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செயலாற்றுகை அறிக்கை

PERFORMANCE REPORT

2025









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கமநல அபிவிருத்தித் திணைக்களம்

DEPARTMENT OF AGRARIAN DEVELOPMENT

Annual Performance Report for the year 2025

Name of the institutions- Department of Agrarian Services

Vote No – 281

Content

Chapter 01 – Profile of the institution / Summary on the implementation

Chapter 02 – Progress and future vision

Chapter 03- Performance of the year as a whole

Chapter 04 – Performance indicators

Chapter 05 – Performance in the achievement of Sustainable Development Goals (SDG)

Chapter 06 – Human Resources Profile

Chapter 01 – Summary on the implementation the profile of institution

1.1 Introduction

With the abolition of the Department of Food, which was existed at that time, Department of Agrarian Services had been established on 01 October 1957 with the objective of providing facilities required by the farmers of Sri Lanka. This Department, which had been enforced by the Paddy Land act No. 01 of 1958, is at present functioning as the Department of Agrarian Development under Agrarian Development Act No. 46 of 2000.

1.2. Vision, Mission and Objectives of the institution

Vision

Sustainable development of the farming community of Sri Lanka and all agricultural lands.

Mission

Provision of institutional, assisting, legal and management services and ensuring their maintenance on timely requirements so as to obtain the optimum productivity from all agricultural lands and ensuring sustainable development of the farming community of Sri Lanka

Objectives

•Making Provisions required to utilize agricultural lands in line with the agricultural Policies of the Government

•Giving effect to the provisions for safeguarding cultivation rights of owners of agricultural lands, farmers, who are owners of agricultural lands, possessors/(tenant cultivators/Cultivators) and management of lands

• Formulation of orders for the registration and maintenance of farmers' organizations, female farmers' organizations, and ensuring the implementation of such provisions. Establishment of Agrarian development Councils, and making directions for the implementation of such councils and their supervision and development of establishment activities.

- Water management and irrigation management

Tasks

•Preparation of the Agricultural Land Register and Tenant Farmers' Register with the inclusion of information on agricultural lands in the areas of every Agricultural Development Council all over

the Island and maintenance of these registers with necessary revisions and amendments in the maintaining agricultural lands

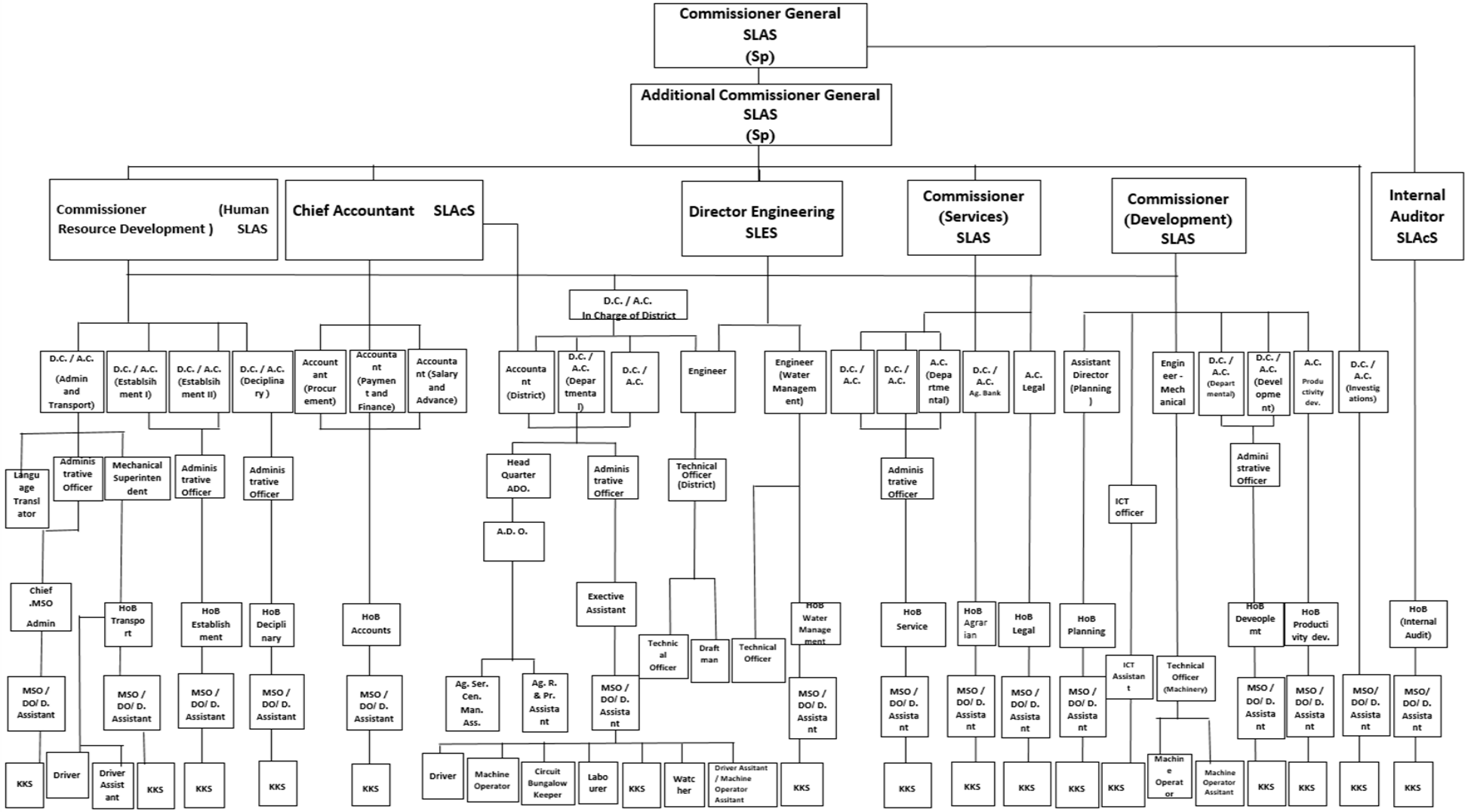
•Maintenance of the functions of Agrarian Tribunals and Reviewing Activities and taking necessary measures for settling the issues of tenant cultivators and other disputes of farmers connecting to agricultural lands.

•Implementation of the provisions of relevant to the productivity, protection, conservation, and management of minor irrigation industries and water resources and reconstruction and maintenance of all minor irrigations

•Taking legal actions against the parties, who violate Agrarian Development Act and the agriculture policies of the Government.

•Ensuring the efficiency and proper maintenance of service delivery to farmers by way of maintaining the functions of 25 Agrarian Development District Offices, 566 Agrarian Services Centers and 560 Farmers' Banks all over the Island.

1.1 Organizational Structure



1.5 Departments/Main Divisions of the Department under the Ministry/Divisional Secretariats under the District Secretariats

Number of the District Agrarian Development Offices - 25
Number of the Agrarian Services Centers - 566
Number of the Farmers' Organizations - 17,575

1.6. Institutions/ Funds under the Ministry/ Department/ Provincial Council

Provision of additional funds for the Agrarian banks (Pilot) Projects are made by Farmers' Trust Fund under the Ministry of Agriculture and Agrarian Bank account under the department of Agrarian Development and funds are provided for micro finance training programmes carried out in Agrarian banks (Pilot) Projects by Farmers' Trust Fund under the Ministry of Agriculture and Agrarian Bank account under the department of Agrarian Development

1.7 Particulars of the projects which receive foreign funds

(a) Name of the project : Development of Digana Tank at Weeraketiya under ADPT4R, Monaragala district, Agrarian Services Center, Sevenagala

(b) Donor Agency **:** World Food Programme (WFP)

(c) Estimated expenditure of the project **: Rs. M.**02
Expenditure : 1,783,535.54
Balance : 216,464.46

(d) Term of the project **:** one year

Chapter 02 – Progress and future vision

2.1 Progress of the development programmes (Summary including physical progress)

- **Repairing Head Office and District Offices**

With a view to enhance the efficiency of the recipients and officers serving at the Head Office and District Offices, 25 projects have been implemented at the Head Office and 14 District Offices spending provisions of Rs. 30 million allocated under vote 281-1-1-0-2001. Accordingly, works of 20 projects have been completed and the amount spent as at 31.12.2025 is Rs. 19.45 million. Physical progress is 80%.



Conference hall at District Office, Batticaloa

- **Repairing vehicles of Head Office and District Offices**

Rs. 25 million has been allocated under vote 281-1-1-0-2003 for the repairs of vehicles under Head Office in order to utilize them an efficient manner. Amount spent as at 31.12.2025 is Rs. 25 million and the physical progress is 100%.

Rs. 38 million has been allocated under vote 281-2-2-0-2003 for the repairs of vehicles at District Offices and the amount spent as at 31.12.2025 is Rs. 25.70 million and the physical progress is 67%.

- **Requirement of furniture and office equipment at Head Office and District Offices**

With a view to enhance the efficiency of the officers serving at Head Office and District Offices, furniture and equipment have been purchased to the Head Office under the provision of Rs. 51.10 million allocated under vote281-1-1-0-2102. For this purpose, the amount spent as at 31.12.2025 is Rs. 42.85 million and the physical progress is 84%.

Rs. 24.70 million has been allocated under vote 281-2-2-0-2102 for the requirement of furniture and equipment at District Offices. The amount spent as at 31.12.2025 is Rs. 24.28 million and the physical progress is 100%.

- **Training and capacity development**

With a view to enhance the capacity and efficiency of officers serving at Head Office and District Offices, 10 training programmers have been implemented under the provision of Rs. 10 million allocated under vote281-1-1-0-2401and the amount spent as at 31.12.2025 is Rs. 9.60 million and the physical progress is 70%.

- **Repairing Agrarian Services Centers and Fertilizer Stores**

With a view to enhance the efficiency of the officers serving at Agrarian Services Centers and recipients, and with a view to enhance the capacity of fertilizer stores, 126 repairs have been made at the Head Office, Agrarian Services Centers and fertilizer stores under the provision of Rs. 400 million allocated under vote281-2-2-0-2001 and works of 107 projects have been completed. The amount spent as at 31.12.2025 is Rs. 308.46 million and physical progress is 85%.



Repairing the roof of A.S.C. at Elpitiya, Galle

- **Repairing and purchasing machinery**

The provision made under vote 281-2-2-0-2002 for the maintenance of usable Agri machinery and purchase of new machinery is Rs.720 million. Forecasted capital balance is Rs. 32 million (As per letter of no fert/pl/03/progress/2025 dated 29.07.2025) The amount spent for repairing Agri Machinery as at 31.12.2025 is Rs. 16.46 million. Physical progress is 68%. Programme for purchase of new machinery has not been launched due to insufficiency of the provision of Rs. 8 million, which has been allocated under vote 281-2-2-0-2103.

- **Construction of new centers**

With a view to enhance the efficiency of the officers serving at Agrarian Services Centers and recipients, the amount allocated under vote 281-2-2-0-2104 is Rs. 100 million. Under this, 16 new projects have been launched including 01 obligation project in 2024. In the meantime, works of 9 projects have been completed. The amount spent as at 31.12.2025 is Rs. 33.74 million. Physical progress is 55%.

- **Development of minor irrigations and cultivation of barren paddy lands (Land and land development)**
  281-2-2-12-2105

Activity	Amount allocated for 2025 (Rs. M.)	Amount spent as at 31.12.2025 (Rs. M.)	Physical progress
Reconstruction of neglected tanks	215.00	95.07	18 projects have been launched. 6 out of them have been completed. Works of 8 projects are in process. 4 projects have been cancelled.

Carrying out minor repairs of working minor irrigations (Kickstart)	335.00	269.22	820 projects have been launched. 734 out of them have been completed. Works of 84 projects are in process. 2 projects have been cancelled.
Reconstruction of infrastructure facilities of the minor irrigations damaged by floods and special project for flood damages	660.00	415.39	278 projects have been launched. 230 out of them have been completed. Works of 47projects are in process. One project has been cancelled.
Reconstruction of minor irrigations, tanks and anicuts	660.00	391.97	245 projects have been launched. 204 out of them have been completed. Works of 38 projects are in process. 03 projects have been cancelled.
Reconstruction of Agri roads	315.00	242.27	168 projects have been launched. 139 out of them have been completed. Works of 28 projects are in process. One project has been cancelled.
Establishment of micro irrigation systems	15.00	14.15	Project has been completed
Promotion of parachute cultivation method	163.00	0.00	Even though procurement works have been carried out at two occasions, no institute has submitted bids as per specifications. There the programmes could not be implemented.
Project for promoting freshwater fish	6.30	6.27	Project has been completed.
"National Programme- Eka Mitata- Govi Bimata"	392.50	148.14	53 projects have been launched. 47 out of them have been completed. Works of 05 projects are in process. One project has been cancelled.
Collective farm for cultivating Cavendish banana under the programme Saubhagya production villages	50.00	24.77	Woeks pertaining to preparation of lands, reconstruction of cultivation wells, erecting fences for elephants, solar pump, repairing tanks and purchasing banana seeds have been completed.
Settling bills at hand in 2024	220.00	218.07	All the bills at hand have been settled
Obligation projects -2024	170.00	119.94	157 projects have been

			launched. Works of all projects have been completed.
Cost for aids project	48.20	31.10	
Remaining provisions	250.00	0.00	Forecasted capital balance (As per letter of no fert/pl/03/progress/2025 dated 29.07.2025)
Total	**3500.00**	**1976.36**	Rs. 207.50 million are reported as bills at hand at 31.12.2025 and Rs.530 million has been reported for obligation of 2026.
Unutilized provisions		536.14	Balance of provision after deducting Rs.250 million expenditure, bills at hand, and obligations alienated to General Treasury as at 31.12.2025.

- **Crop diversification.**

The provision, which has been made under this vote for the implementation of model programme for developing selected tanks in order to maintain water management within intermediate zone in year 2025 is Rs. 50 million.
Under this programme, 12 model tanks have been developed and the amount spent as at 31.12.2025 is Rs. 21.85 million. Rs.17.85 million has been reported as the obligations in year 2026. Physical progress is 50%.

- **Projects implemented under other financial sources.**

Particulars of the projects implemented under foreign aids				
Serial No	**(a) Name of the project**	**(b) Funding agency**	**(c) Estimated expenditure of the project (Rs. M**	**(d) Project duration**
1	Climate Resilient Integrated Water Management Project (CRIWMP)	UNDP	913,471,579.68	2020- 2025
2	Climate Smart Irrigated Agriculture Project	WORLD BANK	6,347,697,607.26	2020-2025
3	Smallholder Agribusiness and Resilience Project (SARP)	IFAD	1,903,838,780.43	2021 - 2025
4	Integrated Rurban Development and Climate Resilience Project – (IRDCRP)	WORLD BANK	876,356,006.96	2024 - 2029
5	GCF Knuckles project	GCF Fund	614,813,440.00	2025 - 2028

Future Vision

Making farmers familier to the usage of modern technology for innovations to be made in agriculture field to be resilient to weather and climate chanhes, collection of timelt data by digital systems and making correct decisions by providing them to farmers and sustainable agricultural development .

Special Achievements

I. Maintaining fertilizer aids programme for Yala season 2025 and Maha season 2025/26
II. Commencing HR Management system.
III. Maintaining GeoGoviya data system with necessary updating
IV. Commencing the programme for mapping the areas of Agriculture Research Production Assistant/ Agrarian Services Center by GIS
V. Re development of a tank in each district (in 12 districts) , which is fully operated, for the purpose of studying water management, operations and maintenance etc. and making avenues for field officers and farmers for their studies and to gain experience.
VI. Installation of two Lysimeters, which are used to measure the water requirement for paddy cultivation, at Office premises of the Divisional Engineer at Huruluwew and Agri Technology and Rural Science Institute under University of Colombo situated at Hambantota and collection of data and completion successfully 04 theses connecting to the above by 04 students.
VII. Taking action to solve the issue on water of Kithulpagamuwa canal at Nuwaraeliya and preparation of a draft using the study report prepared on the issue.
VIII. Making quality control under standards applied for the construction and modification of minor irrigations
IX. Submitting a research report to the international conference conducted on the establishment of sustainable environment
X. Introducing basically the method for utilizing wet and interim water management method for minor irrigations
XI. Conducting the training for entering secondary data in 12 districts and finalizing the entry of basic data related to minor irrigation data base in website
XII. Calling data on daily rainfall from nearly 500 data centers to the Head Office and making the officers aware of the matters preparing Diyawithara magazine
XIII. Conducting training workshops on duties and responsibilities of Wel Widane, Water Controller and Assisting Groups, basic engineering knowledge on the operations of minor irrigations and maintenance, and legal background for the benefit of officers.
XIV. Conducting following training programmes for the enhancement of the capacity of the Technological staff of the Department.
    - Training Programm on Procurement & Contract Administration.
    - Conducting a training workshop on ArcGIS Online software
XV. Making payment of allowance for acting duties of Agriculture Research and Production Assistants relating to year 2025 using new information system

XVI. Granting promotions to 5974 Agriculture Research and Production Assistants, who have become qualified out of 6237 officers, who have completed the service period prescribed for grade I

XVII. Granting promotions to 746 Agriculture Research and Production Assistants, who have become qualified out of 1023 officers, who have completed the service period prescribed for grade II

XVIII. Approval has been granted for recruitment to 09 posts out of 18 posts of Assistant Commissioner (Departmental) and accordingly written examination has been held for the purpose

XIX. Receiving approval for making recruitments to following posts of the Department of Agrarian Development

- Assistant Commissioner - 09
- Legal Assistant - 03
- Agrarian Development Officer (Special)- 05 (Total number is 19 along with the 14 Of 2022)
- Agrarian Development Officer - 126
- Technological Assistant - 04
- Technical Officer (Civil) - 29
- Technical Officer (Mechanical) - 05
- Engineer (Mechanical) - 01 (Long term vacancy could be filled)

XX. Conducting 40 efficiency bar examinations for Departmental posts

XXI. Conducting 81 training programmes

Challenges

I. Lack of officers with technological knowledge

II. Unavailability of officers with specialized technological knowledge in the Information and Communication Technology Division for services, maintenance and procurements of computer network system at the Head Office of the Department

III. Lack of the staff (The approved cadre of the Department is 19764 and 6403 posts have fallen vacant by 28.02.2025)

IV. Even though pilot projects are launched on computer systems, the computer literacy of officers in this regard is less and further computer appliances are also not available at adequate level. Further, weaknesses are observed in internet facilities.

Future targets

I. Launching a digital agriculture data system (farmernet.lk).

II. Introducing a Mail management System to the Department.

III. Re development of a tank with irrigation environment system in each district (in 13 districts) , which is fully operated, for the purpose of studying water management, operations and maintenance etc. and making avenues for field officers and farmers for their studies and to gain experience

IV. Installation of a Lysimeter , which is used for measuring water requirement for paddy cultivation, at the Paddy Research Institute, Bathalagoda Paddy Research and Development Institute by combined approach and conducting study and research activities and carrying out continuously study and research works of two equipment

installed at the premises of the Office of the Divisional Engineer of the Department of Irrigation and Agri Technology and Rural Science Institute under University of Colombo situated at Hambantota

V. Conducting the training for entering secondary data of 13 districts and concluding the entry of secondary data of the data base of minor irrigations in website

VI. Increasing further the number of daily rainfall data centers, which is at present nearly 500

VII. Making a study for introducing precast roads

VIII. Taking actions to identify the issues on the water management in districts and special requirements and provide settlements to them under special projects.

IX. Repairing Agri meteorological centers identifying such centers

X. Documenting traditional knowledge related to Udakadawala tank situated at ellangawa of Palugaswewa and conducting a study joining with Hector Kobbekaduwa Agrarian Research and Training Center

XI. Conservation of irrigational environmental system of Udakadawala tank situated at at ellangawa of Palugaswewa

XII. Providing technical equipment for enhancing the quality of Quality control centers belonging to the Department

XIII. Updating the maps of minor irrigations and entering them in the website through GIS Pro software

XIV. Conducting following training programmes in order to enhance the capacity of the technological staff of the Department

- Mechanical, Plumbing, Electrical, Partition & Aluminum Work of Buildings
- Legal Aspect & Office Procedure in Technical field of Department of Agrarian Development

Dhammika Ranatunga
Commissioner General of Agrarian Development

Chapter 03- Financial Performance for the year ended 31 December 2025

3.1. Statement of Financial Performance

								ACA-F
Statement of financial performance for the year ended 31.12.2025								
Revised budgetary provisions 2025			Note		Actual 2025		2024	
Rs.					Rs.		Rs.	
		Receipt of income						
-		Income tax	**1**		-		-	
-		Tax on local goods and services	**2**		-		-	
-		Tax on international trade	**3**		-		-	**ACA-1**
-		Non tax income and other	**4**		-		-	
-		**Total receipt of income (a)**			-		-	
-		**Non income receipts**						
-		Treasury imprest			57,423,742,206		36,758,664,817	**ACA-3**
-		Deposits			3,546,790,231		4,380,623,593	**ACA-4**
-		Advance accounts			274,616,294		235,624,178	**ACA-5**
-		Receipts from other main ledger accounts					624,491,994	
-		**Total non-income receipts (b)**			**61,245,148,731**		**41,999,404,582**	
-		**Total income receipts and non-income receipts c = (a)+(b)**			**61,245,148,731**		**41,999,404,582**	
		Remittance to Treasury (d)			**95,599,699**		**138,444,799**	
		Receipts from net income and non-income receipts			**61,149,549,033**		**41,860,959,783**	

		e = (c)-(d)					
		Less: expenditure					
		Recurrent expenditure					
11,435,400,000		Salaries, wages and other benefits for employees	**5**	11,400,371,563		10,342,428,366	
658,950,000		Other goods and services	**6**	616,611,495		523,419,639	**ACA-2(ii)**
7,523,850,000		Subsidiaries, grants and transfers	**7**	7,508,094,067		26,344,794	
-		Payment of interest	**8**	-		-	
14,000,000		Other recurrent expenditure	**9**	13,709,812		13,025,086	
19,632,200,000		**Total recurrent expenditure (f)**		**19,538,786,938**		**10,905,217,885**	
		Capital expenditure					
565,000,000		Rehabilitation and enhancement of capital assets	**10**	395,035,706		597,917,100	
183,800,000		Acquiring capital assets	**11**	100,878,386		22,238,357	
-		Transfer of capital	**12**	-		-	**ACA-2(ii)**
-		Acquiring financial assets	**13**	-		-	
10,000,000		Capacity development	**14**	9,598,802		2,400,144	
3,550,000,000		Other capital expenditure	**15**	2,000,373,468		2,315,880,743	
4,308,800,000		**Total capital expenditure (g)**		**2,505,886,361**		**2,938,436,344**	
		Payment of deposits		3,516,501,519		4,099,925,956	**ACA-4**
		Payment of advances		391,965,048		377,898,873	**ACA-5**
		Payment of other main ledger accounts				418,769	
		Main ledger expenses (h)		**3,908,466,567**		**4,478,243,598**	
23,941,000,000		**Total expenditure i= (f+g+h)**		**25,953,139,866**		**18,321,897,828**	
		Balance as at 31		**35,196,409,167**			

		December j = (e-i)					**23,539,061,955**	
		Balance as per imprest reconciliation statement			35,196,410,100		23,533,943,074	**ACA-7**
		Balance of imprest as at 31 December			(933)		5,118,881	**ACA-3**
					35,196,409,167		**23,539,061,955**	

3.3. Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2025

	Note	Actual 2025 Rs	2024 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	5,930,909,261	5,503,791,591
Financial Assets			
Advance Accounts	ACA-5/5(a)	559,861,595	442,512,841
Cash & Cash Equivalents	ACA-3	(933)	5,118,881
Total Assets		**6,490,769,923**	**5,951,423,313**
Net Assets / Equity			
Net Worth to Treasury		(521,918,136)	(608,978,177)
Property, Plant & Equipment Reserve		5,930,909,261	5,503,791,591
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	1,081,779,731	1,051,491,019
Unsettled Imprest Balance	ACA-3	(933)	5,118,881
Total Liabilities		**6,490,769,923**	**5,951,423,313**

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from …01.. to 62... and Annexures to accounts presented in pages from ..63... to …149... form an integral part of these Financial Statements. **The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025** and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out as per the Section 38(1) (C) of the National Audit Act No.19 of 2018

Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name :
Designation :	Designation :	Date :
Date :	Date :	

D.P. Wijeratnamasinghe
Secretary
Ministry of Agriculture, Livestock, Lands & Irrigation
80/5, "Govijana Mandiraya", Rajamalwatta Road
Battaramulla.

Dhammika Ranatunga
Commissioner General Of Agrarian Development
Department of Agrarian Development
No. 42, Sir Marcus Fernando Mawatha,
Colombo 07.

25/01/2026

C.H.P. Liyanarachchi
Chief Accountant
Department of Agrarian Development
No. 42, Sir Marcus Fernando Mawatha,
Colombo 07.

3.4. Cash flow statement

		ACA-C
Cash flow statement for the year ended		
31 December 2025		
	Actual	
		Revised
	2025	**2024**
	Rs	**Rs**
Cash flows derived from operational activities		
Total receipt from taxes	-	-
Charges, surcharges, fines and permits	-	-
Profit	-	-
Non income receipts	25,161,240,388	17,651,988,961
Income collected for other income heads	757,950,952	604,660,408
Receipts from imprest	57,423,742,206	36,758,664,817
Recovery of advances	288,942,456	248,011,450
Receipts from deposits	3,546,790,231	4,380,623,593
Cash flows derived from operational activities (a)	**87,178,666,233**	**59,643,949,228**
Less : Expenses in cash		
Personal salaries and wages and operational expenses	73,137,098,949	52,037,565,323
Subsidiaries and transfers	7,508,094,067	12,597,449
Rehabilitation and enhancement of capital assets, transfer of capital, capacity development and other capital expenditure	2,406,825,302	-
Expenditure made for other votes	28,827,614	418,769
Imprests settled to the General Treasury	95,599,699	138,444,799
Payment of advances	392,870,257	379,681,820
Payment of deposits	3,516,501,519	4,099,925,956
Cash flow spent for operational activities (b)	**87,085,817,406**	**56,668,634,116**
Net cash flow derived from operational activities (c)=(a)-(b)	**92,848,827**	**2,975,315,112**
Cash flows derived from investment activities		
Interests	-	-
Dividends	-	-
Provisions for removal of claims and sale of physical assets	8,029,559	19,831,587
Recoveries for equipment	-	-
Cash flows derived from investment activities (d)	**8,029,559**	**19,831,587**
Less : Expenses in cash		
Purchase and construction of capital assets, acquiring other investments	100,878,386	2,995,146,699
Total cash flow spent for investment activities (e)	**100,878,386**	**2,995,146,699**
Net cash flows derived from investment activities (f)=(d)-(e)	**(92,848,827)**	**(2,975,315,112)**
Net cash flow derived from operational and investment activities (g)=(c) + (f)	**(0)**	**0**
Cash flows derived from financial activities		
Local loans	-	-
Foreign loans	-	-
Receipt of grants	-	-

Net cash flows derived from financial activities (h)	-	-
Less : Expenses		
Settling local loans	-	-
Repayment of foreign loans	-	-
Net cash flow spent for financial activities (i)	-	-
Cash flows derived from financial activities (j)=(h)-(i)	-	-
Net change in cash (l) = (g)+(j)	-	-
Opening cash balance as at 01 January	-	-
Closing cash balance as at 31 December	-	-

3.5 Basis for reporting

1) Objective for preparation

Financial Statements have been prepared as per 150 and 151 of the Financial Regulations of the Government and Public Accounts Guidelines No 02/2025 dated 17.12.2025.

2) Reporting period

Reporting period for these financial statements is the period from 01 January 2025 up to 31 December 2025.

3) Measurement Basis

Financial statements have been prepared on historical cost and certain assets have been shown on re-estimated value. In case where it is not shown in another way, accounts are prepared on improved cash basis.

Financial statements have been shown to the nearest Rupee of SLR.

4) Identification of assets

Transfer and non-transfer incomes are identified as income during the period, in which they are to be received, irrespective of the due period

. 5) Identifying and measuring property , plants and equipment

When there is an assurance that economic benefits relevant to the income are made to the institute, they are identified as properties, plants and equipment if they can be measured properly.

Properties, plants and equipment are identified to the cost and in case where form of cost is not applicable, the re-estimated value is applied.

6) Reserve of properties, plants and equipment

This reserve account is the account conforming to properties, plants and equipment

7) Cash and cash equivalents

Cash and cash equivalents as at 31 December 2025 consist of local currency notes and coins in circulation.

* In case where there are transactions specified to a certain reporting entity, they ccan be included in financial statements on the approval of the Department of Public Accounts. Further, revelations required for such specific transaction can be included under 'Basis for reporting'.

* Only the accounting policies relevant to the reporting entity should be revealed under basis for reporting.

ACA - 2

Summary of Expenditure by Programme for the period ended 31st December 2025

Expenditure Head No : 281 **Ministry / Department / District Secretariat / Provincial Council : Department of Agrarian Development**

Rs.

Programme Number given in Annual Estimates	Title of the Expenditure	Annual Budgetory Provision (1)	Supplementary Estimate Provision (2)	FR 66/69 Transfers (3)	Total Net Provision (4)=(1)+(2)+(3)	Total Expenditure (5)	Net Effect Savings / (Excesses) (6)=(4)-(5)
Programme (1)	(1) Recurrent	854,000,000	65,000,000	(115,900,000)	803,100,000	772,489,562	30,610,438
	(2) Capital	73,000,000	-	43,100,000	116,100,000	96,899,062	19,200,938
	Sub Total	927,000,000	65,000,000	(72,800,000)	919,200,000	869,388,624	49,811,376
Programme (2)	(1) Recurrent	10,421,000,000	8,345,000,000	63,100,000	18,829,100,000	18,766,297,376	62,802,624
	(2) Capital	4,183,000,000	-	9,700,000	4,192,700,000	2,408,987,299	1,783,712,701
	Sub Total	14,604,000,000	8,345,000,000	72,800,000	23,021,800,000	21,175,284,676	1,846,515,324
	Grand Total	15,531,000,000	8,410,000,000	-	23,941,000,000	22,044,673,300	1,896,326,700

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Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date :

C.H.P. Liyanarachchi
Chief Accountant
Department of Agrarian Development
No. 42, Sir Marcus Fernando Mawatha,
Colombo 07.

Statement of Non-Financial Assets - 2025

Cumulative Non Financial Asset Accounts Report- Central Govt-2025

Land-9153: 815,738,620.13 Table: SA 82
Building- 9151: 3,492,117,706.36 Year: 2025
Machinary-9152: 1,550,241,049.40 Rpt Date 2/20/2026 1:24:19 PM
WIP-9160: 72,466,884.67 Head 281
Intangible-9154: 345,000.00
Lease-9180: 0.00

Ledger	category	Item	Code	Opn_Bal	Opn_Bal_Add	TransferIn	Purchase	Disposal	Balance
9151	1.1-Dwellings		61111	98,078,180.16	855,000.00	0.00	576,502.38	0.00	99,509,682.54
		Garages	****6111102	8,468,795.15	855,000.00	0.00	0.00	0.00	9,323,795.15
		Quarters	****6111107	77,109,792.31	0.00	0.00	0.00	0.00	77,109,792.31
		Circuit Bunglows	****6111108	12,499,592.70	0.00	0.00	576,502.38	0.00	13,076,095.08
9151	1.2-Non Residential Building		61112	3,258,880,278.46	126,046,613.37	0.00	57,091,353.15	57,242,069.93	3,384,776,175.05
		Office Building	****6111201	2,939,485,873.10	93,032,944.47	0.00	64,513,584.33	41,977,336.03	3,055,055,065.87
		Warehouse	****6111205	307,717,930.36	28,858,668.90	0.00	0.00	11,689,668.90	324,886,930.36
		Markets	****6111208	7,771,250.00	4,155,000.00	0.00	3,575,065.00	3,575,065.00	11,926,250.00
		Laboratories & Research Stations	****6111209	3,905,225.00	0.00	0.00	0.00	0.00	3,905,225.00
9151	1.3-Other Structure		61113	147,000.00	500,000.00	0.00	7,184,848.77	0.00	7,831,848.77
		Structures associated with mining subsoil assets	****6111307	147,000.00	0.00	0.00	0.00	0.00	147,000.00

		Pumping Station	****6111311	0.00	500,000.00	0.00	0.00	0.00	500,000.00
		Farms and Agriculture related Assets	****6111312	0.00	0.00	0.00	7,184,848.77	0.00	7,184,848.77
9160	1.4-WIP-Building & Structure		61114	78,205,121.52	2,500,000.00	0.00	7,667,426.27	15,905,663.12	72,466,884.67
		WIP-Building & Structure	****611140	4,252,332.47	2,500,000.00	0.00	5,180,447.89	289,279.36	11,643,501.00
		House Boats	****611141	1,828,216.32	0.00	0.00	0.00	0.00	1,828,216.32
		Warehouse	****6111412	58,208,706.21	0.00	0.00	0.00	8,000,000.00	50,208,706.21
		Garages	****611142	1,790,149.83	0.00	0.00	0.00	0.00	1,790,149.83
		Air field runways	****6111422	67,626.00	0.00	0.00	0.00	0.00	67,626.00
		Quarters	****611146	0.00	0.00	0.00	325,491.20	325,491.20	0.00
		Circuit Bunglows	****611147	1,457,190.00	0.00	0.00	0.00	0.00	1,457,190.00
		Office Building	****611148	10,600,900.69	0.00	0.00	2,161,487.18	7,290,892.56	5,471,495.31
9152	2.1-Transport Equipment		61121	969,382,652.00	8,000.00	0.00	0.00	0.00	969,390,652.00
		Passenger vehicle	****6112101	181,250,000.00	8,000.00	0.00	0.00	0.00	181,258,000.00
		Cargo vechicle	****6112102	528,392,292.00	0.00	0.00	0.00	0.00	528,392,292.00
		Agricultural vehicle	****6112103	253,805,000.00	0.00	0.00	0.00	0.00	253,805,000.00
		Industrial Vehicle	****6112104	5,902,110.00	0.00	0.00	0.00	0.00	5,902,110.00
		Motor cycle	****6112109	33,250.00	0.00	0.00	0.00	0.00	33,250.00
9152	2.2-Other Machinary & Equipment		61122	489,531,907.59	31,466,875.89	0.00	67,138,168.93	7,286,555.01	580,850,397.40
		Office Equipment	****6112201	5,294,440.80	375,874.00	0.00	1,207,965.24	476,510.00	6,401,770.04

		Computer Equipment	****6112202	173,519,455.38	19,193,756.10	0.00	33,635,378.75	3,258,617.00	223,089,973.23
		Electrical Equipment	****6112203	87,954,897.32	5,495,959.00	0.00	15,265,626.86	1,038,619.01	107,677,864.17
		Communication Equipment	****6112204	19,777,879.25	76,890.00	0.00	62,102.00	180,755.50	19,736,115.75
		Furniture	****6112205	95,751,696.84	5,902,842.79	0.00	16,946,326.08	2,313,853.50	116,287,012.21
		Industrial & Manufacturing Equipment	****6112212	8,200.00	0.00	0.00	0.00	0.00	8,200.00
		Construction Eqipment	****6112213	106,937,502.00	421,554.00	0.00	20,770.00	18,200.00	107,361,626.00
		Defence Equipment	****6112215	97,750.00	0.00	0.00	0.00	0.00	97,750.00
		Fire Protection Equipment	****6112217	190,086.00	0.00	0.00	0.00	0.00	190,086.00
9154	5.3 Other Non Finacial-Intangible		61133	345,000.00	0.00	0.00	0.00	0.00	345,000.00
		Computer Software	****6113301	345,000.00	0.00	0.00	0.00	0.00	345,000.00
9153	4.1-Land		61410	572,902,379.00	177,933,750.00	1,609,947.84	1,955,219,778.20	1,891,927,234.91	815,738,620.13
		Land	****614100	572,902,379.00	177,933,750.00	1,609,947.84	1,955,219,778.20	1,891,927,234.91	815,738,620.13
9153	Water		61414	0.00	0.00	0.00	32,577,214.05	32,577,214.05	0.00
		Lakes	****6141402	0.00	0.00	0.00	32,577,214.05	32,577,214.05	0.00

REMARKS

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3.7 Performance in the utilization of the allocated provisions

Rs.

Category of provisions	Allocated provision		Actual expenditure	Utilized provision as a percentage of final provisions %
	Initial provision	Final provision		
Recurrent	11,275,000,000	19,632,200,000	19,538,786,938	99.5
Capital	4,256,000,000	4,308,800,000	2,505,886,361	58.2
Grand Total	15,531,000,000	23,941,000,000	22,044,673,300	

3.8 Provisions granted to this Department as a representative of other Ministries/Departments under F R 208

Rs.

Serial No	Ministry/ Department which granted provisions	Vote No	Objective of the Provision	Provisions		Actual Expenditure	Utilized provision as a percentage of final provisions
				Initial Proviasion	Final Provision		
1	Ministry of Agriculture, Livestock, Lands and Irrigation	118-02-03-021-1504	For granting financial assistance to farmers who cultivate paddy in paddy lands in Maha season 2024/25	10,000,000,000.00	9,250,000,000.00	35,916,311,864.76	100
		118-02-03-021-1504	Granting financial assistance to farmers who cultivate paddy and other field crops in paddy lands in Yala season of 2025	13,500,000,000.00	13,500,000,000.00		
		118-02-03-021-1504	Granting financial assistance to farmers who cultivate paddy and other field crops in paddy lands in maha season of 2025/26	13,266,000,000.00	13,266,000,000.00		
		118-02-03-021-1504	For making payments for the importation of fertilizers of 65000 mt under India's loan scheme of USD 55 million	5,022,880.20	5,022,880.20		
		118-02-03-021-1504	Reimbursing the utilization expenditure born for Muriate	22,306,689.60	22,306,689.60		

			of potash (MOP) received under World Food Programme				
		118-02-03-021-1504	Operational and utilization expenditure	3,073,262.40	3,073,262.40		
		Grand Total			36,046,402,832.20		
2	Election Commission	020-1-1-7-1409	Parliamentary election – Reimbursement of payments made to the staff	11,188,139.60	11,188,139.60	51,974,567.24	100
		020-1-1-7-1409	Local Government election - Reimbursement of payments made to the staff	40,783,929.94	40,783,929.94		
		Grand Total			51,972,069.54		
3	Department of Census and Statistics	252-01-01-11-2507	Economic Census 2025/26 (Agricultural affairs) Payment of relevant allowances to drivers and assistants and fuel allowances	35,063.10	35,063.10	33,790.40	96
4	Ministry of Environment	Grand Total			35,063.10		
		160-02-03-153-2509(13)	Allocation for the Strengthening Resilience of Vulnerable Communities in Sri Lanka and India to increased impacts of Climate Change (ADAPT4R)	3,000,000.00	3,000,000.00	1,783,535.54	59
		Grand Total			3,000,000.00		

3.9 Performance in the reporting of non-financial assets

Main ledger category	Description of code	Balance as per the board of survey as at 31.12.2025	Balance as per statement of financial position as at 31.12.2025	To be accounted in due course	Reporting progress as a percentage %
9151	Buildings	3,492,117,706.36	3,492,117,706.36	Action will be taken to account reports as soon as the reports of 415 centers and 14 district offices received from the Department of Valuation	Values of all lands, buildings and machinery, which have been so far estimated, have been accounted (100%)
9152	Machinery	1,550,241,049.40	1,550,241,049.40	-	
9153	Lands	815,738,620.13	815,738,620.13	Action will be taken to account reports as soon as the reports of 520 centers and 25 district offices received from the Department of Valuation.	
9154	Intangible assets	345,000.00	345,000.00	-	
9155	Biological assets	-	-	-	
9160	Works in progress	72,466,884.67	72,466,884.67	-	
9180	Assets issues on lease	-	-	-	100%

Report of the Auditor General

The final audit report issued by the Auditor General has been scanned and attached as **annex o1.**

Chapter 04 – Performance Indicators

4.1 Performance Indicators of the Institution (Based on the action plan)

Specific Indicators	Actual output as a percentage of expected output (%)		
	100% - 90%	75% - 89%	50% - 74%
No of minor irrigations reconstructed and paddy fields which have been cultivated		√	
No of officers trained			√
No of machines repaired			√
Vehicle repairs		√	
Purchased furniture and office equipment	√		
Repairing buildings and constructing new buildings		√	

Chapter 05 – Performance in the achievement of Sustainable Development Goals (SDG)

5.1 Indicate the identified sustainable development goals.

Target/ Goal	Targets	Performance Indicators	Progress in the percentage in the achievements so far gained		
			0% - 49%	50% - 74%	75% - 100%
2. Promoting sustainable agriculture achieving good nutrition and food safety whilst alleviating hunger	2.3 Enhance by twofold the agricultural productivity and income of small scale food producers specially the women, local people, farmers families, and fishermen's families, by 2030 whilst ensuring the access to lands safely and normally , other production resources, grants, knowledge, financial services, market and value adding, non-farming sector employments	2.3.1.Production volume for labor unit as per the scale of farming/ cattle farming/ forest associated industries,		√	
		2.3.2.Average income of small scale food producers as per the gender and local level		√	
	2.4 Implementing agricultural practices by 2030 which strengthen the capacity to adjust to the climate changes, resilient to harmful climate situations, draught, flood and other disasters whilst enhancing the quality of lands and soil and ensure the existence of bio systems .	2.4.1 Area of agricultural lands which covers productive and sustainable agricultural practices		√	
5. Strengthening all women and girls ensuring gender equvality	5.a Taking action to make revisions to grant economic rights to women and granting ownership of lands, other properties, financial services ownerships and ownership of natural resources as per local laws	5.a.1 Depending on the mode of ownership, (a) whole population with secured right or entitlement on agricultural lands based on gender (b) Share of women among the owners of agricultural lands		√	

5.2 **Triumphs and challenges in the achievement of sustainable development goals**

Challenges

- Delay occurred in construction works due to flood situations as a result of adverse climate conditions during the year.
- Restricting imports due to higher limits of taxes imposed in the importation of modern machinery and equipment required to agricultural field and the higher cost to be born for the purpose
- Unavailability of Engineers and Technological Officers to maintain nearly 40,000 minor irrigations under the management of Department and inability to supervise properly the minor irrigation reconstruction projects.
- Lack of technological knowledge among Agricultural Research and Production Assistants.
- Lack of capital facility in the implementation of targeted programmes

Chapter 06 – Human Resources Profile

06.1 Cadre Management

	Approved Cadre	Present Staff	Vacancies/(Staff in excess)
Senior	130	79	51
Tertiary	647	440	207
Secondary	17415	10889	6526
Primary	1572	1390	182

6.2. Approved cadre of the Department is 19,764 and number of the posts fallen vacant as at 31.12.2025 is 6966. Until new recruitments are made in future with the reviews on recruitments to public service, officers serving at present are engaged on acting basis wherever necessary in order to ensure smooth functioning of the Department aiming to achieve maximum performance..

6.3 Human Resources Development

Other programmes including local and foreign trainings -duration from 01.01.2025 to 31.12.2025

Serial No	Name of the programme	No of the persons trained	Duration of the programme	Standard Investment (Rs'000)		Nature of programme Local/ Foreign	Output- Knowledge
				Local	Foreign		
01	Masters/ Degree courses/ Other courses (For Staff officers)	11	2024.01.01-2024.12.31	827,500.00	-	Local	
02	Training for new employees at primary level				-	Local	
03	Colombo/Kalutara/Gampaha	66	2024.03.06	59,380.00	-	Local	
04	Kurunegala/ Kegalle/ Puttalam/Anuradhapura	57	2024.03.26	107,975.00	-	Local	
05	Galle/ Matara/ Hambantota	75	2024.03.28	134,140.00	-	Local	
06	Monaragala/Ampara	56	2024.04.20	53,940.00	-	Local	
07	Nuwaraeliya	50	2024.05.18	94,400.00	-	Local	
08	Kandy	26	2024.06.15	82,240.04	-	Local	
09	Rathnapura	37	2024.05.11	32,560.00	-	Local	
10	Badulla	17	2024.06.29	105,651.00	-	Local	
11	Matale	41	2024.04.27	56,175.00	-	Local	
12	Pothuhera	21	2024.10.30	50,160.00	-	Local	
13	Training for conducting board of survey-Leadership Development National Center,	32	2024.08.1/2/3	236,419.00	-	Local	

	Embilipitiya						
14	Training for training of prosecuting officers to conduct formal disciplinary inquiries	32	2024.08.30/31	192,231.00	-	Local	
15	Procument & Contract Administration -W M D	73	2024.12.13	438,000.00	-	Local	
16	Attitude development and leadership development training programmes for officers of the district Agrarian Development Office of Rathnapura and regional officers of agrarian development	87	2024.12.21	216,905.00	-	Local	
17	District office, Rathnapura	32	2024.12.24	40,150.00	-	Local	
18	-Agrarian Development District Office	52	2024.12.12/13	158,720.00	-	Local	
19	-Training on studying plans	39	2024.12.02-09	502,125.00	-	Local	
20	Training on office systems, salary conversions and file management,	30	2024.12.20/24	22,730.00	-	Local	
21	- Establishments Division	40	2024.12.23/24	202,428.00	-	Local	
22	Training on conducting preliminary investigations - Disciplinary Division	54	2024.03.22	86,987.50	-	Local	
23	Investigations as per F R 104	90	2024.12.18	51,920.00	-	Local	
24	Legal training programme on unauthorized activities - Gampaha	52	2024.12/17/18/ 19	387,365.00	-	Local	
25	Members of Agrarian Reviewing council and Judges of Agrarian Tribunals			211,250.00	-	Local	
		1070		**4,351,351.54**			

A huge contribution is made by training programmes to enhance knowledge, skills, attitudes, of the officers of the Department, enhance the employees' productivity and efficiency, update knowledge, share and enhance job satisfaction. Therefore it is highly important to conduct training programmes to achieve targets and objectives of our department.

Chapter 07 - Report on Compliance

Para No	Requirement to be made applicable	Position (Comply /Not comply)	Clarification in brief, if the answer is 'not comply'	Measures for rectifying the noncompliance in future
1	Following financial statements/ accounts have been submitted on due date.			
1.1	Annual financial statements	Comply	-	-
1.2	Advance B Account of Public Officers	Comply	-	-
1.3	Business and Production Advance Account (Commercial Advance Account)	-	-	-
1.4	Stores Advance Account	-	-	-
1.5	Special Advance Account	-	-	-
1.6	Other	-	-	-
2	Maintenance of books and documents (F R.445)			
2.1	Maintaining the Fixed Assets Register with necessary updating as per Public Administration Circulars No. 267/2018	Comply	-	-
2.2	Maintaining the salaries and wages registers/ cards with necessary updating	Comply	-	-
2.3	Maintaining the Audit Queries Register with necessary updating	Comply	-	-
2.4	Maintaining the Internal Audit Report Register with necessary updating	Comply	-	-
2.5	Preparation of all monthly accounts summaries and submitting them to General Treasury on due date (CIGAS)	Comply	-	-
2.6	Maintaining the Cheques and Money Order Register with necessary updating	Comply	-	-
2.7	Maintaining the Inventory with necessary updating	Each division maintains inventories as a centralized process		
2.8	Maintaining the Stock Register with necessary updating	Comply	-	-

2.9	Maintaining the Losses and Damages Register with necessary updating	Comply	-	-
2.10	Maintaining the Liability Register with necessary updating	Comply	-	-
2.11	Maintaining the Counterfoils Register with necessary updating	-	-	-
3	Delegation of authority for finance control (F.R. 135)			
3.1	Delegating financial authority within the institute	Comply	-	-
3.2	Making the awareness on delegation of authority within the institute	Comply	-	-
3.3	Delegating authority so as to approve every transaction by two or more officers	Comply	-	-
3.4	Taking action subject the control of Accountants in the application of software package for salaries as per Public Accounts Circular No. 171/2004 dated 11.05.2014.	Comply	-	-
4	Preparation of annual plans			
4.1	Preparation of annual action plan	Comply	-	-
4.2	Preparation of annual procurement plan	Comply	-	-
4.3	Preparation of annual internal audit plan	Comply	-	-
4.4	Preparation and submission of annual estimate to Department of National Budget on due date (NBD)	Comply	-	-
4.5	Preparation and submission of annual cash flow statement to Department of Treasury Operations on due date	Comply	-	-
5	Audit Query			
5.1	Answering all the audit queries on the date prescribed by the Auditor	Not comply		

	General			
6	Internal Auditing			
6.1	Preparation of an internal audit plan at the beginning of the year as per F R.134(2) DMA-2019 after conducting discussions with Auditor General	Comply	-	-
6.2	Making answers for each internal audit query within a period of one month	Not comply	Answers for the internal audit queries are called from the Deputy / Assistant Commissioner in charge of the district and the internal audit report submitted by Deputy / Assistant Commissioner in charge of the district are submitted to the Agrarian Development Officers and then answers are made after rectifying the defects shown. It is hereby informed that it takes a period of more than one month to follow the above-mentioned process.	District Deputy / Assistant Commissioners are made aware on obtaining replies for internal audit reports at the monthly progress review meeting of Deputy/ Assistant Commissioners and Department Audit and Management Committee Meeting
6.3	Submitting the copies of all internal audit queries to the Department of Management Audit as per sub section 40 (4) of National Audit Act No. 19 of 2018	Comply	-	-
6.4	Submitting copies of all internal audit reports to the Auditor General as per F R 134 (3)	Comply	-	-
7	Audit and management Committees	Comply		
7.1	Conducting at least 04 meetings of the Audit and Management Committee during the year as per DMA Circular 1-2019	Comply	-	-
8	Management of Assets			

8.1	Submitting information on the purchase and disposal of assets to the Comptroller General's Office as per chapter 07 of the Assets Management Circular No.01/2017	Comply	-	-
8.2	To appoint a suitable coordinating officer to implement the provisions of the above-mentioned circular as per chapter 13 of the said circular and report the particulars of the officer to Comptroller General's Office	Comply	-	-
8.3	To conduct board of surveys as per Public Finance Circular No. 05/2016 and submit relevant reports to the Auditor General on due date.	Not comply	Reports of board of survey have not been submitted relevant to several divisions on due date	All the officers have been informed that reports of board of survey should be submitted on due date
8.4	To take action in respect of the surpluses, deficiencies revealed by the annual board of survey and follow other recommendations within the time frame given in the circular	Comply	Even though a certain delay has occurred, action has been taken on deficits and excesses properly.	
8.5	Disposal of unserviceable items as per F R 772	Comply	-	-
9	Management of vehicles			
9.1	Preparation of daily running charts and monthly summaries for pool vehicles and submitting them to the Auditor General on due date.	Comply	-	-
9.2	Disposal of vehicle within a period of less than 06 months after identifying them as unserviceable.	Comply	-	-
9.3	Maintaining log books for vehicles with necessary updating.	Comply	-	-
9.4	Taking action as per F R 103,104,109 and 110 for each vehicle accident	Comply	-	-

9.5	Reexamination of the fuel consumption of vehicles as per the provisions in para 3.1 of Public Administration Circular No. 2016/30 dated 29.12.2016.	Comply	-	-
9.6	Getting the full ownership of the leased vehicles transferred at the end of the period of lease	Comply	-	-
10	Management of bank accounts			
10.1	Preparation and submission of bank reconciliation statements to audit on due date	Comply	-	-
10.2	Settling inactive bank accounts which are brought forward in year under review of previous years	Comply	-	-
10.3	Taking action as per financial regulations on the balances revealed by bank reconciliation statements and to be adjusted and settling them within a month time	Not comply		District Offices have been informed to settle balances as per F R 396
11	Utilization of provisions			
11.1	Making expenses so as not to exceed the limit determined for the provisions.	Comply	-	-
11.2	Making liabilities so as not to exceed the limit of the balance of provisions at the end of the year after utilizing provisions as per F R 94 (1)	Comply	-	-
12	Advance B account of Public Officers			
12.1	Conforming to the limits	Not comply		Since the limit of 2025 has exceeded, it has been submitted for the approval of the Cabinet.
12.2	Making a time analysis on the loans in arrears	Comply	-	-
12.3	Settling the balances of loans in arrears, which are	Not comply		Action is being taken to recover the loan

	remaining unsettled for a period of more than one year			balances of which information cannot be found and which have been neglected.
13	General Deposit Account			
13.1	Taking action on the expired deposits as per F R 571	Comply	-	-
13.2	Maintaining account for general deposits with necessary updating			
14	Imprest Account			
14.1	Remitting the balance of the cash register to the Department of Treasury Operations at the end of the year.	Comply	-	-
14.2	Settling ad hoc imprest issued as per F R 371 within one month from the date of completion of the work.	Comply	-	-
14.3	Issuance of ad hoc imprest so as not to exceed the limit approved as per F R 371	Comply	-	-
14.4	Reconciling monthly the balance of imprest account with the books of the General Treasury.	Comply	-	-
15	Revenue Account			
15.1	Making refunding from the collected income as per relevant regulations	Not applicable	-	-
15.2	Crediting directly the collected income to the revenue without crediting to the deposit account.	Not applicable	-	-
15.3	Submitting reports on the income in arrears as per F R 176.	Not applicable	-	-
16	Human Resources Management	Comply	-	-
16.1	Maintaining the staff within the approved limit of cadre	Comply	-	-
16.2	Issuing duty lists in writing to every member of the staff	Comply	-	-

16.3	Submitting all reports to the Department of Management Services as per MSD circular No. 04/2017 dated 20.09.2017	Comply	-	-
17	Providing information to General Public	Comply	-	-
17.1	To appoint an information officer as per the Right To Information Act and regulations and maintaining a register for information with necessary updating	Comply	-	-
17.2	Information of the institution are available in the website of the institution and facilities have been made for general public to express their commendations/ complaints either through the website or alternative ways	Comply	-	-
17.3	Submission of reports twice a year or once a year as per section 08 and 10 of Right To Information Act	Comply	-	-
18	Implementation of the Citizen Charter			
18.1	Preparation and implementation of a citizen charter as per Public Administration Circular No 05/2008 and 05/2018(I) and Circulars of the Department of Management Services	Comply	Citizen charter relevant to the Department has been prepared and displayed.	
18.2	Preparation of a methodology by the institute to supervise and evaluate the activities in the formulation and implementation of citizen/ client charter as per para 2.3 of the said circular	Comply	-	-
19	Preparation of the Human Resources Plan	Comply	-	-
19.1	Preparation of a human resources plan as per the specimen 02 in the annex	Comply	-	-

	of Public Administration Circular No. 02/2018 dated 24.01.2018			
19.2	Assuring a training opportunity at least not less than 13 hours for every member of the staff in the above-mentioned human resources plan	Comply	-	-
19.3	Signing annual performance agreements for the whole staff based on the specimen in annex 01 of the above-mentioned circular	Not comply	It has been informed that it is not necessary to sign performance agreements as per P A Circular No 02/2018 (1) dated 30.11.2023.	
19.4	To appoint a senior officer entrusting responsibilities for the preparation of human resources plan, development of capacity development plans, implementation of skill development plans as per para 6.5 of the above circular	Comply	-	-
20	Responding to audit paras			
20.1	Rectification of weaknesses highlighted in audit paras by Auditor General for previous years	Comply	Action has been taken in response to recommendations and observations	

Annex 01

ARI/B/ADD/FA/02/25/50/24 29 May 2026

Accounting Officer
Department of Agrarian development

Head 281-Summary Report of the Auditor General on the Financial Statements of the Department of Agrarian Development for the year ended 31 December 2025 as per Section11(1) of National Audit Act No 19 of 2018.

Second copy of the above-mentioned report and the certified copy of the Financial Statement (Sinhala, Tamil and English) is attached herewith.

P K M P Nonis
Deputy Auditor General
For Deputy Auditor General

Copies: 01. Director General of Public Accounts - Summary Report of the Auditor General
And the first copy of the financial
Statements are attached herewith

02.Secretary, Ministry of Agriculture, Livestock, Lands and Irrigation

ARI/B/ADD/FA/02/24/45/16 29 May 2026

Accounting Officer

Department of Agrarian development

Head 281-Summary Report of the Auditor General on the Financial Statements of the Department of Agrarian Development for the year ended 31 December 2025 as per Section11(1) of National Audit Act No 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

Head 281-The audit of the financial statements of the Department of Agrarian Development for the year ended 31 December 2025 comprising the statement of financial position, statement of financial performance and cash flow statement, for the year then ended, was carried out under my direction in pursuance of provisions of the National Audit Act No. 19 of 2018 read in conjunction with provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. This report contains my views and observations on the financial statements submitted to the Department of Agrarian Development as per section 11 (1) of the National Audit (Amendment) Act No. 19 of 2025. Comprehensive annual report of the management audit will be issued in due course to the Accounting Officer in terms of the section 11 (2) of the national Audit Act No 19 of 2018. Report of the Auditor General to be submitted as per section 10 of National Audit Act No 19 of 2018 and read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be tabled in the Parliament in due course.

In my opinion, except for the effects of the matters described in the para 1.6 of this report, the accompanying financial statements give a true and fair view of the financial position of the fund as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with generally accepted Accounting Standards indicated in note 1 relevant to Financial Statements.

1.2 Basis for Qualified Opinion

I hereby make my opinion based on the facts indicated in the para 1.6 of this report. Further conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Emphasizing a fact- Basis for the preparation of the Financial Statements

Attention is hereby drawn to the note 1 relevant to the Financial Statements, which describe the basis for the preparation of these Financial Statements. Financial Statements have been prepared in terms of the 150 and 151 of Financial Regulations and State Accounts Guidelines No 06/2024 revised on 21 February 2025 for the requirement of the Department of Agrarian development, General Treasury and the Parliament of Sri Lanka. Therefore, these Financial Statement may not suit to other objectives. My report has been prepared aiming only for the usage of Department of Agrarian development, General Treasury and Parliament of Sri Lanka. In this regard, my opinion will not be modified.

1.4. Responsibilities of the Chief Accounting Officer and Accounting Officer on the Financial Statements

Accounting Officer is responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Regulation No 150 and 151 of the Government and State Accounts Guideline No 02/2025 dated 17 December 2015 and for determining such internal control which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In terms of the section 16 (1) of the National Audit Act No 19 of 2018, Department should maintain books and reports on its income, expenditure, assets, and liabilities enabling to prepare annual and timely financial statements.

In terms of the section 38 (1) (c) of the National Audit Act, Accounting Officer should assure that a productive internal control system is maintained for the financial control of the Department and further a review should be made from time to time on the effectiveness of the system and necessary changes should also be made to ensure the continuation of the system in a productive manner.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

1.6. Comments on Financial Statements

1.6.1. Receipts, which are not income

The canteen at the District Office of the Agrarian Development, Matale has been granted to a third party on lease from year 2018 and the income from the rental to the value of 1,343,982 received up to December 2025 has been credited to the account of welfare society of the District Office without identifying it as the income of the Government. Therefore, other receipts has been under stated due to this reason.

1.6.2. Non- Financial Assets

(a) When the year -end balance of the statement of non-financial assets in the Appropriation Account-2024 is brought forward as the opening balance of year 2025, an amount of Rs. 36,319,072 has been overstated in accounts.

(b) Even though, it has been stated in the statement of financial position that there are vehicles to the value of Rs. 969,390,652 belonging to the Department, comprehensive information on each vehicle has not been given in CIGAS computer system separately. Therefore, it has become impossible to verify that the cost of every vehicle belonging to the Department is shown in the financial statements.

(c) Value of lands belonging to 515 Agrarian Services Centres in relation to 566 Agrarian Services Centres and value of buildings belonging to 71 Agrarian Services centres have not been assessed and accounted.

1.6.3. Financial Assets

(a) Even though the balance of the control account of the Department in Advance B account of Government officers is 559,861,595, the summary of the categorisation of individual balances is Rs. 556,198,017. Therefore, a difference of Rs. 3,662,678 has been observed.

(b) A balance of Rs.28,695,312 has been maintained in year 2025 in the current account maintained in the bank of Ceylon under the name "Farmers' Bank Pilot Project' and accounts have not been kept for transactions carried out through this account and no revelation has also been made in financial statements.

1.6.4. Non-maintenance of documents and registers

The Department has not maintained the Register of Security Deposits properly and with necessary updating as per Financial Regulation No 891 (i).

2. Report on other legal requirements

I hereby state following matters as per section 6 (1) (d) of National Audit Act No 19 of 2018.

(a) The Financial Statements are consistent with the preceding year

(b) The following recommendations made by me on the financial statements of the Preceding year had not been implemented.

Reference to paragraphs of the preceding year report	Recommendation that was not implemented	Paragraph reference in this report
1.6.2.	Closing balance of the Statement of Non-Financial Assets should be accounted as the opening balance of the year	1.6.2.(a)
1.6. 3.	The deference in the balance of Department Control Account and the categorization of summary of individual balances should be rectified.	1.6.3.(a)

3. Financial Review

3.1. Irregular Transactions

(a) Farmers' Bank Pilot Project

(i.) The Department maintains a current account bearing No 2323343 at the Torrington Square Branch of Bank of Ceylon depositing the money received from Farmers Trust Fund in order to implement Farmers' Bank (Pilot) project and financial assistances have been given to Farmers' Banks of Agrarian Services Councils/ Agrarian Development Councils

through that account and further, a part of the interest recovered from farmers for the loans is also credited to this account. However, no action has been taken to legalise these funds by an Act passed by the Parliament. Establishment of new funds is strictly prohibited except establishing such fund by an Act passed in the Parliament and even though non-constitutional funds should immediately be cancelled as per F R 876 (3) and the balances of such funds should be credited to the Consolidated Fund, it has not been done even by 26 March 2026, which is the date of audit.

(ii) No action has been taken as at 31 December 2025 to recover an amount of Rs.555,123,717, which is remaining as loans in arrears for a long time, from the loan granted to 24,635 farmers by the project. It was observed that 54% out of the above was to be recovered for a period of more than 03 years.

(iii) It was observed that in year 2024 and 2025, Rs. 760,575,459 has been granted to 16,880 officers serving in Agrarian Services Centres as loans considering Farmers' Bank (Pilot) Project as a project aimed at maintain farming works of farmers and maintaining their welfare, who have applied loans from 270 Agrarian Services Centres.

3.2. Provision and settling ad hoc interim imprest

Whenever an interim imprest is issued as per F R 371 (5), it is required to settle that interim imprest after the lapse of 10 days on completion of relevant work. However, it was observed at the audit that there were delays in settling advances after lapse of 11 days up to 149 days at 100 0ccasions.

3.3. Operating bank accounts

If a cheque is not realised after a period of more than 06 months from the issuance date or valid date, whichever occurs later, or no response has been made to the correspondence made in this regard, action should be taken as per F R 396 (d). However, it was revealed by bank reconciliation statements submitted on 31 December 2025 that no action has been taken regarding 41 cheques to the value of Rs. 1,378,499, which were not submitted for payment.

4. Operational Review

4.1. Performance

4.1.1. Non gaining expected outcome

a) Even though Rs. 630 million has been released for 278 projects, which were identified as reconstruction of minor irrigations damaged by flood, there were 49 projects, of which the value of unfinished works was Rs. 187.63 million in 14 districts by 31 December 2025.

b) Even though, Rs. 202.6 million has been released by 31 December 2025 for 18 projects for the reconstruction of neglected tanks, the works of 10 projects out of the above have not been completed. Further, as a result of not taking action to convert 83 tanks, which are not operated or neglected in 13 areas of Agrarian Service Divisions in Monaragala district, to operating level, it has become impossible to cultivate 4,101 acres of land belonging to 3,346 farming families. In the same district, it has not identified the extent of land, which can be cultivated and the number of families, which can be granted benefits by way of reconstructing 21 neglected tanks in 04 areas of Agrarian Services Centres.

c) Works of 26 projects, of which the contracted value is Rs.201 million and launched in 17 districts out of 243 projects implemented releasing Rs.659.02 million for 246 projects under reconstruction of tanks and anicuts during year 2025, have not been completed.

d) Works of 23 projects, of which the contracted value is Rs.82.7 million and launched in 12 districts releasing Rs.377 million for 168 projects under repairing agri roads during year 2025, have not been completed.

e) Even though, Rs. 7 million has been spent in year 2025 for repairing 05 roads/ agri roads belonging to 04 areas of Agrarian Services Centres in Gampaha district, the paddy fields fallen under them have not been cultivated in Yala and Maha seasons and further those roads have not been maintained properly. Therefore, the objective of this project, which has been launched to ensure local food sustainability, has not been achieved.

f) It has been planned to launch 80 projects making provisions of Rs. 2 million in Trincomalee district for fish and prawn farming as per the action plan and accordingly, 60 projects have been implemented releasing provisions of Rs. 6.2 million considering the progress as at 31 December 2025. Accordingly, it was observed at the audit that Rs. 4 million has been spent than the allocated provisions but 20 projects have not been implemented.

g) A provision of Rs. 392.50 million has been allocated in year 2025 under "Eka Mitata Govi Bimata' programme and Rs. 257.04 million has been released. However, works of 04 projects out of 51, of which the contracted value is Rs. 81.32 million, in 04 districts have not been completed.

h) In terms of the Circular No. 02/2025 dated 09 April 2025 issued by Commissioner General of Agrarian Services, approval has been granted for 61 acres and 30 roods and 0.95 perches in 05 districts for cultivating crops, of which cultivation period is more than 03 years, under the national programme for cultivating efficiently all the uncultivated agri lands but no supervision has been made and information has also been collected on the cultivation. Therefore, it has become impossible to achieve objectives of this project.

4.1.2. Failure to gain expected outcome

(a) When carrying out development activities related to the constructions such as repairing tanks and anicuts, developing buildings and agri roads spending Rs. 1,571,021 under the Project for enhancing water, sanitary and health facilities (WASH), the quality control laboratory has been constructed in the premises of district office of Agrarian Development in Monaragala district with a view to carry out above works with proper quality control and verification. Construction works have been completed in 2017 and 08 years have lapsed after construction and it was observed at the audit that there were no evidences that relevant quality tests have been conducted. Further, 34 units relevant to 12 equipment received from Head Office for the use of laboratory have not been utilised. Therefore, the office and equipment are remaining idle.

(b) In terms of the instructions given by the Guideline no 7/3/19/S/AV/2023 issued on 06 October 2023 by the Commissioner of Agrarian Development pertaining to the implementation of Smart Agri Villages programme, it is required to commence cultivation after constructing green houses but production works of 48 green houses constructed in 06 districts have not been commenced even by 31 December 2025.

(c) An agreement to the value of Rs. 17,752,022 has been signed with an external institute on 23 December 2024 to construct 15 smart green houses in Monaragala district under Smart Agri Village programme-2024 and accordingly, Rs. 6,501,231 has been paid to the institution by 31 October 2025. Even though, the project should be completed within 90 days, even after lapse of 296 days from 23 December 2023, the signing date of the contract up to 15 October 2025, date of the audit, 25% of the works at 07 green houses has not been completed. Therefore, it has become impossible to achieve objectives of this project.

4.1.3. Projects, which had not made a progress even though money has been released

Even though, bids have been called at two occasions making allocation of Rs. 163 million for the purchase of 2,231,9123 parachute nursery trays to distribute among farmers for cultivating paddy lands in extent of 5,804.78 of 05 districts in year 2025 under the project for enhancing harvest with the application of parachute system in paddy cultivation, the bid has not been awarded as a result of not selecting a suitable bidder by the Department for the purpose. Therefore, this task could not be performed.

4.2. Foreign Funded Projects

(a) Chemical fertiliser of MOP to the value of USD 50 million has been received for Maha season 2022/23 under Loan scheme of Asian Development Bank but 1,670,914 kg of fertiliser was remaining at stores of Agrarian Services Centres even by 31 March 2026 without distributing among farmers. The money collected from the sale of this fertiliser has been credited to the official bank account of the Commissioner General of Agrarian development without remitting to the General Treasury. Therefore, the total amount of Rs. 98,771,987 was kept in accounts of Agrarian Services Centres and in fixed deposits even by the date of this report.

(b) Instructions have been given that MOP received under World Food Programme should be distributed among farmers free of charge, who cultivate their paddy fields in Maha season 2024/25, and further instructions have been given by the letter of the Commissioner General of Agrarian Development dated 18 November 2025 that the stock of fertiliser remaining after distribution in the above manner, if any, should be distributed among the farmers, who cultivate seed paddy in Maha season 2025/26, as per the recommendations made for fertiliser. However, fertiliser stock of 2,070,340 kg is remaining without issuing to farmers even by 24 February 2024 and it was observed at the audit that fertiliser stock of 10,720 kg is misplaced in relation to 07 district offices.

(c) 11 stores with the storing capacity of 900mt have been constructed in 06 districts spending Rs. 88,715,390 during year 2021 in order to store crop cultivators and small and middle scale farmers under World Bank aids and they have been alienated to Agrarian Service Centres. Even though, Rs. 2,462,454 has been spent to construct a store at Agrarian Services Centre, Medawachchiya, it has not been completed and all the other stores were not utilised. Under such circumstance, it was observed at the audit that the provisions spent for the purpose have become fruitless.

4.3. Transactions in the nature of financial malpractices

Even though disciplinary orders have been issued against two officers of Agrarian Services Council, Monaragala district regarding the misuse of fertiliser stock to the value of Rs. 7,288,244, that disciplinary order has not been made effective and the relevant money has also not been recovered. Even though charge sheets have been issued to three officers of Agrarian Services Council regarding the misuse of fertiliser stock to the value of Rs. 10,295,843, relevant money has not been recovered conducting formal disciplinary inquiries.

4.4. Management Inefficiencies

(a) No action has been taken even by 31 December of the year under review to conclude 812 disciplinary files i.e. 467 preliminary investigations, 114 inquiries under F R 104, 85 formal inquiries and 146 other inquiries

(b) Rs. 516,606 out of Rs. 1,353,471is to be recovered further from a female Agricultura Research and Production Assistant serving attached to Farmers' Bank by 08 October 2025,

the date of audit in relation to a financial fraud and no formal disciplinary inquiry has been conducted on this total financial fraud by district Agrarian Development Office, Matale.

(C) An amount of Rs. 33,292,915 was due to be to recovered from officers relating to 53 investigation reports, of which investigations pertaining to disciplinary matters have been concluded, but that amount was further to be recovered.

(d) Even though 1,108 "Sithamu Kantha" Farmers' Organizations have been established in 23 areas of agrarian service divisions in Matale district with the objective of strengthening women in every sector such as their own family unit, economic, social, cultural, health and nutrition, 583 organizations with the membership of 12,026 out of the above were in non-operating level.

5. Good Governance

5.1. Delivering services to General Public/ taking action on the complaints made by General Public

It was observed in the audit that 81 complaints out of the complaints made by General Public by 08 December 2025 to District Office, Colombo in terms of the Circular No 18/89 dated 23 March 1989 issued by the Ministry of Public Administration, Provincial Councils and Home Affairs in relation to the subject of complaints made by General Public were remaining further without providing answers.

6. Human Resources management

6.1. Attached staff, actual staff

The approved cadre of the Department as at 31 December 2025 is 19,764 and the actual staff is 12,798. But necessary action has not been taken reviewing again those 6,966 vacancies.

P.K.M.P.Nonis
Deputy Auditor General
For Deputy Auditor General