasury in the Board of Directors of the Authority was transferred to the Department of Customs with effect from 03.01.2014.

Mr. H. M. Gamini Senevirathna District Secretary Kandy was appointed to the Board of Directors of the Authority to represent the Treasury.

Mr. Lalith Rohana Nanayakkara, Deputy Chairman of the Authority and the member of the Board of Director has left the Authority on 31.07.2014.

Mr. S. K. Dhammika was appointed as the member of the Board of Directors and the Deputy Chairman of the Authority on 07.08.2014 .

### **Details of the Cadre**

1. Mr. Nandasena Herath is functioning as the Chairman of the Authority while Mr. Lalith Rohana Nanayakkara who was the Deputy Chairman has left the Authority on 31.07.2014. Mr. S. K. Dhammika was appointed on 07.08.2014 and he was functioning as tha Deputy chairman till 31.12.2014.
2. Mr. Thilak Gamini Munasinghe in the Sri Lanka Administrative Service (Class I) has left on 30.07.2014 Authority to assume the duties of Additional Secretary (Lands) at the District Secretariat Kandy.

3. Mr. J. C. Ranapura (Sri Lanka Administrative Service) who was serving as the Senior Assistant Secretary in the Provincial Administrative Unit of the Ministry of Public Administration and Home Affairs has assumed the duties of the Executive Director of the Authority on 11.08.2014.
4. Mr. D. A. M. B. Dasanayake, Agricultural Officer who was acting as the Deputy / Assistant Director (Development) was confirmed in his Post w.e.f. 01.10.2014.
5. Mrs. A. V. Hemalatha who was functioning as the Finance Officer in the Accounts Branch was appointed to cover the duties of the Deputy / Assistant Director (Finance) of the Authority.
6. The post of Deputy Director (Administration) was vacant in 2014.

**HADABIMA AUTHORITY OF SRI LANKA**  
**BOARD OF DIRECTORS' MEETINGS HELD IN 2014**

Name of the Member	No of dates and the Participation											
	31.01.2014	25.02.2014	31.03.2014	29.04.014	19.05.2014	26.06.2014	28.07.2014	22.08.2014	29.09.2014	27.10.2014	28.11.2014	30.12.2014
Mr. Nandasena Herath Chairman, Hadabima Authority	√	√	√	√	√	√	√	√	√	√	√	√
Mr. Lalith Rohana Nanayakkara Deputy Chairman, Hadabima Authority	x	√	√	√	√	√	√	-	-	-	-	-
Mr. Buddhi Ramawickrama Member of Board of Directors	√	√	√	√	√	√	√	√	√	√	√	√
Mr. Ranjan Dharmawardena Member of Board of Directors	√	√	√	√	x	√	√	√	√	√	√	√
Mr. M. G. Jayasinghe Attorney at Law Member of Board of Directors	x	√	√	√	√	√	x	√	√	√	√	√
Mr. K. A. Samantha Member of Board of Directors	√	√	√	√	√	√	√	√	√	√	√	√
Mr. H. M. Gamini Senevirathne Member of Board of Directors	-	-	-	-	√	√	√	√	x	√	√	√
Mr. S. K. Dhammika Member of Board of Directors	-	-	-	-	-	-	-	√	√	√	√	√

Present - √

Absent - x

**HADABIMA AUTHORITY OF SRI LANKA**

**PARTICULARS OF THE CADRE AS AT 31.12.2014**

Serial No.	Name of the Post	Approved Cadre	Cadre at Present	Vacancies
1.	Chairman	1	1	-
2.	Deputy Chairman	1	1	-
3.	Executive Director	1	1	-
4.	Asst. Director / Deputy Director (Administration)	1	-	1
5.	Asst. Director / Deputy Director (Development)	1	1	-
6.	Asst. Director / Deputy Director (Finance)	1	-	1
7.	Asst. Director / Deputy Director (Sales)	1	1	-
8.	Asst. Director / Deputy Director (Project & Planning)	1	-	1
9.	Administrative Officer	1	1	-
10.	Finance Officer	1	1	-
11.	Marketing Officer	1	1	-
12.	Agricultural Development Officer	2	1	1
13.	Internal Audit Officer	1	-	1
14.	Zonal Officer	8	8	1
15.	Management Assts (Technical)	25	25	-
16.	Management Assts (Non Technical)	17	17	-
17.	Shroff	1	1	-
18.	Machine Operator	1	1	-
19.	Audio Visual Asst.	1	1	-
20.	Drivers	14	11	3
21.	K. K. S.	4	4	-
22.	Cleaners	2	2	-
23.	Watchers	4	4	-
24.	Labourers	2	2	-
	<b>Total</b>	<b>93</b>	<b>85</b>	<b>8</b>





# DEVELOPMENT PROGRAMME

HADABIMA AUTHORITY OF SRI LANKA

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Serial No	Programme	Project	Unit	Target		Progress		
				Physical	Financial (Rs. MI)	Physical	Financial (Rs. MI)	
1.	Soil conservation and watershed management	i	Basic conservation planning	Programmes	80	0.4	80	0.38
		ii	Community leadership development programme	Programmes	7	0.91	7	0.906
		iii	Training in soil conservation	Programmes	80	0.4	80	0.359
		iv	Supply of agri equipment for soil conservation	Mammoties	12,500	8.45	8326	6.098
		v	Soil conservation programme	Hectares	4,000	30	3920	29.439
2.	Land and crop management	i	Technical Training	Programmes	80	0.4	59	0.342
		ii	Supply of seeds and planting material	Hectares	625	5.875	331.5	4.653
3.	Organic manure production	i.	Technical Training in Organic manure Production	Programme	80	0.4	80	0.326
		ii.	Supply of agri equipment		6500	4.575	4512	3.195
		iii	Organic manure production	M.T.	6000	-	6500	-
4.	Semi backyard poultry rearing programme	i	Supply of chicks	Chicks	10000	3.755	9520	3.55
5.	School environmental programme	i	School model programme	models	50	0.5	50	0.459
6.	"Tharuna Aruna" Youth entrepreneur Programme			Youth	1000	0.25	1000	0.0905
<b>Total</b>						<b>55.915</b>		<b>49.798</b>



**01. Soil Conservation and Watershed Management**

Minimizing the soil erosion situation in the targeted sensitive environmental areas is the foremost development task launched by the Authority. In 2014 4000 hectares were targeted for this activity with the participation of 1250 farming families. These targeted development activities were launched to upgrade the marginal lands which were affected due to soil erosion and reduction as productive units by minimizing the environmental imbalance in the area during 2014.

**01. i. Rural Development Planning**

Action had been taken to commence the non formal discussions based on programmes organized at the rural level. Further programmes were prepared with the objective of obtaining the community participation to make the appropriate conservation plan in the identified villages which were recommended by the Divisional Secretaries in the respective areas. 80 field programmes were commenced and the programmes were implemented and details of progress are given below.



Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Programmes 80	0.4	Programmes 80	0.38
Participation 12500		Participation 11400	

## 01. ii. Community Leadership Development

The environmental conservation and land development programmes of the Hadabima Authority are implemented by obtaining the participation of the farmers in the respective areas at the maximum level. The basic idea of the programme is to identify the rural leaders from these villages as mediators for the management of rural resource persons efficiently.

A formal training will be given for the educated unemployed youth in the targeted areas in leadership development participatory development entrance, leadership qualities and human resources co-ordination after the identification. Thereafter they will be attached as a supportive team to implement the development programmes of the Authority at the rural level. These supportive teams engage in the targeted activities within the prescribed time as decided by the manager. The progress achieved through this programme in 2014 is given below.

Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Programmes 07	0.91	Programmes 07	0.906
Community Pilots 400		Community pilots 360	



## 01. iii. Technical Training in Soil Conservation

It is essential to minimize the above situation in order to restructure the fallow lands affected due to soil erosion and reduction for a considerable period and due to unfavourable environmental process. As such the assistance of participatory human resources should be used efficiently. Modern technology recommended for this purpose has to be introduced and development of positive attitude in respect of environmental conservation activities is essential. Thus the training programmes in soil conservation at the field level are organized to fulfill these objectives. As such the theory and practical training in modern technology of soil conservation is being given. The progress achieved through the field programmes launched in 2014 is given below.

Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Programmes 80	0.400	Programmes 80	0.359
Farming family 12500		Farming family 10250	



**01. iv. Supply of agricultural equipment for soil conservation activities.**

The farmers in the targeted areas belong to low income receiving group as such an encouragement should be given to them to obtain their services. Accordingly action has been taken to supply a mamoty as an agricultural equipment to every farmer in 2014. The progress achieved from the implementation of the programme is given below.



Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Mammoties 12500	0.845	Mammoties 8326	6.098
Farming Families 12500		Farming Families 8326	

### 01. v. Establishing soil conservation structures.

The attention of the farming community is drawn towards the establishing scientific soil conservation methods to minimize the soil erosion situation in their lands and the farmers will adopt the theory and the practical knowledge gained by them from the training session in soil conservation according to the geographical formation of their land. The formation of this conservation structure is done as per the recommendations of N. R. M. C. institute under the supervision of the field officers in the Authority. Accordingly the recommended conservation methods such as mechanical, biological, scientific and agronomic theories are being used for this purpose. The progress achieved through this programme in 2014 is given below.



The targeted farming community should be encouraged by a mediator to obtain their services and an incentive too should be given to them for this purpose. Accordingly Rs. 10,000.00 was granted to each farming family per 01 hectare for the conservation as done previously. Although Rs. 50,000.00 – Rs. 60,000.00 had been allocated as human resources according to the calculation of the NRMC, the authority has decided to pay Rs. 10,000.00 per hectare. It is 10% of the amount calculated by the N.R.M.C. the physical and the financial progress obtained from the development process in 2014 is given below.

Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Hectares 4000	30.0	Hectares 3925.2	29.439
Farming Families 12500		Farming Families 10000	

## 02. Land and Crop Management Programme.

It is essential to convert the lands when the soil conservation work has been done as productive units enabling to protect its sustainable conservation. Action has been taken to substitute systematic crop pattern to establish the cover already damaged in these lands. It was decided to introduce short term, midterm and long term crop patterns accordingly. The following activities were carried out to achieve the objectives in 2014.

### 02. i Technical Training in Land and Crop Management.

Field training programmes were commenced to raise the awareness of the farmers as systematic crop patterns have to be introduced for them in these lands after the conservation and rehabilitation of the soil. A formal training in crop cultivation, maintenance and using of the lands was given. The progress achieved through this programme in 2014 is given below.

Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Programmes 80	0.400	Programmes 80	0.342
Participation 6500		Participation 5422	

### 02. ii Supply of seeds and planting materials programme.

Action has been taken to supply seeds and planting materials to the farming community free of charge to encourage them to engage in the crop cultivation programme during the development year 2014. Allocated Rs. 5.875 million for this purpose and the under mentioned planting materials were supplied to them by spending Rs. 4.653 million.

Category	Amount Kg
Chillie	161
Kurakkan	141
Cowpea	823
Whiteorid Dhal	66
Long Beans	809
Bandakka	216
Brinjal	79
Dambala	70
Turmeric Seeds	14225



### 03. Organic Manure Production Programme

#### i. Technical Training in Organic Manure Production.

Action has been taken to organize 80 farmers' field training programmes with the objective of educating them in modern technology to produce organic manure using necessary modern techniques. Farmers were identified under the popularizing of organic manure production project commenced in 2014 by the Hadabima Authority. These 80 training programmes will be completed accordingly. Allocated Rs. 0.400 million for this purpose from the budget and spent Rs. 0.326 million Accordingly physical progresses achieved is 100%.



#### ii. Supply of Agri Equipment

Action has been taken to supply a shovel to each farmer to draw their attention for organic manure production Rs. 4.875 million was allocated for this purpose and provided 4512 shovels to 4512 farmers by spending Rs. 3.195 million.

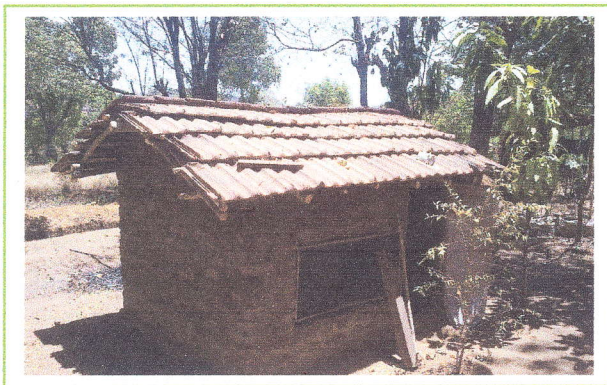
#### iii. Organic Manure Production.

The main target of this project was to produce and use 6500 metric tons of organic manure with the participation of 4000 beneficiaries for their cultivations. Accordingly it was able to fulfill the targets during the targeted year.



#### 04. Semi Backyard Poultry Rearing Programme.

The children of the farming community are facing the malnutrition problems as their parents belong to the low income groups in the rural areas. The reason for this situation is that the food with animal proteins is not available for them. This semi backyard poultry rearing programme was commenced in 2014 by drawing attention to minimize the above situation and to upgrade the rural income generating abilities. Hence action has been taken to supply month old chicks to the identified farmers at the village level free of charge to carry out the poultry rearing by using semi backyard methods. The progress achieved from the programme is given below.



Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Chicks 10000	3.755	Chicks 9520	3.550
Farming Families 1000		Farming Families 952	

#### 05. School Environmental Programmes

Steps have been taken to set an example on environmental conservation by this programme with an objective of upgrading the knowledge and the attitude of the school children in natural resources management and environmental conservation.



Further action has been taken to provide a practical knowledge for the school children on soil conservation by establishing soil conservation models in the school premises. The progress achieved during 2014 by implementing this programme is given below.

Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Training Programmes 50	05	Training Programmes 50	0.459
Model Units 50		Model Units 50	

#### 06. “Tharuna Aruna” Youth Entrepreneurship Development Programme.

Leaving the young generation from the agricultural sector rapidly has created a major issue in the development of the agricultural field of the Country. The crowd engaged in the agricultural sector has decreased up to 30% of the population. The main cause is that agriculture is not a profitable business. Further no social acceptance is given for the jobs in the agricultural field. Accordingly modern technology in the agricultural sector should be introduced to the rural youth to minimize this situation and a suitable market too should be found for their agricultural produce. As such a special rural entrepreneur development programme was launched by the Hadabima Authority for the youth called “Tharuna Aruna” to fulfill its objective during 2014. The progress achieved from the programme is stated below.

Target		Progress	
Physical	Financial Rs MI.	Physical	Financial Rs MI.
Youth 1000	0.250	Youth 1000	0.0905

#### 07. Agricultural produce sales promotion programme.

Action has been taken to provide necessary infrastructure facilities by extending the agricultural produce sales development project commenced by the Authority with the objective of facing the challenges of selling the produce in the units developed on the instructions of the Authority in 2014 without the mediation of the outsiders. Accordingly constructions were commenced to establish sales centers at Weligama in Matara District and at Ingiriya in Kalutara District.





Allocated Rs. 5.586 for this task from the development proposals in 2014 and the relevant works were implemented with Rs. 5.585 million.

#### **08. Entrepreneurship Development.**

The Authority has taken steps to introduce entrepreneurs in parallel to the sales promotion programme of the Hadabima Authority by targeting this programme in 2014. Necessary activities were organized to upgrade them as rural income generators by providing required technical training. Rs. 0.800 was allocated for this purpose from the budget proposals for 2014 and completed the relevant activities by using Rs. 0.536 million.

#### **09. Human Resources Development.**

Training programmes were organized to upgrade the subject oriented skills and knowledge of the office and the field staff of the Hadabima Authority. Technical assistance was obtained from the institutions who are in the relevant field. Allocated Rs. 0.3 million for this purpose during 2014 and Rs. 0.137 was used to implement the training programmes.

#### **10. Media and Promotional Programmes.**

Various printed and media programmes were launched in 2014 with the intention of informing the national level pertaining to all the development programmes of the Authority. Allocated Rs. 2.0 million for this purpose in 2014 and Rs. 1.928 million was used to implement the media programmes.

#### **11. Progress Monitoring Programmes.**

Action has been taken to review the progress of the entire development programme of the Authority monthly and annually.

#### **12. Institutional Development.**

Necessary planning was done enabling to develop the physical resources owned by the Head Office which is operate the entire development programme of the Authority. Allocated Rs. 1.994 for this task and spent Rs. 1.918 for the physical resources maintenance and purchasing the items.

### 13. Special Development Projects.

Special development projects are being carried out by using the allocations provided by the Ministry of Agriculture in addition to the allocations released by the Treasury for the annual action plan of the Hadabima Authority. The progress achieved by the implementation of the development programmes is given below.

#### i. 'Mihisaru' promotional programme in organic manure production and use.

4000 farmers were selected from the Matara district for this project launched in parallel to the national programme organized to minimize the use of chemical manure in 25%. Accordingly the following activities were carried out as sub activities of the project.



#### Technical training programme

Technical training programmes were organized with the objective of providing a modern technology in organic manure production and use for 4000 farmers. Rs. 0.235 million was allocated for this purpose.

#### ❖ Supply of agricultural equipment.

Arrangements have been made to supply a mamoty for each person in order to draw the attention of the farmer for organic manure production. Accordingly mammoties were supplied to 4000 farmers by using Rs. 2.439 million.

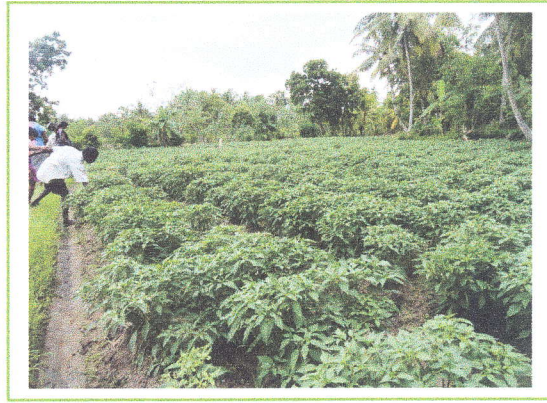
#### ❖ Organic manure production.

The basic target of this project is to produce 8000 metric tons of organic manure with the participation of 4000 beneficiaries for their cultivation activities. Accordingly the target was fulfilled in the targeted year. Allocated Rs. 3.502 million for the entire project. However action has been taken to complete the project activities with Rs. 2.777 million.

ii. **District development plan in parallel to ‘Deyata Kirula’ National exhibition, Kurunegala district.**

**Subsidiary food crop availability project.**

Action has been taken to cultivate subsidiary food crops in 1000 acres belong to 1000 farmers in Ganewatte and Ibbagamuwa D. S. Divisions in parallel to the District combined development programme launched in the district and the ‘Deyata Kirula’ national development exhibition held in Kurunegala district. Modern techniques in the field were introduced to 1000 farmer families by organizing 10 subject oriented technical training programmes for the farmers selected under this project.



Further action has been taken to supply subsidiary food crop seeds for the farmers and distributed 2500 kilograms of green gram seeds and 50kg of chilie seeds to those farmers. Allocated Rs. 1.236 million was allocated in 2014 for the entire project and completed tasks of the project successfully by spending 1.104 million from the allocations.

iii. **Humanitarian agricultural assistance. Subsidiary food crop producing programme– Stage I**

This project was commenced in Kelebogawewa village and 5 surrounding villages situated in the D. S. division Vavuniya where the resettlement activities were functioning for those displaced persons due to war in the past.



Arrangements have been made to provide a technical training for 300 farming families through two field meetings held for them. An agricultural equipment too was supplied to them and 300 mammoties were given. Subsidiary food crop seeds were supplied to every farmer free of charges in addition to the other benefits. 652kgs of green gram 54kgs of cawpea, 25kgs of chillie seeds were distributed among them under this project. Allocated Rs. 1.251 million for this entire project activities but it was able to complete this project with Rs. 0.974 million.

**iv. Humanitarian agricultural assistance. Subsidiary food crop producing programme– Stage II**

This programme was carried out by targeting 1000 farming families who were resettled in Kelebogaswewa, Weheragala, Nandimithragama and Namalgama under stage II of the above programme and a pair of agricultural equipment was given to each family. 100kg of chillie, 1250kg of cowpea, 1000kg of ground nuts, and 1198kg of green gram were distributed among 1000 families who were resettled under this project as subsidiary food crop seeds.



**v. Commercial cultivation project.**

The objective of the project which carried out in Matara district was to intervene in their cultivation activity technically in the area whose main income generating source was the cultivations in the plots prepared by them and assist them to develop it. Accordingly 3000 farming families were identified for this project.

Arrangements have been made to give them a training organized at the field level by the Authority including the necessary technical knowledge for every farmer to carry out their commercial cultivations in their own plots. Seeds too were supplied to each farming family free of charge. Allocated Rs. 3.450 million for this purpose from the development programme under this project in 2014 and the activities were completed before the 31<sup>st</sup> of December in the targeting year by spending Rs. 3.311 million from the allocations. It was able to upgrade the technical knowledge of the targeted community and an improvement in their economic situation too was identified under this project.



# SALES PROJECT

## Consumer Service

The harvest received from the farmers' societies formed at the field level in parallel to the development programme of the Hadabima Authority is brought in the protected packages by minimizing the post harvest damages. Fresh and quality agricultural productions are purchased after quality test is done again. The agricultural produce are sold at a reasonable price while introduction of the native food and popularizing too is done. The balance of the produce after the sale is being used as a productive to the economy by issuing to the Hadabima Farm as organic manure and to the University farms as animal feed. All these activities are maintained to fulfill the primary objectives of our sales project which is carried out as a friendly consumer service within a service environment to perform the responsibilities done by a state institute at the maximum level.

## SALES PROMOTION PROJECT

### OBJECTIVES

01. Encouraging the farming community to upgrade the agricultural produce without using chemicals manure.
02. Give a fair price for the farmer for rural agricultural produce.
03. Supply quality agricultural produce to the Urban consumer at a reasonable price and to promote the native food productions.
04. Minimize the post harvest damages.
05. Provide job opportunities for the rural youth.

### OBJECTIVES

- Supply more efficient and friendly service with establishing a sales network to provide a better and quality produce obtain directly from the small scale farmer in the rural area to the consumer through promoting the productivity of the contributions received from agriculture towards the national production by encouraging for organic cultivation while increasing the productivity of the unproductive agricultural and marginal lands affected by soil erosion and reduction.

## REGISTERED SUPPLIERS FOR 2015

### Supply as per the item

Item	No
Supply of vegetables	63
Supply of plants	25
Prepared agricultural produce, bottles packets and packet items	67
No. of supplies	155

### EMPLOYMENT AND SERVICE SECURITY

- Approved cadre - 35

Direct employment relevant to sales promotion project is 32 in 2014. But there is a large number of indirect assistance in addition to it. The following actions have been taken to upgrade the employee's welfare enabling to secure the direct employees' service.

### Welfare of the employee

Risk fund of the Hadabima sales Staff	=	1,894,208.63
Distress loans	=	30,000.00
Instant loans	=	7,500.00
Loans – 3 moths salary	=	30,000.00
Welfare services of the Hadabima Sales staff	=	<u>232,432.29</u>
	=	<u><u>2,194,140.92</u></u>

**PROGRESS FROM 01.01.2014 TO 31.12.2014**

<b>SERIAL NO.</b>	<b>MONTH</b>	<b>PURCHASE</b>	<b>SALE</b>
1.	January	7,076,810.68	9,376,958.08
2.	February	6,687,489.17	8,794,225.01
3.	March	7,549,197.48	9,565,342.66
4.	April	5,465,420.76	7,246,067.52
5.	May	7,064,030.82	8,983,667.13
6.	June	8,512,366.73	10,729,066.19
7.	July	7,460,549.86	10,099,775.52
8.	August	7,631,722.16	9,695,347.58
9.	September	7,253,737.52	8,947,037.78
10.	October	7,279,169.13	9,573,937.31
11.	November	8,148,702.35	9,881,423.39
12.	December	9,032,607.92	10,608,083.77
<b>Total</b>		<b>89,161,804.58</b>	<b>113,500,930.94</b>

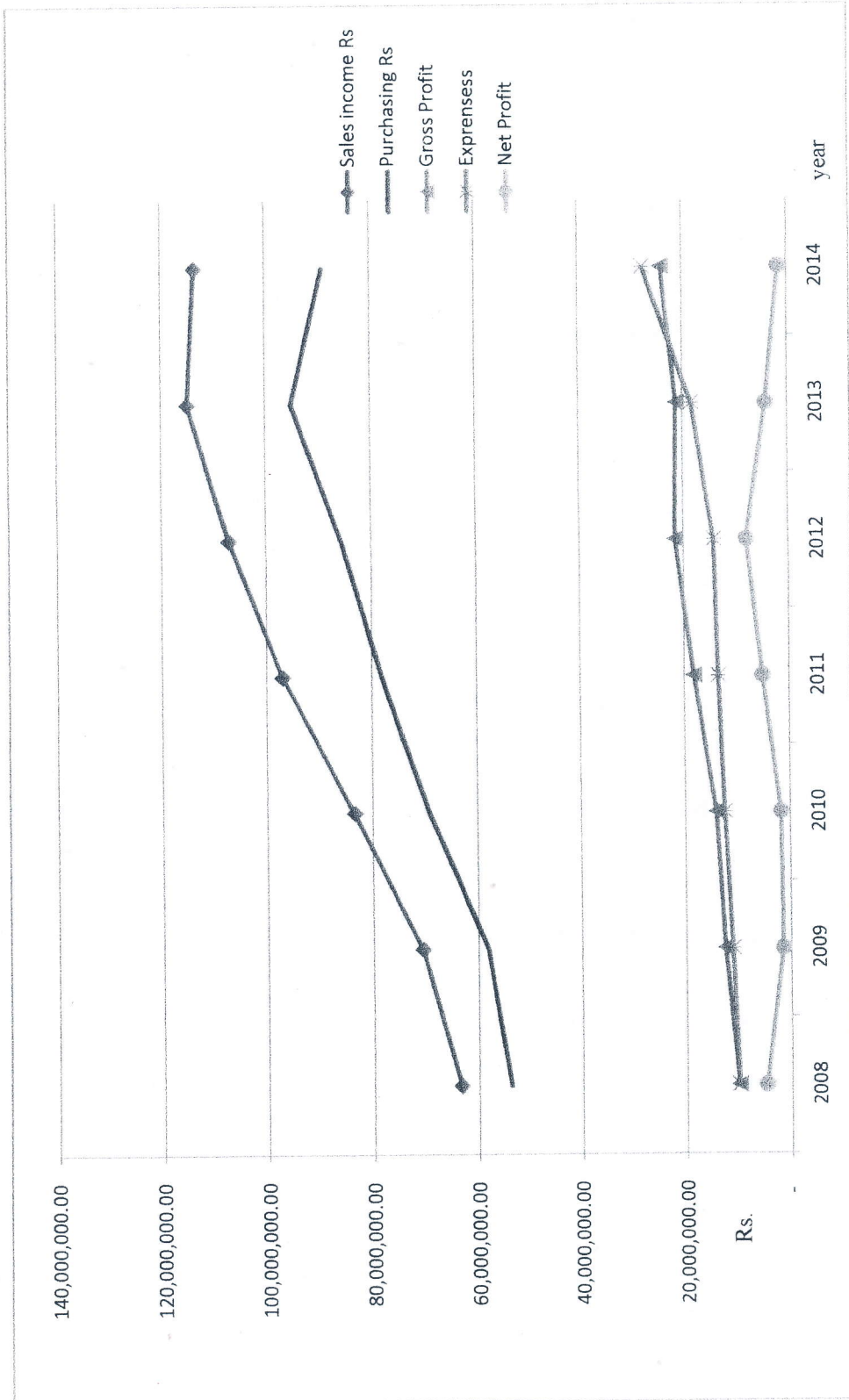


**HADABIMA AUTHORITY OF SRI LANKA**  
**SALES PROMOTION PROJECT**  
**REGISTERED HARITHA UDANA FARMERS' SOCIETIES**

Serial no	Name of the Farmer's Society	No. of farmers	Value of the Purchase
1.	Rajjammana 'Haritha Udana' farmer's society. Mrs. E. A. Hemawathie Menike Rajjammana Madawala Ulpotha.	22	3,442,328.50
2.	Galewela / Moragolla Haritha Udana farmers' Society Mrs. A. B. Thilinka Dilhani Moragolla, Bambaragaswewa, Galewela.	30	1,350,140.75
3.	Galewela / Rotawewa Haritha Udana farmers' Society Rotawewa, Bambaragaswewa, Galewela.	40	243,911.00
4.	Raththota Haritha Udana Farmer's Society Galekoluwa, Kaikawela.	20	2,955,598.15
5.	Hanguranketha, Bogamuwa E. Harith Udana Farmer's Society Rikillagaskada, Bogamuwa East.	42	1,346,275.00
6.	Wattegedara Haritha Udana Farmer's Society Mrs. K. R. Subbadra Malini Manike Wattegedara, Galathara.	138	1,658,013.00
7.	Yatawatte Haritha Udana Farmer's Society 45/1, Divilla, Yatawatte.	50	1,665,924.00
8.	Udunuwara Haritha Udana Farmer's Society , 60D, Lunugama, Hondiyadeniya.	20	2,417,258.50
9.	Galenbindunuwewa Haritha Udana Farmer's Society Himbutugollewe, Upuldeniya, Galenbindunuwewa.	13	480.00
10.	Pibidunugama Haritha Udana Farmer's Society Bambaragaswewa, Galewela		1,351,037.50
11.	Pallegama Haritha Udana Farmer's Society Pallegama, Dambulla.		765,409.00
12.	Mulgama Haritha Udana Farmer's Society Masgolla, Panvilatenna.		279,275.00
13.	Haritha Udana Farmer's Society, Balana 18, Pahala Ran Meewala, Menikdiwela.		149,655.50
14.	Haritha Udana Farmer's Society, Palagolla. Palagolla, Labukele.		76,687.50

Hadabima Authority of Sri Lanka - Marketing Section

Progress to 2008 - 2014



**HADABIMA AUTHORITY**  
**SALES PROMOTION PROJECT – SUPPLIERS**  
**STATE AND OTHER INSTITUTIONS**

Serial no.	Name of the Institution
1.	Department of Agriculture, Peradeniya.
2.	Principal Agriculture College, Kundasale.
3.	Protected Agriculture Association.
4.	Trinity College Farm.
5.	Head Quarters Army Camp, Pallekele.
6.	Supdt. Open Prison, Department of Prisons, Kundasale.
7.	O.I.C. Hadabima Farm, Pallekele.
8.	O.I.C. Army Camp, Vavuniya.
9.	O.I.C. Hadabima Farm, Kotmale.
10.	Manager, Hadabima Sales Center, Ampara.
11.	Manager Piduruthalagala farm, Department of Agriculture, Nuwara Eliya.
12.	O.I.C. Army camp, Panagoda.
13.	O.I.C. Army Camp, Horana.

**REGISTERED SUPPLIERS FOR 2014**

As per the organizational structure

Organizational Category	No.
Haritha Udana Farmer's Society	14
Government and statutory boards	13
Individuals	128
<b>Total no. of suppliers</b>	<b>155</b>



## ACCOUNT REPORTS

**HADABIMA AUTHORITY OF SRI LANKA**  
**STATEMENT OF FINANCIAL POSITION AS AT 31.12.2014**

2013			Notes	2014			
Head Office	Marketing Section	Hadabima Authority		Head Office	Marketing Section	Hadabima Authority	
			<b>ASSETS</b>				
			<b>Non Current Assets</b>				
47,908,650.13	5,214,242.34	53,122,892.47	Property Plant and Equipment	Note 01	45,560,966.51	9,746,811.22	55,307,777.73
47,908,650.13	5,214,242.34	53,122,892.47	Total Non Current Assets		45,560,966.51	9,746,811.22	55,307,777.73
			<b>Current Assets</b>				
6,061,668.14	1,610,927.89	7,672,596.03	Inventory/ Stocks	Note 02	9,720,516.64	1,971,066.67	11,691,583.31
11,946,244.05	982,913.41	12,929,157.46	Trade and Other Receivable	Note 03	13,398,231.85	3,545,275.60	16,943,507.45
416,207.15	401,543.59	817,750.74	Pre payments	Note 04	7,000.00	-	7,000.00
4,000,000.00	15,156,103.07	19,156,103.07	Fixed Deposits	Note 05	2,000,000.00	13,707,471.54	15,707,471.54
-	19,486.53	19,486.53	Security Deposits	Note 06	152,965.75	21,385.61	174,351.36
-	207,691.91	207,691.91	Savings Accounts		-	232,432.29	232,432.29
3,189,637.70	1,231,134.75	4,420,772.45	Bank accounts	Note 07	10,876,959.03	(1,971,006.80)	8,905,952.23
25,613,757.04	19,609,801.15	45,223,558.19	Total Current Assets		36,155,673.27	17,506,624.91	53,662,298.18
73,522,407.17	24,824,043.49	98,346,450.66	<b>TOTAL ASSETS</b>		81,716,639.78	27,253,436.13	108,970,075.91
			<b>LIABILITIES</b>				
			<b>Current Liabilities</b>				
2,914,833.15	1,113,637.40	4,028,470.55	Trade & Other Payables	Note 08	5,277,171.11	947,373.55	6,224,544.66
-	773,208.65	773,208.65	Accrued Expenses	Note 09	794,418.91	2,538,761.35	3,333,180.26
-	19,486.53	19,486.53	Security Deposits		152,965.75	21,385.61	174,351.36
2,914,833.15	1,906,332.58	4,821,165.73	Total Current Liabilities		6,224,555.77	3,507,520.51	9,732,076.28
			<b>Non Current Liabilities</b>				
13,576,622.25	445,952.50	14,022,574.75	Provision for Gratuity	Note 10	16,736,977.98	714,249.50	17,451,227.48
1,170,600.00	694,000.00	1,864,600.00	Vehicle Loan		1,159,334.91	-	1,159,334.91
14,747,222.25	1,139,952.50	15,887,174.75	Total Non Current Liabilities		17,896,312.89	714,249.50	18,610,562.39
17,662,055.40	3,046,285.08	20,708,340.48	<b>TOTAL LIABILITIES</b>		24,120,868.66	4,221,770.01	28,342,638.67
55,860,351.77	21,777,758.41	77,638,110.18	<b>TOTAL NET ASSETS</b>		57,595,771.12	23,031,666.12	80,627,437.24
			<b>NET ASSETS / EQUITY</b>				
28,416,123.82	-	28,416,123.82	Government Grant Account		26,823,630.20	-	26,823,630.20
992,091.51	-	992,091.51	Reserve Account		992,091.51	-	992,091.51
1,087,229.82	-	1,087,229.82	Capital Reserve		1,087,229.82	-	1,087,229.82
2,091.97	-	2,091.97	GTZ Grant		2,091.97	-	2,091.97
19,334,720.59	-	19,334,720.59	Revaluation Account		19,334,720.59	-	19,334,720.59
6,028,094.06	21,777,758.41	27,805,852.47	Surplus Deficit		9,356,007.03	23,031,666.12	32,387,673.15
55,860,351.77	21,777,758.41	77,638,110.18	<b>TOTAL NET ASSETS / EQUITY</b>		57,595,771.12	23,031,666.12	80,627,437.24

.....  
A.M.W.B. Thilakarathna  
සහකාර මහලේකම්  
Assistant Director (Finance) (ලැල්ල)  
සේවා පාලන අධිකාරිය  
කොළඹ 03  
Prepared By:.....

.....  
J.C. Ranepura  
Executive Director  
.....

.....  
Nandasena herath  
Chairman  
.....  
Checked By:.....

The Financial Statement has been prepared according to the sri lanka public sector Accounting Standards.

(SLPSAS)

01. Depreciation is calculated by straight line method at following rates on the cost or revaluation of all furniture & fitting, office equipment & vehicles.

Vehicles	-25% per annum
Office Equipment	-10% per annum
Buildings	- 2.5% per annum
Furniture & fittings	-7.5% per annum

Depreciation not provided for the purchases during the year.

02. Provision for doubtful debts - Gampola Housing Loan.

03. Statement of Financial Position, Statement Of Financial Performance, Statement Of Change in Net Assets/Equity & Cash Flow Statement are compiling with SLPSAS 01.

04. Statement Of Cash Flow is compiling with SLPSAS 02.

05. As per circular No 150 income gained from disposal of obsolete vehicles are remitted to the treasury.

06. Up to year 2012 we use the capital method depreciation and our now depreciation policy change as recurrent method from year 2013.

**HADABIMA AUTHORITY OF SRI LANKA**  
**FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2014**

2013			Income	Schedule	2014		
Head Office	Marketing Section	Hadabima Authority			Head Office	Marketing Section	Hadabima Authority
39,929,000.00	-	39,929,000.00	Treasury Fund - ( Recurrent )	01	47,000,000.00	-	47,000,000.00
49,979,600.00	-	49,979,600.00	Treasury Fund - (Capital )		57,117,163.00	-	57,117,163.00
9,450,311.76	-	9,450,311.76	Ministry Funds-Special		12,012,344.71	-	12,012,344.71
1,201,377.93	1,380,478.56	2,581,856.49	Other Income	02	3,028,917.05	3,561,717.52	6,590,634.57
441,883.00	-	441,883.00	Dayata kirula Project		-	-	-
2,808,483.40	-	2,808,483.40	Ranaviru Project		-	-	-
4,534,266.81	-	4,534,266.81	Depriciation		8,318,842.62	-	8,318,842.62
356,006.00	-	356,006.00	Amotization Assets		-	-	-
	22,192,545.15	22,192,545.15	Gross profit	03	-	24,096,107.32	24,096,107.32
108,700,928.90	23,573,023.71	132,273,952.61			127,477,267.38	27,657,824.84	155,135,092.22
			<b>Less :- Expenditure</b>				
33,472,067.44	6,885,679.48	40,357,746.92	01. Personal Emoluments	04	37,839,552.56	8,418,490.18	46,258,042.74
1,094,664.82	253,520.63	1,452,261.31	02. Travelling & Subsistance		1,834,750.13	399,318.06	2,234,068.19
2,785,575.23	2,492,942.46	5,278,517.69	03. Suppliers / Transpotation		3,098,110.20	2,764,936.57	5,849,700.27
4,193,264.51	3,894,074.57	9,756,548.41	04. Maintanance Expenditure		6,043,837.54	3,696,763.10	11,799,150.67
722,489.14	1,865,605.76	814,809.71	05.Other		868,637.82	6,347,576.69	5,171,010.98
4,534,266.81	1,195,926.01	5,730,192.82	06.Depriciation		8,318,842.62	1,238,276.48	9,557,119.10
32,887,301.92	-	32,887,301.92	07.Devalopment Expenditure	05	53,076,215.60	-	53,076,215.60
9,450,311.76	-	9,450,311.76	08.Special Project Expenditure	06	12,012,344.71	-	12,012,344.71
483,760.51	-	483,760.51	09.Project Expenditure 2012		-	-	-
356,006.00	-	356,006.00	10.Amotization		393,838.00	-	393,838.00
719.83	-	719.83	11.Sadaniwasa Payments		-	-	-
-	2,000,943.51	2,000,943.51	12.Wastage		-	3,129,675.28	3,129,675.28
89,980,427.97	18,588,692.42	108,569,120.39	<b>Total Operating Expenses</b>		123,486,129.18	25,995,036.36	149,481,165.54
18,720,500.93	4,984,331.29	23,704,832.22	<b>Surplus / ( Deficit ) From Operating Activities</b>		3,991,138.20	1,662,788.48	5,653,926.68
(12,692,406.87)	16,793,427.12	4,101,020.25	Balance B / F as at 01.01.2014		5,364,868.83	21,368,877.64	26,733,746.47
<b>6,028,094.06</b>	<b>21,777,758.41</b>	<b>27,805,852.47</b>	<b>Net Suplus / ( Deficit ) for the Period</b>		<b>9,356,007.03</b>	<b>23,031,666.12</b>	<b>32,387,673.15</b>

PROPERTY PLANT & EQUIPMENT

NOTE - 01

COST

Accounts Code	Description	Cost As At 2014.01.01	Aditions	Disposal		Cost As At 2014.12.31
			Purchase	Sales	Amotization	
2105	Land & Buildings	9,652,522.91	5,000,000.00	0.00	0.00	<b>14,652,522.91</b>
	Motor Vehicles	27,532,900.00	0.00	0.00	0.00	27,532,900.00
2104	Motor Cycle (loan)	1,780,030.00	189,160.00	0.00	393,838.00	1,575,352.00
	Sub Total	29,312,930.00	189,160.00	0.00	393,838.00	<b>29,108,252.00</b>
2101	Office Equipment	7,749,570.19	971,967.00	0.00	0.00	<b>8,721,537.19</b>
2101	Furniture & Fittings	2,070,897.20	164,870.00	0.00	0.00	<b>2,235,767.20</b>
2103	Agriculture Implements	6,297,602.50	39,000.00	0.00	0.00	<b>6,336,602.50</b>
	<b>TOTAL</b>	<b>55,083,522.80</b>	<b>6,364,997.00</b>	<b>0.00</b>	<b>393,838.00</b>	<b>61,054,681.80</b>

DEPRICIATIONS

Code	Description	Balance as at 2014.01.01	Depreciation For the Year	Depreciation Provision for Disposal	Total Provision for Depreciation
2105	Land & Buildings	769,753.62	241,313.07	0.00	1,011,066.69
2104	Motor Vehicles	2,052,409.00	6,517,500.00	0.00	8,569,909.00
2101	Office Equipment	2,717,667.22	774,957.01	0.00	3,492,624.23
2101	Furniture & Fittings	523,862.08	155,312.29	0.00	679,174.37
2103	Agriculture Implements	1,111,180.75	629,760.25	0.00	1,740,941.00
	<b>TOTAL</b>	<b>7,174,872.67</b>	<b>8,318,842.62</b>	<b>0.00</b>	<b>15,493,715.29</b>

WRITTEN DOWN VALUE

Accounts Code	Description	Written Down Value As At 2014.12.31
2105	Land & Buildings	13,641,456.22
2104	Motor Vehicles	20,538,343.00
2101	Office Equipment	5,228,912.96
2101	Furniture & Fittings	1,556,592.83
2103	Agriculture Implements	4,595,661.50
	<b>TOTAL</b>	<b>45,560,966.51</b>



MARKETING SECTION

PROPERTY PLANT & EQUIPMENT

NOTE - 01

COST

Accounts Code	Description	Cost As At 2014.01.01	Aditions	Disposal	Cost As At 2014.12.31
			Purchase	Sales	
2105	Land & Buildings	1,859,245.42	1,935,655.37	0.00	3,794,900.79
2104	Motor Vehicles	4,216,800.00	0.00	0.00	4,216,800.00
2101	Office Equipment	1,137,641.24	2,403,735.00	0.00	3,541,376.24
2101	Furniture & Fittings	317,749.60	1,431,455.00	0.00	1,749,204.60
	<b>TOTAL</b>	<b>7,531,436.26</b>	<b>5,770,845.37</b>	<b>0.00</b>	<b>13,302,281.63</b>

DEPRICIATIONS

Code	Description	Balance as at 2014.01.01	Depreciation For the Year	Depriciation Provision for Disposal	Total Provision for Depreciation
2105	Land & Buildings	23,825.28	46,481.14	0.00	70,306.42
2104	Motor Vehicles	2,108,400.00	1,054,200.00	0.00	3,162,600.00
2101	Office Equipment	148,640.75	113,764.12	0.00	262,404.87
2101	Furniture & Fittings	36,327.90	23,831.22	0.00	60,159.12
	<b>TOTAL</b>	<b>2,317,193.93</b>	<b>1,238,276.48</b>	<b>0.00</b>	<b>3,555,470.41</b>

WRITTEN DOWN VALUE

Accounts Code	Description	Written Down Value As At 2014.12.31
2105	Land & Buildings	3,724,594.37
2104	Motor Vehicles	1,054,200.00
2101	Office Equipment	3,278,971.37
2101	Furniture & Fittings	1,689,045.48
	<b>TOTAL</b>	<b>9,746,811.22</b>

TRADE AND OTHER RECEIVABLES

Previous Year Amount	Acc Code	Description	Amount 2014	Age analysis	
				01 year	Over 01 Year
		<b><u>Staff Loans</u></b>			
9,886.77		Over Payments of salaries	6,853.75		6,853.75
13,500.91		Gampola Housing loan	13,500.91		13,500.91
1,500.00		Special Advance	1,500.00		1,500.00
7,825,261.27		Distress Loan	8,971,480.12	8,971,480.12	
979,303.60		2012 vehical debtors	703,512.59	703,512.59	
593,100.00		2013 Vehical debtors	606,667.08	606,667.08	
68,336.95		Festival Advance	84,336.95	84,336.95	
		Motor Bicycle Insurance	9,885.12	9,885.12	
(13,500.91)		Provision for Doutful Debtor	(13,500.91)		(13,500.91)
<b>9,477,388.59</b>		<b>Sub Total</b>	<b>10,384,235.61</b>	<b>10,375,881.86</b>	<b>8,353.75</b>
		<b><u>Other Debtors</u></b>			
2,094,280.65		Land reform commision	2,094,280.65		2,094,280.65
215,561.64		Recivable FD Intrest	307,808.22	307,808.22	
40,000.00		Pallekale Montisorry	40,000.00		40,000.00
1,437.50		jathika govi sathiya	1,437.50		1,437.50
		Contract Advance	569,000.00	569,000.00	
117,575.67		Fuel advance	1,469.87	1,469.87	
<b>2,468,855.46</b>		<b>Sub Total</b>	<b>3,013,996.24</b>	<b>878,278.09</b>	<b>2,135,718.15</b>
<b>11,946,244.05</b>		<b>Total</b>	<b>13,398,231.85</b>	<b>11,254,159.95</b>	<b>2,144,071.90</b>

PREPAYMENTS

Previous Year Amount	Acc Code	Description	Amount 2014	Ageanalysis	
				01 year	Over 01 Year
32.00		Security Deposit-Water Board	1,000.00		1,000.00
6,000.00		Deposit-Electricity Board	6,000.00		6,000.00
145,780.71		National savings Bank ( security)	-		
263,426.44		Sale Centre Income/saving	-		
<b>415,239.15</b>		<b>Total</b>	<b>7,000.00</b>	-	<b>7,000.00</b>

Fixed Deposits

Previous Year Amount	Acc Code	Description	Amount 2014
1,000,000.00		057-60-01-00010198-9	1,000,000.00
1,000,000.00		057-60-01-00010199-8	1,000,000.00
1,000,000.00		057-60-01-00011461-7	-
1,000,000.00		057-60-01-00011460-8	-
<b>4,000,000.00</b>		<b>Total</b>	<b>2,000,000.00</b>

Hadabima Sales Centre

	Name	Account Number (Peoples Bank - Peradeniya)	Amount (Rs)	Interest As at 01/01/2014 Rs.	Interest As at 31/12/2014 Rs.	Total Amount (Rs)
1	S. Kaluthanirige	057200110001187	5,000.00	1,321.05	279.81	6,600.86
2	A.Senavirathne	057200241358179	5,000.00	1,321.05	279.81	6,600.86
3	Chamila Sampath Kumara	057200190001188	5,000.00	1,321.05	279.81	6,600.86
4	H.M.K.Yatawara	057200241239780	1,500.00	23.38	59.65	1,583.03
<b>Total</b>			<b>16,500.00</b>	<b>3,986.53</b>	<b>899.08</b>	<b>21,385.61</b>

**Cash Balance**

Head office	057-1-001-4-1338201	(2,975,594.03)
Ampara Sales Center	015-1-001-2-1338028	1,004,587.23
		<b>(1,971,006.80)</b>

**CASH AND CASH EQUIVALENTS**

2013 Amount	Description	2014 Amount
30,682.28	A/C - 057100111338028	225,753.45
2,187,782.76	A/C - 057100131338046	6,581,721.66
7,601.40	A/C - 057100300018375	823,985.54
764,136.93	A/C - 057100130018376	245,258.19
	A/C - 100152006430	2,657,688.22
199,434.33	A/C - 057200140019713	342,551.97
<b>3,189,637.70</b>	<b>Total</b>	<b>10,876,959.03</b>

**TRADE & OTHER PAYABLES**

Previous Year Amount	Acc Code	Water Sale Centre	Amount 2014	Ageanalysis	
				01 year	Over 01 Year
5,000.00		Kandy Security service	5,000.00		5,000.00
		Staff Debtor Adjustments	8,785.85	8,785.85	
		Divineguma Reginol Office-Doluwa	173,578.55	173,578.55	
416,666.67		Pallekale Farm Loan	600,000.02	600,000.02	
262,810.00		Retention	768,320.50	768,320.50	
		Refundable Deposits	55,500.00		55,500.00
743,431.00		Soil Conservation Deposits	1,657,457.65	1,657,457.65	
		Insurance	27,862.80	27,862.80	
		Sundray Advance	2,064.90	2,064.90	
2,795.66		Water Sale Centre			
145,780.71		Security Deposits			
1,338,349.11		Accrued Expenses			
		Marketing Section Loan	1,978,600.84	1,978,600.84	
<b>2,914,833.15</b>		<b>Total</b>	<b>5,277,171.11</b>	<b>5,216,671.11</b>	<b>60,500.00</b>

HADABIMA AUTHORITY OF SRI LANKA  
Treasury & Ministry Funds - During the Year 2014

<u>Treasury Funds</u>	(Rs.)
Recurrent	47,000,000.00
	<hr/>
	<b>47,000,000.00</b>
	<hr/> <hr/>
Capital	57,117,163.00
	<hr/>
<b>TOTAL</b>	<b>57,117,163.00</b>
	<hr/> <hr/>
<u>Ministry Funds</u>	
Manushiya Krushi Sathkaraya Community Participatory Subsidiary Food Crop Development Project	3,272,500.00
Mihisaru Organic Manure Production Programme	2,650,564.40
Dayata Kirula Project	1,104,901.75
Commercial Farm Project	4,000,000.00
Manushiya Krushi Sathkaraya Community Participatory Subsidiary Food Crop Development Project	1,008,000.00
	<hr/>
	12,035,966.15
<b>LESS</b>	
Refund Amount	(23,621.44)
	<hr/>
<b>TOTAL</b>	<b>12,012,344.71</b>
	<hr/> <hr/>

**OTHER INCOME**

Previous Year Amount	Acc Code	Description	Amount 2014
1,886,000.00	3001	Rent / Lease	1,877,250.00
665,396.24	3007	Loan Interest	571,780.47
	3004	Fines	5,551.49
10,000.00	3002	Non - Refundable Tender Fees	10,000.00
778,698.63	3009	Miscellaneous Revenue	49,973.13
(2,170,816.94)	3012	Farm Produce Sale	482,861.96
32,100.00	3003	Suplly Registration Fees	31,500.00
1,201,377.93		<b>Total</b>	3,028,917.05



# AUDITOR GENERAL REPORT

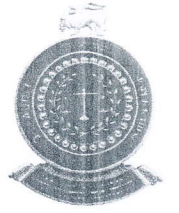




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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்

**AUDITOR GENERAL'S DEPARTMENT**



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எனது இல. }  
My No. }

CL1/KD/H/HA/1/14  
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Your No. }

දිනය }  
திகதி }  
Date }

24 August 2015

The Chairman

Sri Lanka Hadabima Authority

**Report of the Auditor General on the Financial Statements of Sri Lanka Hadabima Authority (Haritha Danaw Bim Development Central Authority of Sri Lanka) for the year ended 31 December 2014 in terms of the Section 14(2)(c) of the Finance Act, No. 38 of 1971.**

The audit of financial statements of Sri Lanka Hadabima Authority (Haritha Danaw Bim Development Central Authority of Sri Lanka) for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 23 of the Agricultural Corporations Act, No. 11 of 1972. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act had been issued to the Chairman of the Sri Lanka Hadabima Authority on 26 June 2015.

## 1:2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.





## 2. Financial statements

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### 2:1 Qualified Opinion

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In my opinion except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the Sri Lanka Hadabima Authority (Haritha Danaw Bim Development Central Authority of Sri Lanka) as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

## 2.2 Comments on Financial Statements

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### 2.2.1 Unreconciled Control Accounts

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The gross profit of the Gannoruwa and Ampara sales outlets for the year under review amounted to Rs.24,096,107. Due to computation of gross profit on the basis of incomplete records, lack of proper accounting system, sales and purchases balances in the general ledger could not be reconciled with other relevant records and as such the accuracy of gross profit of Ampara sales outlet amounting to Rs.1,027,103 could not be established in audit.

### 2.2.2 Lack of evidence for audit

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Evidence such as schedules, confirmation of balances and age analysis in respect of two liability items totalling Rs.752,216 shown in the statement of financial position as at 31 December of the year under review was not made available for audit.

## 2.3 Accounts receivable and payable

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- (a) A rent amounting to Rs.40,000 not due to the Authority had been shown as a receivable amount in the accounts since 2008 and it had been shown in the financial statements of the year under review without being written off this balance from the accounts.

- (b) The unsettled imprest of Rs.10,000 receivable from Kudaoya SANASA Bank since 2011 had not been recovered even by 04 June 2015.
- (c) A sum of Rs.84,898 receivable from the sale of sundry items at sales outlet during the period from 2009 to 2012 had not been recovered even by 04 June 2015.

#### 2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

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The following Non-compliances with regulations were observed.

##### **Reference of Regulations**

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##### **Non-compliance**

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Financial Regulations of the Democratic Socialist Republic of Sri Lanka

(i) Financial Regulation 395(c)

Bank reconciliation statements relevant to the current account of Bank maintained by the Authority for the transaction of Ampara sales outlet had not been prepared for 3 years from April 2013 to date.

(ii) Financial Regulation 396 (d)

Action, in terms of Financial Regulations in respect of 287 cheques valued at Rs.705,734, lapsed for more than 6 months from the date of issue as at 31 December of the year under review but not presented for payments, had not been taken.

### 3. Financial Review

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#### 3.1 Financial Results

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According to the Financial Statement presented, the financial results of the Authority for the year ended 31 December 2014 had been a surplus of Rs.5,653,927 as compared with the surplus of Rs.23,704,832 for the preceding year.

### 4. Operating Review

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#### 4.1 Performance

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A deterioration of Rs.3,321,543 or 67 percent in the net surplus in the two sales outlets of the Authority for the year under review as compared with the year 2013 was observed. Increase of loss of purchases by Rs.1,128,732 or 56 percent during the year under review as compared with the preceding year and accounting the expenditure incurred on Green Garden Farmer's Conference held in the year under review amounting to Rs.2,239,445 as the expenditure of the sales outlets had been the reason therefore.

#### 4.2 Management Inefficiencies

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According to the stock verifications carried out in two units of the Authority as at 31 December of the previous year, 644 units belonging to 122 various stock items which could not be utilised had been identified and recommended for disposal. But action had not been taken to dispose them even by 04 June 2015 and even the value of which was not computed.

#### 4.3 Apparent Discrepancies

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A sum of Rs.2,209,912 had been paid for the installation of sales computer system and a CCTV camera system for the Marketing Promotion Project of the Authority in the year under review and the year 2015, out of which an overpayment of Rs.163,045 had been made in excess of the agreed amount. Similarly the approval of the Board of Directors had not been obtained for the payment of Rs.849,912 made out of the above payment.

#### 4.4 Uneconomic Transactions

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A sum Rs.4,239,445 had been spent for the Green Garden National Farmer's Conference, held in the year under review, neither which had been included in the Action Plan nor provision was made in the Budget. Of this, a sum of Rs.2,000,000 had been reimbursed from other institutions and the balance of Rs.2,239,445 had been spent by the Authority. This money had been spent for the setting up the stage of conference hall, providing foods, and provision of facilities for participants such as transport and, sanitary facilities etc.

#### 4.5 Identified Losses

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- (a) An appropriate course of action had not been taken in respect of shortage of inventory goods valued at Rs.32,856, identified at the Board of Survey carried out at Gannoruwa Sales outlet of the Authority as at 31 December of the year under review and the stock shortage of 06 items out of 298 items of vegetable and various stores items valued at Rs.18,550 between the sales and purchases made in November and December of the year under review, even by 10 July 2015.
- (b) The operational activities of the Kotmale Farm had resulted in a loss of Rs.159,750 in the year under review.

#### 4.6 Personnel Administration

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Eventhough the permanent posts had been awarded to 29 officers in the Marketing Division in terms of Public Administration Circular No.25/2014 dated 12 November 2014 of the Secretary to the Ministry of Public Administration and Home Affairs, without preparing a scheme of Recruitment formal letters of appointments had not been issued.

#### 5. Accountability and Good Governance

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##### 5.1 Presentation of Financial Statements

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In terms of Guideline 6.5.1 of the Public Enterprises Circular No.PED/12 of 02 June 2003, Accounts of Public Enterprises should be presented to the Auditor General within 60 days after the closure of the financial year. Nevertheless, accounts of the year under review had been presented on 04 June 2015, after a lapse of 94 days.

##### 5.2 Unresolved Audit Paragraphs

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Eventhough the Committee On Public Enterprises met in the years 2010 and 2012 had issued directives to resolve the amount of Rs.2,094,280 due from the Land Reform Commission shown under trade and other receivables in the statement of financial position as at 31 December of the year under review, action had not been taken to recover the dues even by 10 July 2015, the date of audit.



6. Systems and Controls

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Weakness in systems and controls observed during the course of audit had been reported by my reports from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Administration of Sales outlets and financial management
- (c) Asset Management
- (d) Debtor Control
- (e) Contract Administration

W.P.C.Wickramaratne  
Acting Auditor General