





ANNUAL REPORT 2016

National Aquaculture Development Authority of Sri Lanka

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1. Corporate Information

Registered name
National Aquaculture Development Authority of Sri Lanka

Legal status
National Aquaculture Development Authority (NAQDA) was established in 1999 under the provisions made available by the National Aquaculture Development Authority Act (No. 53 of 1998). It is the main state sponsored organization mandated for the task of development of the aquaculture and inland fisheries sector in Sri Lanka. Presently, it is coming under the purview of the Ministry of Fisheries and Aquatic Resources Development.

Register office

Head Office
No.41/1, New Parliament Rd, Pelawatta,
Battaramulla, Sri Lanka.
Tel : 011 2786575 / 011 2786495
Fax : 011 2786575
Web: www.naqda.gov.lk

❖ AQDC - Aquaculture Development Centre

1. AQDC of Inginiyagala	- Mr. R. M. Keerthisiri	Assistant Director (Freshwater), Aquaculture Development Centre, Inginiyagla.
2. AQDC of Dambulla	- Mr. C. S. I. Pathirana	Assistant Director (Freshwater), Aquaculture Development Centre, Dambulla.
3. AQDC of Udawalawa (Carp & Carp Developing)	- Mr. K. M. D. M. Somarathna	Assistant Director (Freshwater), Aquaculture Development Centre (Carp), Udawalawa.
4. AQDC of Udawalawa (Tilapia)	- Mr. H. K. Jagath Keerthi	Officer In Charge, Aquaculture Development Centre (Tilapia), Udawalawa.
5. NIFATI, Kalawewa	- Mr. R. H. Pothuwila	Assistant Director (Training), National Inland Fisheries and Aquaculture Training Institute, Vijithapura, Kalawewa.
6. AQDC of Nuwara Eliya	- Mr. T. C. E. Wijayahewa	Officer In Charge, Aquaculture Development Centre, Bambarakele, Nuwara Eliya.

7. AQDC of Muruthawela	- Mr. M. U. W. Muthunayaka	Assistant Director (Freshwater), Aquaculture Development Centre, Julampitiya, Muruthawela.
8. AQDC of Iranamadu	- Mr. K. Pratheesh	Officer In Charge, Aquaculture Development Centre, A9 Road, Vaddakachchi, Iranamadu.

❖ District Aquaculture Extension Office / Regional Aquaculture Extension Office (DAEO / RAEO)

1. Ampara Mr. W. A. J. R. Fernando	AD	DAEO Office, Galkanda Mw, Ampara.
2. Anuradhapura Mr. S. G. C. Sisitha Kumara	DAEO	DAEO Office, Dheewara Sanstha Rd, Anuradhapura.
3. Badulla Mr. R. G. P. Madugalle	DAEO	DAEO Office ,17 Mile post, Badulla Rd, Mapakadawewa.
4. Batticaloa Mr. J. Nelson	DAEO	DAEO Office, Kachcheriya, Batticoloa.
5. Colombo Mr. T. M. Jayarathna	AEO	DAEO Office, 41/1, New Parliament Rd, Pelawatte, Battaramulla.
6. Gampaha Mr. J. R. D. Sampath	DAEO	DAEO Office, Kachcheriya scheme, Gampaha.
7. Galle Mr. N. H. K. Keerthirathna	DAEO(Act)	DAEO Office, Deewarasanstha building, Magalla, Galle.
8. Hambantota Mr. G. M. A. G. Chandrarathna	DAEO	DAEO Office, Agunawewa, Kattakaduwa, Ranna.
9. Kaluthara Mr. H. S. W. A. Liyanage	RAEO	DAEO Office, No.294, Weerarathna building, Galle Rd, Kaluthara North.
10.Kandy Mr. J. D. Chandradasa	DAEO(Act)	DAEO Office, District secretory office, Kandy.
11.Kegalle Mr. K. G. I. P. K. Koralegama	AEO	DAEO Office, 193/1/1 Bandaranayake Mw, Kegalle.
12.Kurunagala Mr. J. M. J. Senarath	DAEO	DAEO Office, Bingiriya.
13.Kilinochi/Mannar Mr. K. Nithilan	DAEO	DAEO Office, A-9 Rd, Kilinochchi.
14.Matale Mr. I. S. T. K. Jayawardena	DAEO	DAEO Office, Aquaculture Development Centre, Ibbankatuwa, Dambulla.
15.Matara Mr. K. D. Sanjeewa	DAEO	DAEO Office, Kuruduwatte Rd, Eliyakanda Matara.

16.	Monaragala Mr. K. M. Kapila Bandara	DAEO	DAEO Office, Siri Vijayapura, Monaragala.
17.	Nuwara Eliya Mr. Maduranga V. Samarakoon	DAEO(Act)	DAEO Office, Kachcheriya, Nuwara Eliya.
18.	Polonnaruwa Mr. A. A. P. Athauda	DAEO	DAEO Office, 28 Mile post, Polonnaruwa.
19.	Rathnapura Mr. K. M. A. M. Dayananda	DAEO	DAEO Office, Aquaculture Development Centre (Tilapia), Udawalawa.
20.	Puttalam Mr. A. H. M. Wimalarathna	DAEO (Act)	DAEO Office, Thanayama Rd, Bathuluoya.
21.	Trincomalee Mr. G. A. U. R. Ganepola	DAEO	DAEO Office, District Secretary Office, Trincomalee.
22.	Vauniya Mr. Y. Nishantham	DAEO	DAEO Office, Kachcheriya, Vauniya.

❖ Freshwater Prawn Breeding Centre (FWPBC)

1.	Freshwater Prawn Breeding Centre, Pambala.	Mr. B. M. P. Krishantha	Officer In Charge FWPBC Pambala, Kakkapalliya.
2.	Freshwater Prawn Breeding Centre, Kahadamodara	Mr. S. H. A. Sirikumara	Assistant Director (Freshwater) FWPBC, Kahadamodara.
3.	Freshwater Prawn Breeding Centre, Kallarawa.	Mr. W. K. B. Priyantha	Officer In Charge FWPBC, Kallarawa.

❖ Ornamental Fish Breeding Centre (OFBC)

4.	Ornamental Fish Breeding Centre, Ginigathhena.	Mr. S. R. D. Bandara	Officer In Charge OFBC Abagamuwa, Udabulathgamuwa.
5.	Ornamental Fish Breeding & Training Centre, Rambadagalla.	Mr. D. R. D. Rohan	Officer In Charge OFBC Rambadagalla, Panagamuwa.

❖ Costal Aquaculture Extension and Monitoring Unit (CAEMU)

6.	North Western Province	Mr. J. A. Saminda	Assistant Director (Coastal), CAEMU, Bathuluoya.
7.	Eastern Province	Mr. S. Ravikumar	Assistant Director (Cosatal), CAEMU, Batticaloa.
8.	Northern Province	Mr. B. Nirooparaj	Assistant Director (Coastal), CAEMU, Kilinochchi.

❖ Multi-Species Marine Fin Fish Hatchery

9.	Multi-Species Marine Fin Fish Hatchery	Mr. E. M. Buddhika	Officer In Charge, Multi-Species Marine Fin Fish Hatchery.

2. RTI - Right to information

As per the RTI (Right to information) Act No.: 12 of 2016, NAQDA (National Aquaculture Development Authority) has appointed RTI Information officer as follow.

Information Officers	Office Address	Tel No.	E - mail
1. Dr. (Mrs.) J. M. Asoka	National Aquaculture Development Authority of Sri Lanka No.41/1, New Parliament Rd, Pelawatta, Battaramulla.	071 4397722 011 2786578	directorcad@naqda.gov.lk
2. Mr. H. M. U. K. P. B. Herath		071 4397798 011 2786494	directorfw@naqda.gov.lk
3. Mrs. K. B. C. Pushpalatha		071 8661416 011 2786579	directorext@naqda.gov.lk
4. Mr. W. M. I. Wijesekara		071 9362755 011 2786493	adhr@naqda.gov.lk
5. Mr. K. N. A. Dissanayake		075 8293773 011 2786575	directorfinance@naqda.gov.lk

3. Vision and Mission

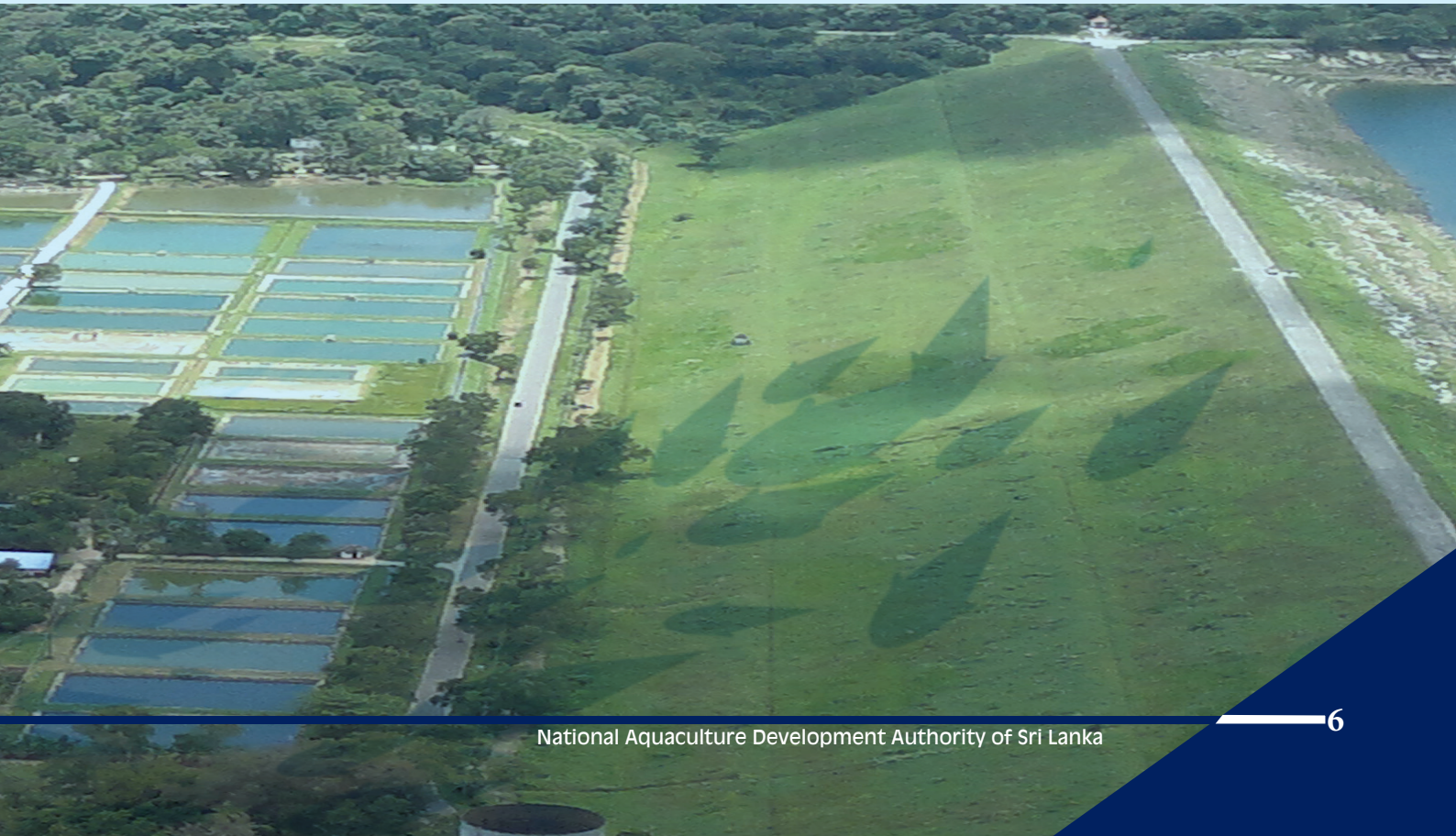
Vision

Our vision is to be an apex body in the region responsible for sustainable development and management of aquaculture and inland fisheries to ensure food security in order to improve the quality of life of the people



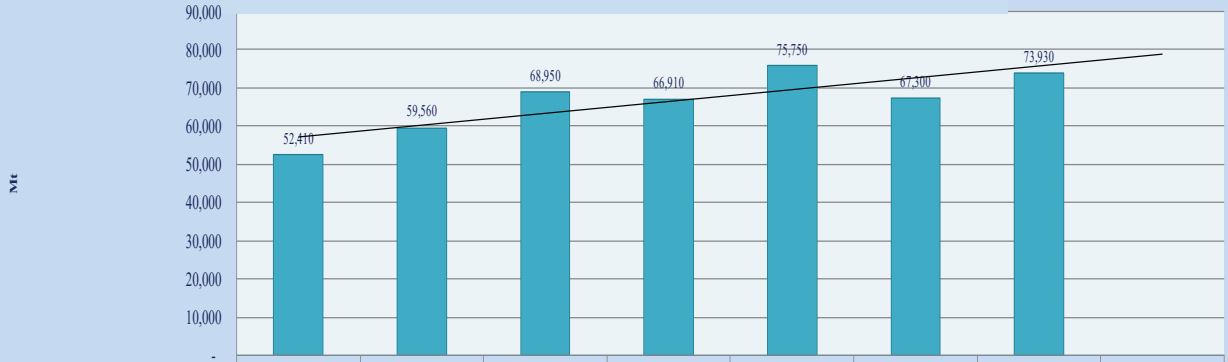
Mission

Our mission is to contribute to the improvement of the socio-economic conditions of rural societies through alleviation of poverty by increasing fresh water and brackish water fish production and introducing new technologies for utilization of aquatic resources for small, medium and large scale enterprise development



4. Key Performance Indicators

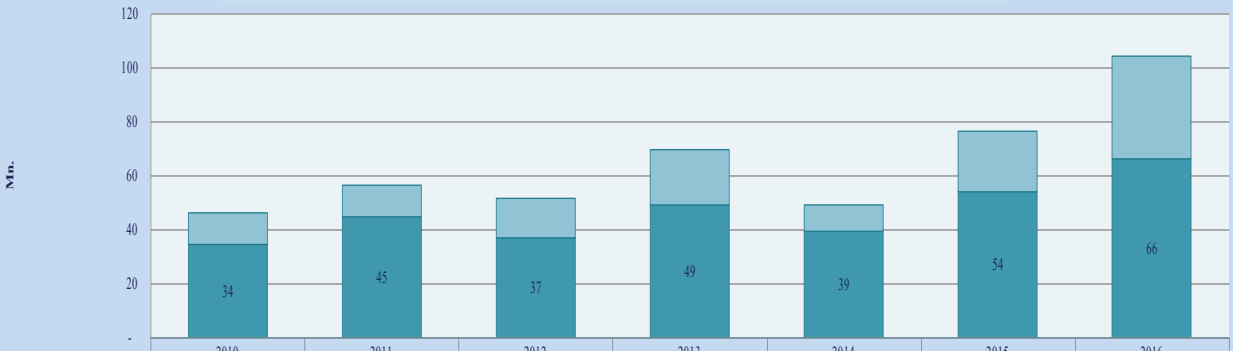
Inland and Aquaculture Fish Production - Mt



	2010	2011	2012	2013	2014	2015	2016	2017
Inland and Aquaculture Fish Production	52,410	59,560	68,950	66,910	75,750	67,300	73,930	

Year

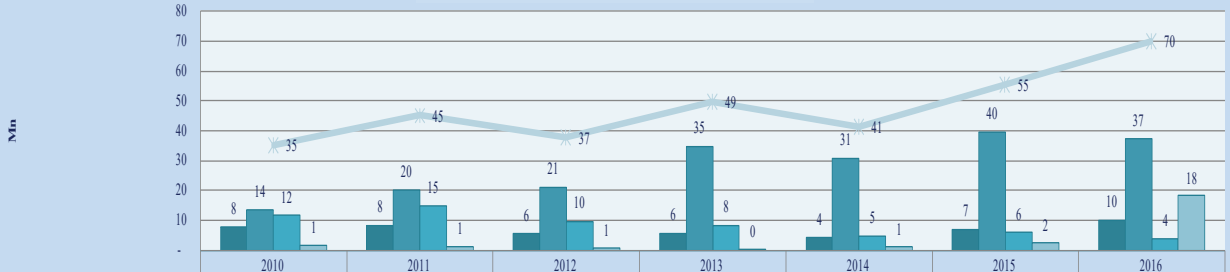
Stocking of fish fingerlings and freshwater prawn post larvae - Mn



	2010	2011	2012	2013	2014	2015	2016
Freshwater prawn post larvae	12	11	15	20	10	22	38
Fingerlings	34	45	37	49	39	54	66

Year

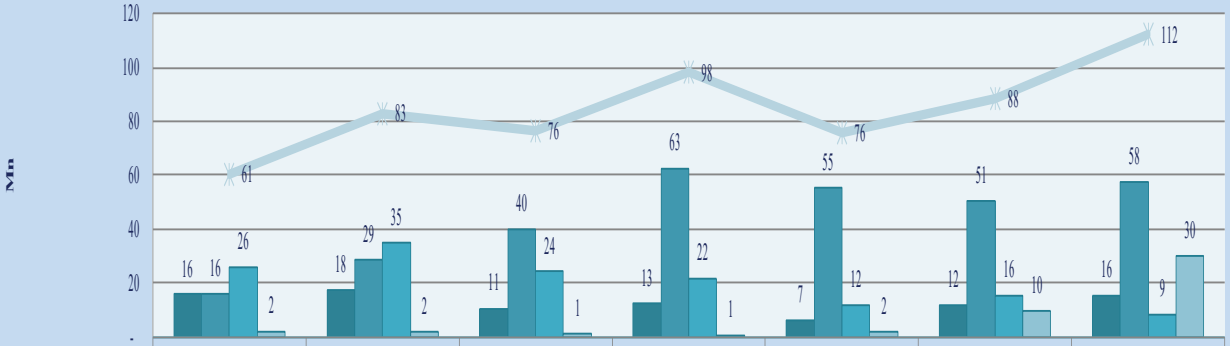
Fingerling Production - Mn



	2010	2011	2012	2013	2014	2015	2016
Fingerlings produced Mini Nurseries	8	8	6	6	4	7	10
Fingerlings produced AQDCs	14	20	21	35	31	40	37
Fingerlings produced PPOs	12	15	10	8	5	6	4
Cages/ Pens	1	1	1	0	1	2	18
Total	35	45	37	49	41	55	70

Year

Fry Production & Distribution - Mn



	2010	2011	2012	2013	2014	2015	2016
Fry sold to Mini Nurseries	16	18	11	13	7	12	16
Fry reared at AQDCs	16	29	40	63	55	51	58
Fry sold to PPOs	26	35	24	22	12	16	9
Issued to Cages / pens	2	2	1	1	2	10	30
Total	61	83	76	98	76	88	112

Year

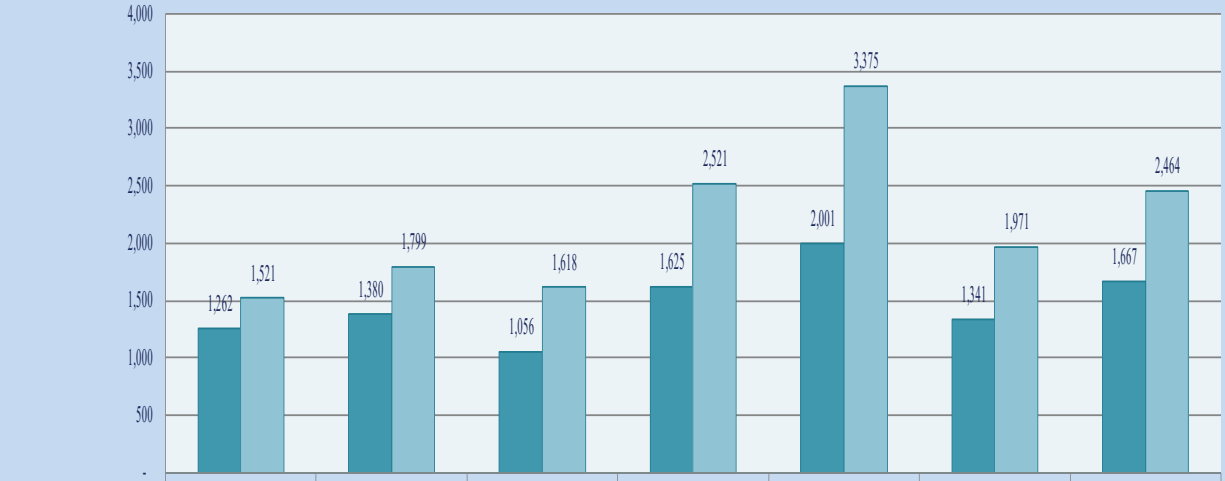
Post Larvae Production - Mn



	2010	2011	2012	2013	2014	2015	2016
Post Larvae Production	93	127	146	149	116	116	137

Year

Export Quantity and Value of Shrimp



	2010	2011	2012	2013	2014	2015	2016
Export Quantity of Shrimp - Mt	1,262	1,380	1,056	1,625	2,001	1,341	1,667
Export Value of Shrimp - Rs. Mn	1,521	1,799	1,618	2,521	3,375	1,971	2,464

Year

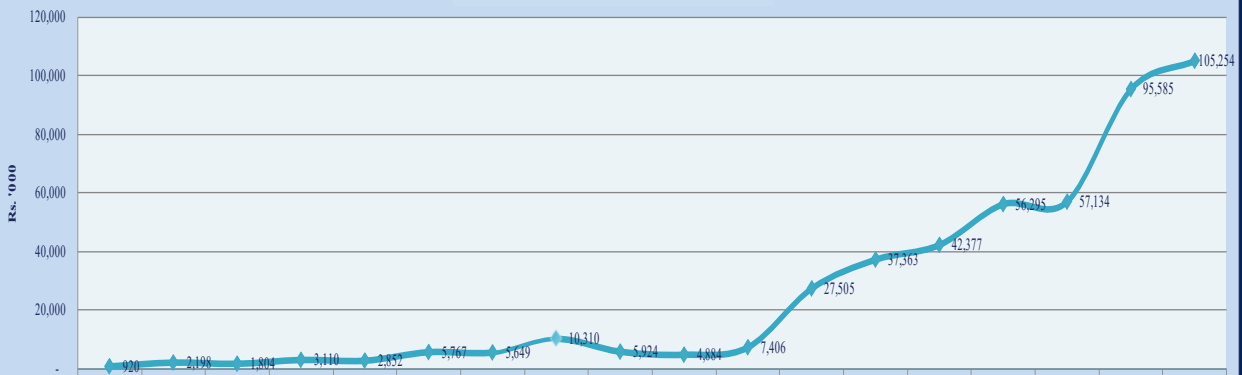
Export Value of Ornamental Fish - Rs. Mn



	2010	2011	2012	2013	2014	2015	2016
Export Value of Ornamental Fish	920	1,112	865	1,383	1,636	2,392	1,847

Year

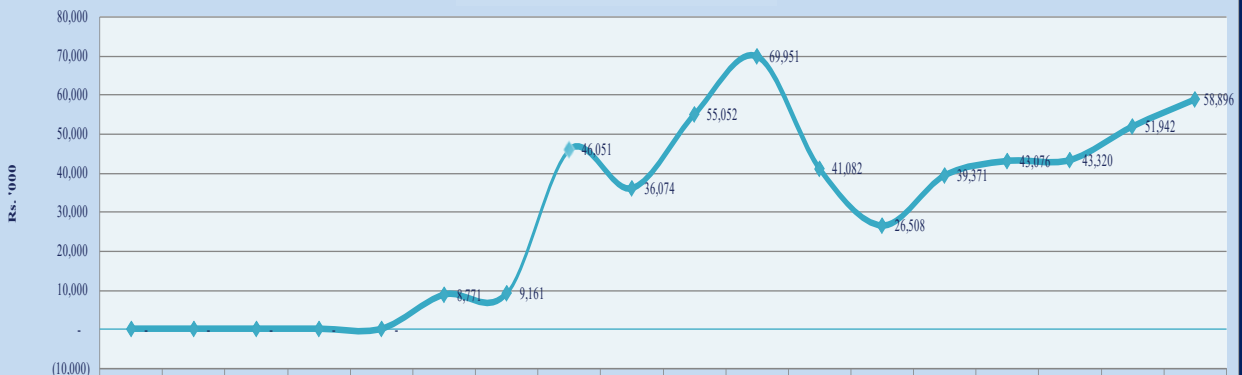
Revenue Growth - Rs. '000



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue	920	2,198	1,804	3,110	2,852	5,767	5,649	10,310	5,924	4,884	7,406	27,505	37,363	42,377	56,295	57,134	95,585	105,254

Year

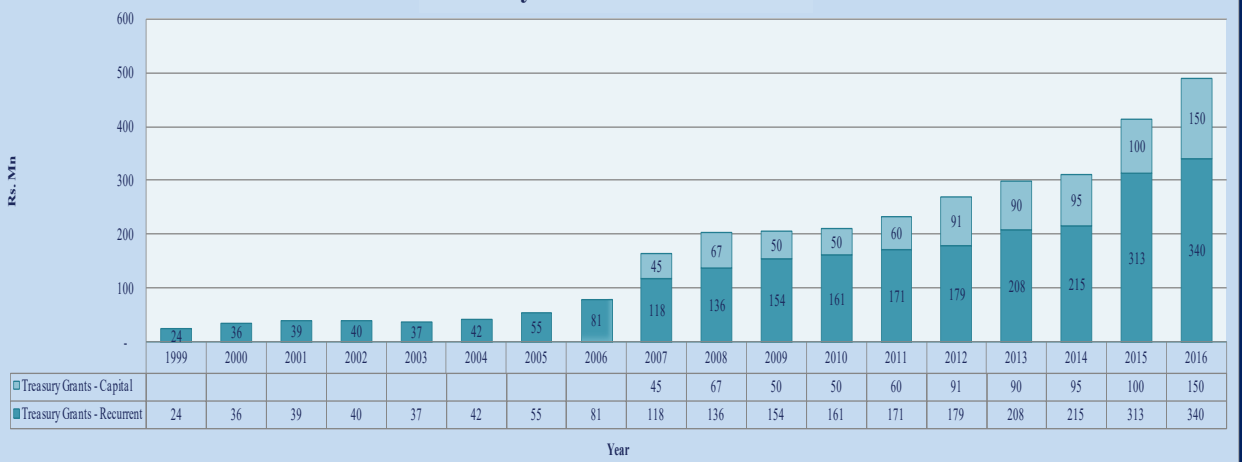
Other Income - Rs. '000



	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Other Income	-	-	-	-	-	8,771	9,161	46,051	36,074	55,052	69,951	41,082	26,508	39,371	43,076	43,320	51,942	58,896

Year

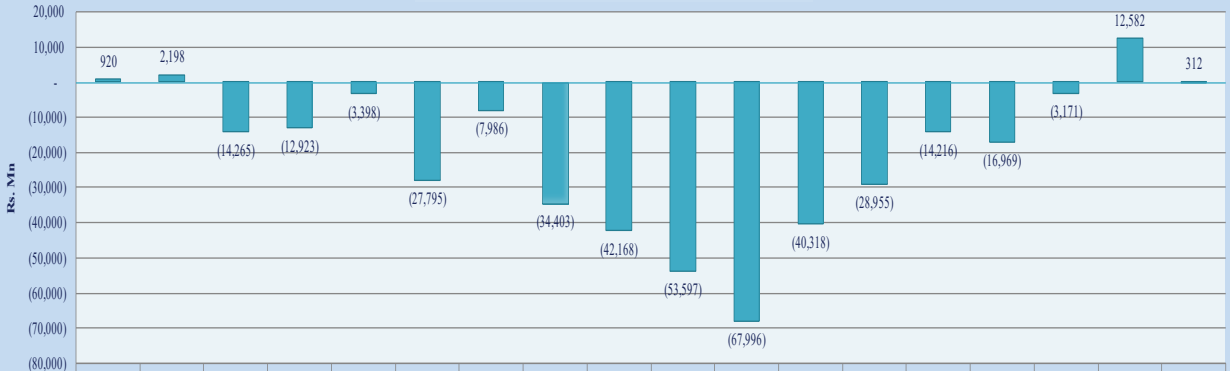
Treasury Contribution - Rs. Mn.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Treasury Grants - Capital									45	67	50	50	60	91	90	95	100	150
Treasury Grants - Recurrent	24	36	39	40	37	42	55	81	118	136	154	161	171	179	208	215	313	340

Year

Towards Profitability - Rs. Mn



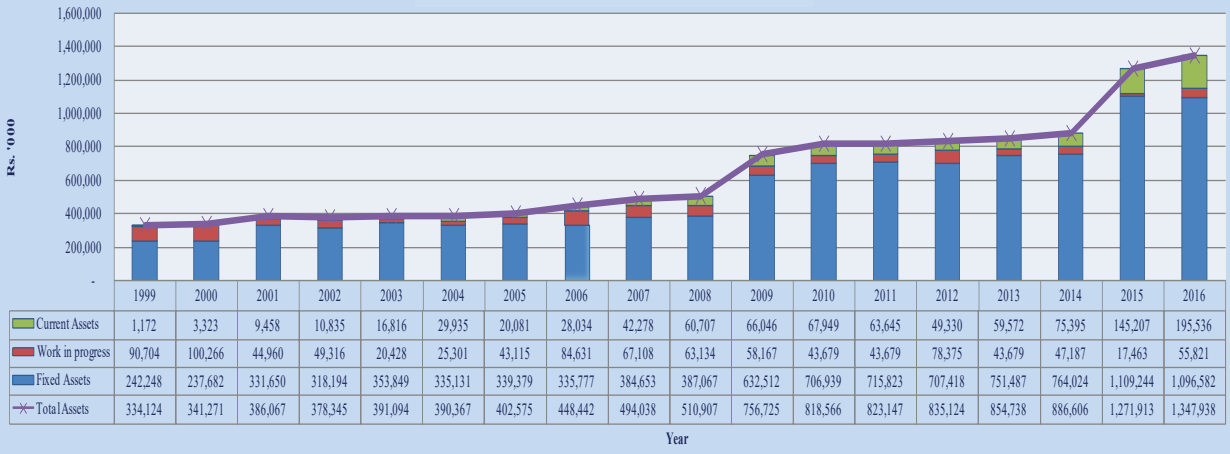
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Profit	920	2,198	(14,265)	(12,923)	(3,398)	(27,795)	(7,986)	(34,403)	(42,168)	(53,597)	(67,996)	(40,318)	(28,955)	(14,216)	(16,969)	(3,171)	12,582	312

Admin Expenses - Rs. '000

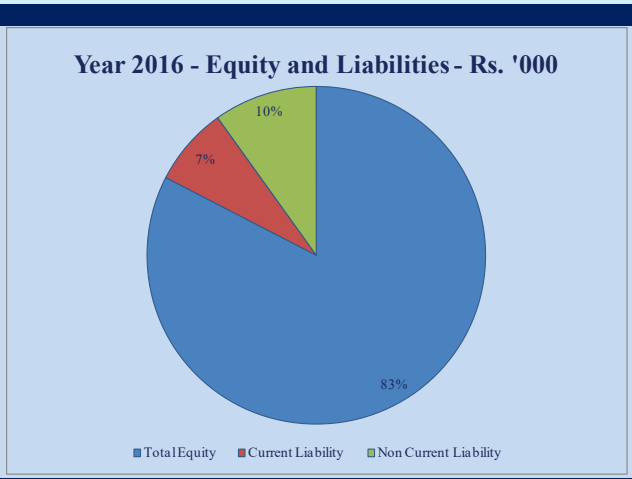


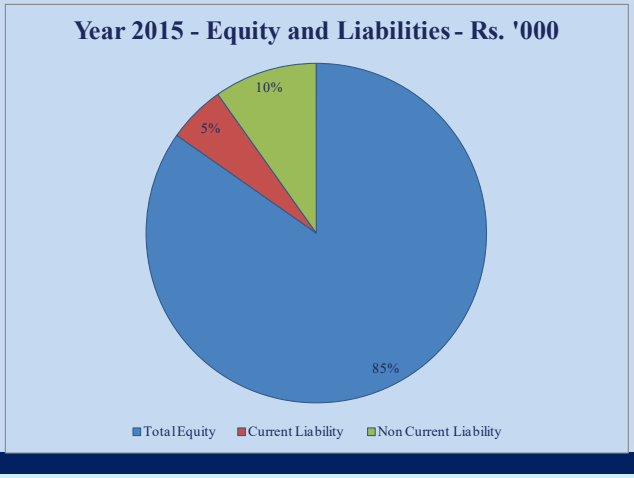
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administrative Expenses	34,947	46,670	39,522	42,906	49,772	55,343	82,820	96,574	128,424	157,614	168,344	189,075	212,826	237,040	264,473	297,410	389,847	453,323

Asset Base - Rs. '000

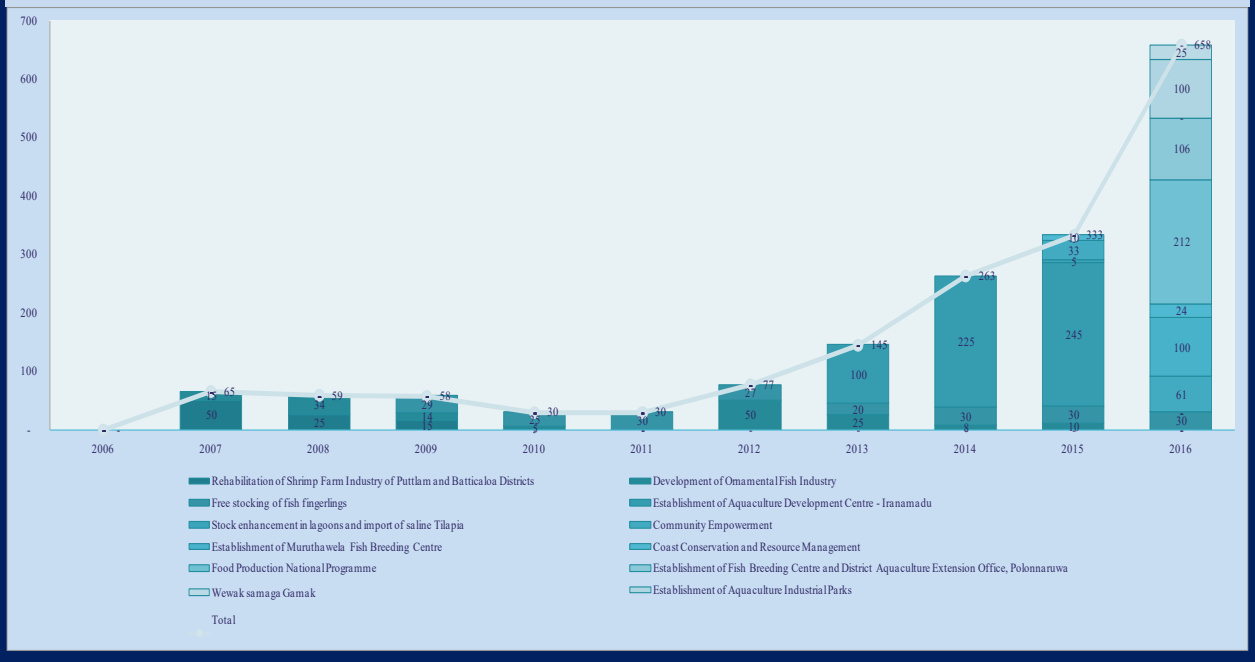


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Current Assets	1,172	3,323	9,458	10,835	16,816	29,935	20,081	28,034	42,278	60,707	66,046	67,949	63,645	49,330	59,572	75,395	145,207	195,536
Work in progress	90,704	100,266	44,960	49,316	20,428	25,301	43,115	84,631	67,108	63,134	58,167	43,679	43,679	78,375	43,679	47,187	17,463	55,821
Fixed Assets	242,248	237,682	331,650	318,194	353,849	335,131	339,379	335,777	384,653	387,067	632,512	706,939	715,823	707,418	751,487	764,024	1,109,244	1,096,582
Total Assets	334,124	341,271	386,067	378,345	391,094	390,367	402,575	448,442	494,038	510,907	756,725	818,566	823,147	835,124	854,738	886,606	1,271,913	1,347,938





Special Projects carried out during the year



5. Message from Chairman

It is with great pleasure that I present on behalf of the Board of Directors the Annual Reports and final accounts of the National Aquaculture Development Authority of Sri Lanka (NAQDA) for the year ending 31st December 2016.

The Inland fisheries and aquaculture sector of Sri Lanka which is abundantly blessed with water bodies such as reservoirs, rivers, and villus is an invaluable asset to the economy of our island nation. From times immemorial, Inland Fishing has been the major livelihood and economic activity of the people living around irrigation tanks and reservoirs in the hinterland, primarily located in the dry zone area of the country. The sector at present provides direct employment opportunities to around 54,000 people while many others are engaged in numerous allied activities. In recent times, the sector through aquaculture or fish farming, has also emerged very strongly as a highly potent contributor to the foreign exchange earnings of the country.

National Aquaculture Development Authority (NAQDA) was established in 1999 under the provisions of the National Aquaculture Development Authority Act (No. 53 of 1998) and is mandated with the responsibility for the development and management of aquaculture and inland fisheries in Sri Lanka and functions. The Authority functions under the purview of the Ministry of Fisheries and Aquatic Resources Development and its primary tasks includes among others the following:

- Identification of suitable fish species for stocking in inland water bodies,
- Development of breeding methods and introduction of technologies;
- Increasing fish seed production;
- Scientific management of inland fisheries;
- Facilitating and promoting the establishment of small, medium and large scale private/public sector enterprises in aquaculture;
- Promotion and regulation of shrimp farming;
- Promotion and regulation of ornamental fish industry and
- Introduction of new aquaculture farming systems such as mariculture, farming of crab, sea cucumbers, bi-valves, sea weeds etc

In addition, NAQDA also takes the initiative to strengthen the capacity of inland fisheries and aquaculture organizations by providing the requisite training, technology transfer and extension services as well as networking. NAQDA also pays due attention on the utilization of available aquatic resources through environment friendly and socially acceptable

best management practices ensure sustainable development of inland fisheries and aquaculture.

Promotion of Inland Fisheries and Aquaculture is of significant social and economic importance to the nation since

- It would ensure food security among rural communities and thereby enhance nutritional standards through the provision of inland fish at affordable prices.
- It will contribute towards the creation of employment opportunities among rural populations and enhance contribution to GDP and strengthen rural economy. This inland and aquaculture production in 2016 was valued at approximately Rs.16.34 billion contributing significantly to the national economy with emphasis on the rural sector.
- It will help the nation to earn valuable foreign exchange through the export of a variety of aquatic products such as tropical ornamental fish, shrimps, crab, bech d'mer, sea weed and other aquaculture products which are in great demand overseas. During 2016, foreign exchange earning mainly through export of shrimps and ornamental fish was around Rs. 4,311 Mn.

In 2016, the production of Inland and Aquaculture production was 73,930 tons which was a 10% increase over production level in 2015. The implementation of a large number of important fishery programmes including the proper management of reservoirs with community participation, the establishment of community based mini-hatcheries, increase of fish seed production and more liberal schemes for the issue of fingerlings and distribution of boats and fishing gear and the skill development of fishermen were some of the more important factors that contributed to the healthy performance of the sector during 2016.

It is also noteworthy that the shrimp farming industry which was devastated by the 'white spot" disease has by now returned to previous production levels and shrimp farming is gradually being extended to the district of Batticaloa. I am happy to state that there is a growing trend on the part of small scale entrepreneurs to undertake non-traditional aquaculture activities and considerable growth in sea cucumber and sea weed farming is anticipated in the coming years due to NAQDA's efforts at introducing technologies and implementing pilot projects in sea cucumber breeding/farming and sea weed farming. A leading company has commenced seaweed farming based on community participation and targeting exports. Mariculture based on the cage culture of Seabass is becoming popular among investors. Among the other favourable and encouraging trends in the field of aquaculture is the growth in small scale farming of food fish in ponds gradually overcoming certain social and cultural barriers. Ornamental fish farming is getting expanded rapidly with a broadening of the range of species as well as the improvement of the quality up to requisite export standards. NAQDA is acting to harmonize and coordinate

the objectives of the producers and exporters and thereby to ensure mutual benefits.

Special mention also need to be made on the beneficial impacts of the following programmes:

- "Wewak Samaga Gamak" programme initiated by the Ministry of Fisheries and Aquatic Resources Development with a view to boosting social and economic development of fishers residing in the vicinity of reservoirs and enhancing their life standards through generation of new employment has made satisfactory progress. A number village level infrastructure activities are under way.

- "Pibidemu Polonnaruwa" Programme initiated by the Presidential Secretariat under which the establishment of Fish a Breeding Centre and District Aquaculture Extension Office, Polonnaruwa has been commenced.

- "National Food Production Programme 2016-2018" initiated by the Presidential Secretariat to achieve self-sufficiency in quality food. Under this programmes several activities such as the establishment of new breeding centres, hatcheries, renovation and expansion of facilities in existing centres, stocking of fish fingerlings, promotion of aquaculture in estates, etc.

Strategic Objectives and Future Prospects

National per capita fish consumption in 2016 was 43.4g per day and this is expected to increase in coming times with an increasing contribution from inland fish and aquaculture. Our target is to increase the contribution of inland and aquaculture in achieving the recommended fish consumption level of 60g per day.

NAQDA has taken a number of important steps and measures with the aim of increasing the inland and aquaculture production up to 130,000 Mt and generating an additional 40,000 direct and indirect employment opportunities by the year 2020. While it has been estimated that 300 million fish fingerlings are required to utilize all the freshwater reservoirs effectively to undertake fish production and currently we are producing around 70 million fingerlings per year. We have planned to produce more fingerlings through a series of measures such as increasing the breeding capacity of existing centres through renovation and expansion, the establishment of new breeding centres, improving the genetic diversity of fish brooders and genetic Improvement, establishment of mini nurseries, private ponds, fish cages, establishment of water based hatcheries. We have also introduced a programme for releasing fry instead of fingerlings into pens at reservoirs. Thus, we expect that fingerling stockings would be increased up to 100 Mn by year 2018 thereby leading to an increase of the earning capacity of fishers/farmers. This would bring extra revenue to the country in addition to increased foreign exchange savings through reduced imports.

With the expansion of freshwater prawn hatchery capacities at Kahandamodara, Pambala, as well as the establishment of new hatchery at Trincomalee, we hope to increase the production of freshwater Prawn post larvae by three times the current volume and reach 120 Mn. This would help to earn around Rs. 1,500 million by way of foreign exchange earnings.

We will continue the programme for the development of culture based fisheries in perennial reservoirs and seasonal reservoirs and also enhancement of stocking of high valued aquaculture species. We have setup rural fisheries organizations to support the management of culture based fisheries. With contribution of Rs. 20/- per each kilo of fish within short a period societies have built up a fund of Rs. 122 million. We aim to stimulate the accumulation of more funds and thus relieve the need to depend on government support by being self-sufficient.

To Enhance the Nutrition Levels among Estate Communities we already implemented aquaculture programmes in estate ponds and we will renovate all the estate reservoirs and introduce culture based fisheries in the few years.

We launched the new concept of Aquaculture Industrial Parks and Crab Cities in 2017. This is with the objective of improving the environment for aquaculture investments and to sustainably meet food security and economic development targets without causing environmental degradation by providing suitable facilities and a conducive environment for the potential investors to develop coastal aquaculture. Through these establishments direct and indirect jobs will be created. Also this will benefit coastal community by increasing their income and living standards. Increasing coastal aquaculture production will contribute for the development of economy of the country.

We continue the lay stress and emphasis on the development of non- traditional aquaculture activities and we aim to attract more and more foreign investors in to this sector with aim to increase the aquaculture production as well as to receive the technical know-how.

With all these new developments we will be able to enhance nutritional status of the rural community, strengthen the rural economy and increase export earnings.

Appreciation

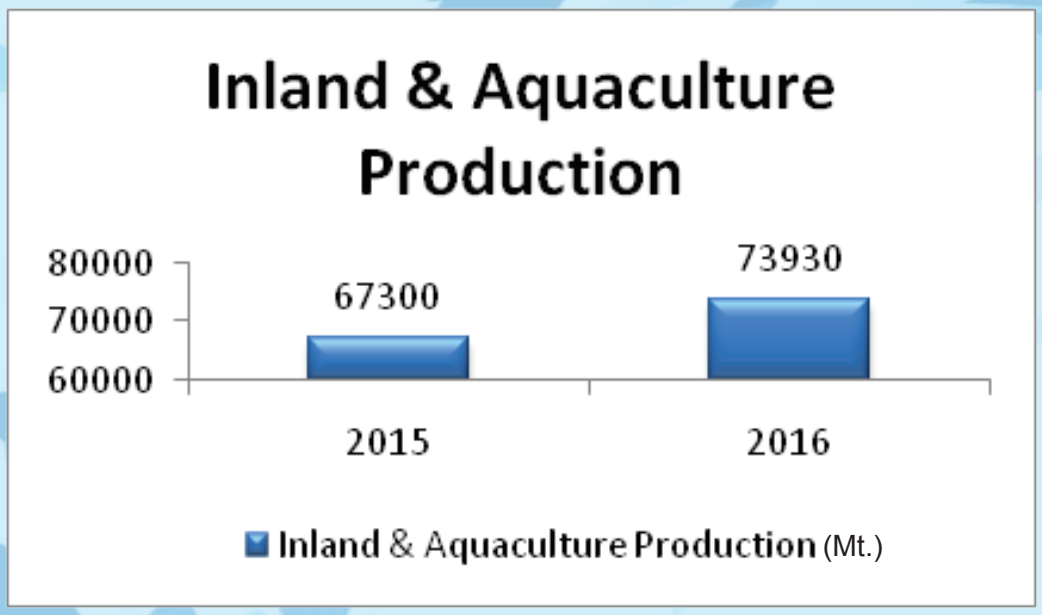
I am also grateful to Hon. Vijith Vijayamuni Zoysa, Minister of Fisheries and Aquatic Resources Development and Rural Economy, Hon. Ameer Ali Shihabdeen, Deputy Minister of Fisheries and Aquatic Resources Development and Rural Economy & Hon. Dilip Wedaarachchi, State Minister of Fisheries and Aquatic Resources Development and Rural Economy, Secretary to the Ministry, State Secretary to the Ministry, the Auditor General & his staff, the heads of relevant regulatory bodies and their teams for their generous cooperation and their ready assistance and guidance.

I would like to express my sincere appreciation to the members of the Board of Directors of the National Aquaculture Development Authority for the continued wise guidance and support provided during the year. In particular, I wish to place on record the profound cooperation and the contribution made by the Director General/CEO and his management team for their competent and prudent management, dedication and commitment.

Chairman
Mr. Nuwan Prasantha Madawan Arachchi
B.sc, M.sc, **(MRDP)**.

6. Message of Director General

NAQDA is the Government Sector entity mandated with the responsibility for development of Aquaculture and Inland Fisheries including Ornamental Fish and Aquatic Plant farming in Sri Lanka. In this task, NAQDA is focused on the welfare of its stakeholders as well and on increasing the revenues of the state and the incomes of the stakeholders.

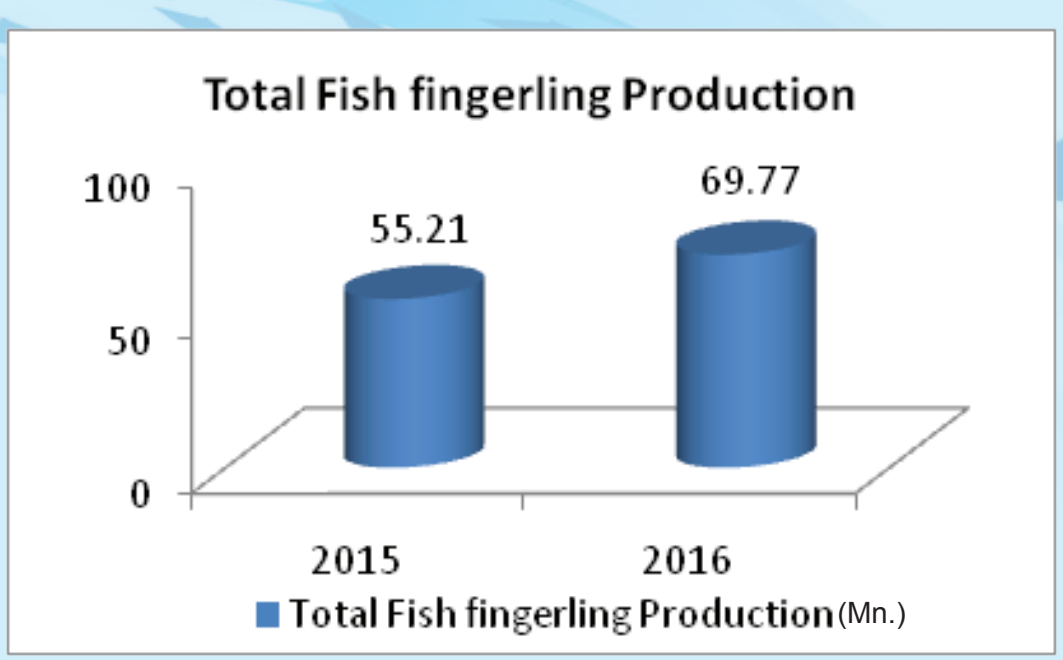


The inland fish and aquaculture production sector grew significantly in the year 2016 by recording a production level of 73,960 mt which was an increase of 6,630 Mt. over the production in the year 2015. The more significant factors which led to this performance included the effective management of the water bodies through community participation, the successful operation of the community based mini–hatcheries, the increase in the production of fish seed, and stocking of the reservoirs with adequate fingerlings. One setback however was that the production from the farming of prawns (the most important commercial scale aquaculture activity) resulted in a decrease during the year due to the salinity increases in lagoons resulting from low levels of rainfall, the lack of quality brood stock for seed production as well as the the infection of shrimp post larvae in their early stages by Vibrio bacteria disease. Despite all these shrimp production in Puttalam and Batticaloa District in 2016 was 6,030 tons.

In the year 2016, 69.77 Mn fingerlings were produced in Aquaculture Development Centres (AQDCs) of NAQDA, Mini Nurseries managed by community based organization and private ponds. This is a significant increase (26%), when compared to the fingerling production in 2015. The introduction of the pen culture programme for raring of Fry – Fingerling in reservoirs was a main reason for the increase of the fish fingerling production.

Stocking of freshwater prawn in reservoirs, ponds and lagoons increased by 68% in the year 2016 and such seed was obtained from the hatcheries in Pambala, Kahandamodara as well as the private hatcheries. These will help to increase freshwater prawn post larvae production up to 50 million from the present production of 22 million. NAQDA has also commenced the construction

of a new freshwater prawn hatchery in Trincomalee District with a 25 Mn production capacity per year. Freshwater prawn production is emerging as a new high valued fishing activity in the inland waters and it has developed into a valuable foreign exchange earner. There are three companies engaged in exporting of freshwater prawn. Freshwater Prawn stock enhancement in reservoirs is taking place and buy back arrangement are under establishment under public private partnership schemes. These are very encouraging trends and are bound increase freshwater prawn stocking in reservoirs and subsequently increase the production as well as the export earnings of the country.

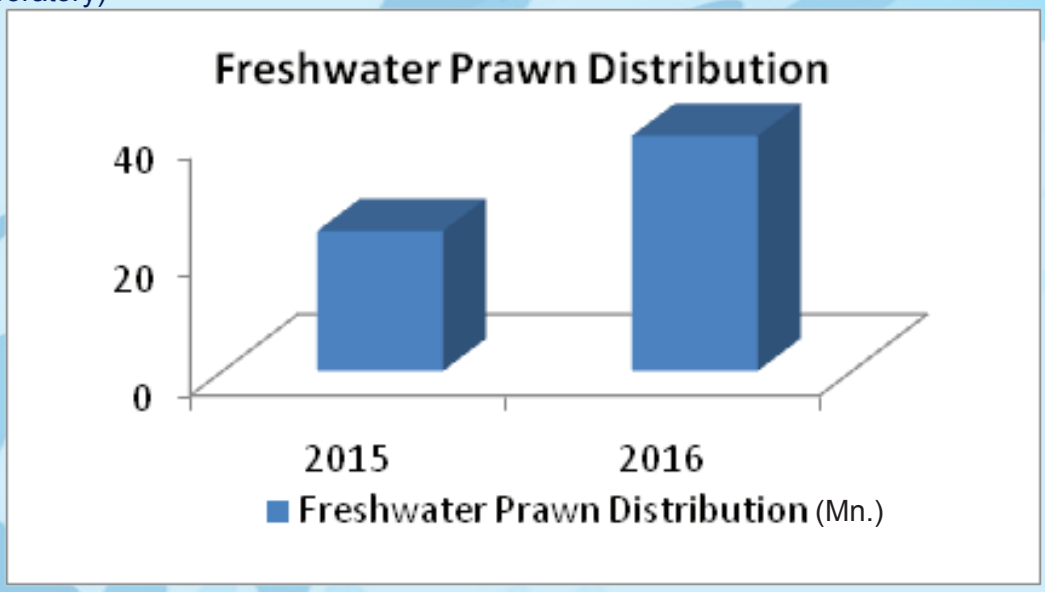


A special programme was commenced to support the establishment of fish ponds in the plantation sector by obtaining the active involvement of the estate managements and the communities. The primary aim of this programme is to improve the nutrition status among estate communities and also to provide additional incomes for the estate households. This programme was carried out in the plantation districts in Nuwara Eliya, Kandy, Galle, Ratnapura, Matale and Kegalle.

In 2016 NAQDA commenced the construction of three new Aquaculture Development Centres in Sevanapitiya (Polonnaruwa District), Udawalawe (Ratnapura District) and Muruthawela (Hambantota District). These will result in an increase in the supply of fish seed required for stocking in the reservoirs in the Southern and North Central areas in order to improve the nutrition intake level by increasing the inland and aquaculture fish production.

In addition to utilization of large number of irrigation reservoirs for culture based fisheries, commercial aquaculture such as, coastal finfish , sea weed, sea bass, bivalve,sea cucumber, mik fish and fresh water prawn culture are the other sectors of aquaculture which have been commenced to develop with community / private sector participation. Therefore, the product range of aquaculture started to diversify in 2016. A further noteworthy development was the successful breeding in captivity of mud crab which is a very encouraging development.

NAQDA is involved in the introduction and development of new strains of ornamental fish, development of new technology, provide brood fish, fish disease diagnosis and control, provision of training and technical assistance etc. in support of the development of ornamental fish and aquatic plant culture and exports. Ornamental fish breeding centers at Rambodagalla and Ginigathena is dedicated for ornamental fish and plants. A tissue culture laboratory established at Rambodagalla is involved in tissue culture of ornamental aquatic plants. The main objectives of this are to technology transfer and to earn the foreign exchange by exporting aquatic plants. New agreement was signed with Aqua Agri for buying aquatic plants. (Only from NAQDA tissue culture laboratory)



NAQDA also initiated four programmes under the Regional Initiative on Sustainable Intensification of Aquaculture for Blue Growth in Asia-Pacific Projects of FAO. These are:

a. The Establishment of water based mini hatcheries on pilot testing;

b. Development of strategy for aquaculture value chain development;

c. Technical assistance on human resource capacity building related to fish genetics and brood stock management; and

d. Reducing and managing the risks of Acute Hepatopancreatic Necrosis Disease (AHPND) of cultured shrimp

Director General
Nimal Chandraratne (B.sc, M.sc)

7. BOARD OF DIRECTORS

Mr Nuwan Prasantha Madawan Arachchi (Chairman)

Mr. Sarath Priyantha Bandara

Mr. L. H. E. Trilantha de Silva

Mr. Kaluarachchige Sarath Chaminda

Mr. R. W. Dayaratne

Prof. Daya Edirisinghe

Mr. Hemal Gunasekara

Mr. G. P. Janaka Kumara

Ms. R. M. C. M. Herath

Mrs. P. H. Handunhewa

Eng. S. M. D. L. K. De Alwis

Ms. R. H. M. P. Abeykoon

Ms. L. T. D. Thamara Perera

8. HIGHER MANAGEMENT

Mr. P. N. Chandraratne (Director General)

Dr. Mrs. J. M. Asoka (Director - Coastal Aquaculture Development)

Mr. H. M. U. K. P. B. Herath (Director - Freshwater Aquaculture Development)

Ms. K. B. C. Pushpalatha (Director - Extension)

Mr. K. N. A. Dissanayake (Director - Finance)

Mr. W. M. I. K. Wijesekara (Act. Director - HRD)

9. MIDDLE MANAGEMENT

Mr. S. T. Withanage (Aquaculture Engineer)

Mrs. D. Sumanarathna (Legal Officer)

Mr. M. D. Nanadasiri (Internal Auditor)

Mr. W. P. R. Chandarathne (Fish Pathologist)

Mr. R. H. Pothuwila (Asst. Director Training)

Mr. M. G. G. Gunasena (Asst. Director Extension)

Mr. M. V. Dharmadasa (Asst. Director Freshwater)

Mr. A. R. Mudalige (Fish Genetic Specialist)

Mr. M. P. Withanage (Fish Nutritionist)

Mr. M. U. W. Muthunayake (Asst. Director Freshwater)

Mr. C. K. Sapumohotti (Asst. Director Extension)

Mr.K. M. D. M. Somarathna (Asst. Director Freshwater)

Mr. Saminda Lakmal (Asst. Director Coastal)

Mr. W. A. J. R. Fernando (Asst. Director Extension)

Mr. B. Niruparaj (Asst. Director Coastal)

Mr. S. H. A. Sirikumara (Asst. Director Freshwater)

Mr. R. M. Keerthisiri (Asst. Director Freshwater)

Mr. Ravi Kumar (Asst. Director Coastal)

Mr. S. S. Chandrakeerthi (Asst. Director Extension)

Mr. C. S. I. Pathirana (Asst. Director Freshwater)

Mr. R. M. N. P. K. Ranthunga (Asst. Director Coastal)

Mr. W.C. Jayaweera (Asst. Director Coastal)

Mr. A. M. D. N. S. Athapaththu (Asst. Director Coastal)

Mrs. A. M. F. Yasmina (Asst. Director Finance)

10. Board of Directors' Report

The Directors of the National Aquaculture Development Authority have pleasure in presenting their Annual Report together with the Audited Financial Statement for the Financial Year Ended 31st December 2016.

Review of Business

The Chairman's Message and the review of Operations by the Director General gives a detailed Report on the Operations of the National Aquaculture Development Authority; for the Financial year ended 31. 12. 2016. In Addition to this full account of Operations can be found in the Audit Report Presented by Government Auditors.

Legal Status of NAQDA

National Aquaculture Development Authority (NAQDA) was established in 1999 under the provisions made available by the National Aquaculture Development Authority Act No. 53 of 1998. It is the main state sponsored organization mandated for the task of development of the aquaculture and inland fisheries sector in Sri Lanka. Presently, it is coming under the purview of the Ministry of Fisheries and Aquatic Resources.

Board of Directors

The Board of Directors of National Aquaculture Development Authority (NAQDA) of Comprised of fourteen Directors during the year.

Name of the Member	Post & Office	Date of Appointment
1. Mr. Upali Mohotti (Attoney-at-Law)	Chairman (NAQDA)	30/10/2015
2. Mr. K. G. A. Gunarathna	Board Member	30/10/2015
3. Mr. W. I. Deepal Peiris	Board Member	30/10/2015
4. Mr. Vidura Bhadrajith Ratnayake Weerakoon (Attorney-at-Law)	Board Member	30/10/2015
5. Mr. Nelson Wanniarachchige Abeygunawardhana	Board Member	30/10/2015
6. Mrs. P. H. Handunhewa	Senior Assistant Secretary (Export Agriculture & Agrarian Services) Ministry of Agriculture	20/07/2015
7. Mr. Thusitha Aluthpatabendige	Chairman Ceylon Fisheries Corporation (CFC)	24/07/2015-26/08/2016
8. Mr. Jagath Kumara Perera	Chairman (Ceylon Fisheries Corporation)	06/09/2016
9. Dr. Anil Premarathne	Chairman National Aquatic Resources Research and Development agency (NARA)	30/10/2015
10. Mr. M. C. L. Fernando	Director General Dept. of Fisheries & Aquatic Resources	08/05/2015
11. Mrs. R. M. C. M. Herath	Deputy Director General (F & A) Mahaweli Development Authority of Sri Lanka	19/04/2015
12. Eng. S. M. D. L. K. De Alwis	Director (Water Resources Management) Ministry of Irrigation & Water Resources Management	27/04/2016
13. Mrs. R. H. M. P. Abeykoon	Director (Bio Diversity), Ministry of Mahaweli Development & Environment	22/07/2016
14. Mrs. Hiransa Kaluthanthri	Director Department of Management Servies	20/03/2015 - 25/11/2016

Participation at Board Meetings -2016

No.	Name of the Directors	Date of Appointment	No. of Meetings	No. of Meetings Attended
1	Mr. Upali Mohotti (Attorney-at-Law)	10/30/2015	12	12
2	Mr. K. G. A. Gunarathna	10/30/2015	12	9
3	Mr. W. I. Deepal Peiris	10/30/2015	12	9
4	Mr. Vidura Bhadrajith Ratnayake Weerakoon(Attorney-at-Law)	10/30/2015	12	11
5	Mr. Nelson Wanniarachchige Abeygunawardhana	10/30/2015	12	12
6	Mrs. P. H. Handunhewa	07/20/2015	12	11
7	Mr.Thusitha Aluthpatabendige	26/08/2016	12	7
8	Mr. Jagath Kumara Perera	09/06/2016	12	2
9	Dr. Anil Premarathne	10/30/2015	12	9
10	Mr. M. C. L. Fernando	05/08/2015	12	6
11	Mrs. R. M. C. M. Herath	04/19/2016	12	6
12	Eng. S.M.D.L.K. De Alwis	04/27/2016	12	4
13	Mrs. Hiransa Kaluthanthri	07/22/2016	12	7
14	Mrs. R. H. M. P. Abeykoon	20/03/2015-25/11/2016	12	4

Audit Committee

- Mr. K. G. A. Gunarathna
- Mr. N. W. Abeygunawardhana
- Ms. Hiransa Kaluthanthri
- Ms. P. H. Hadunhewa
- Ms. G. S. S. G. Perera

The report of Audit Committee is given.

Vision & Mission

The NAQDA Vision Mission is given in page No. 5 & 6

Auditors

The Financial Statement for the year have been audited by Auditor General. A resolution Pertaining to ratification of appointment of Auditors has been proposed at the Governing Board Meeting .

STAFF OF THE AUTHORITY

Categories	Nos.
Senior Managers	*05*
Middle Managers	*11*
Junior Managers	
Aquaculturists	*42*
Regional/District Extension Officers	*18*
Statistical Officers	*03*
Computer Analyst	*01*
Procurement Officer	*01*
Social Development Officer	*01*
Finance Officer	*01*
Administrative Officer	*01*
Management Assistant – Technical	
Assistant Aquaculturists	*15*
Aquaculture Extensions Officers	*97*
Technical Officers	*03*
Book keeper	*01*
Forman	*01*
Management Assistant – Non Technical	*70*
Primary Level	
Drivers	*42*
Minor Staff	*292*
Total	***605***

Going Concern

The Board of Directors is satisfied that the Authority has adequate resources to continue its operation in the foreseeable future Accordingly, the financial statement is prepared based on the going concern concept.

Financial Statement

Financial statement of the NAQDA have been Prepared on a going Concern basis in compliance with the Sri Lanka public sector accounting standards and the NAQDA Act No.53 of 1998 and amendments there to and in conformity with the generally accepted accounting principles and applied consistently. Reasonable and prudent judgments have been made where necessary when preparing the financial Statements.

Revenue

The total gross of the revenue of NAQDA for the financial year ended 31st December 2016 was Rs. 105,254,468.35.

Capital Expenditure

The total expenditure on the acquisition of property, plant, & equipment during the year amounted to Rs. 47,723,068.98 details which are shown in cash flow statement to the accounts.

Statutory Payments

The Board of Director of NAQDA to the best of Knowledge and belief are satisfied that all statutory payment due to the Government and in relation to the employees have been made on time.

Post Balance sheet event

No events have arisen since the Balance sheet date which requires adjustment or disclosure in the accounts.

By Order of the Board,

.....

Secretary to the Board,
National Aquaculture
Development Authority

Legal Officer
Diluka Sumanarathna
Attorney at- Law(LLB Sri Lanka) &
Notary Public Commissioner for Oaths

11. Message of Directors

11.1 Director - Coastal Aquaculture Development

Coastal Aquaculture Development Division of NAQDA involves in the development of coastal aquaculture and ornamental fish culture in Sri Lanka. There are two Coastal Aquaculture extension and monitoring units, two Freshwater prawn breeding centres, ornamental fish breeding centre and ornamental fish breeding & training centre established under Coastal Aquaculture Development Division.

Shrimp Farming

Shrimp farming has been the most lucrative commercial coastal aquaculture activity in Sri Lanka. Shrimp production and export in 2016 is shown in Figure 01. There are two Shrimp Farm Monitoring & Extension Units at Puttalam and Batticaloa districts under Coastal Aquaculture development division of NAQDA. With the intervention of NAQDA and the mitigation measures put in place and being now implemented, the disease situation has been brought under control.





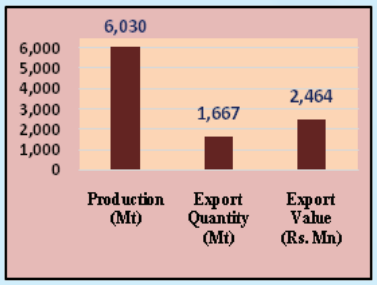


Figure 01 - Shrimp Production & Export in 2016

Various activities were implemented during last few years through the Shrimp Farm Monitoring & Extension Units of NAQDA to rehabilitate the shrimp farming industry, which was devastated by the White Spot disease. Main activities undertaken were, Dredging of Dutch Canal, Introduction of a crop calendar and zoning, Formation of relevant rules & regulations and implementation, Regulation of shrimp hatcheries and screening of post larvae of shrimp and broodstock. In addition, services are being provided at the Shrimp Disease Diagnosis and Health Management Laboratory at Battuluoya for shrimp farmers to detect shrimp diseases. In 2016, 5804 samples were tested for PCR and the operating farm area is 1300ha and 533 million post larvae were produced from private shrimp hatcheries at Puttalam district. Shrimp farm area is in Batticaloa district is around 106 ha. In 2016, 21.4 million post larvae were produced from shrimp hatchery which managed by a private company under Public / Private Partnership and 18.4 Mn. post larvae were stocked in Batticaloa district.



Shrimp Farm Monitoring & Extension Unit-Battuluoya Puttalam district



Shrimp Disease Diagnosis and Health Management Laboratory at Battuluoya

Freshwater prawn farming

Freshwater prawn breeding centre at Kahadamodara was expanded with new hatchery breeding centre of 20 Mn capacity in 2016. Freshwater prawn breeding centre at Pambala was also expanded to produce additional 10 Mn freshwater prawn post larvae. 39.64 million post larvae of freshwater prawn were stocked in water bodies and ponds by our centres and private hatchery in 2016.

Freshwater prawn production was around 705 Mt and 101 Mt of freshwater prawn was exported and earned Rs Mn. 224 foreign exchange in 2016. Contribution value to the rural economy is approximately Rs. Mn 846 in 2016.





Freshwater prawn breeding center at Kahandamodara



Freshwater prawn breeding center at Pambala

Ornamental Fish Farming






The ornamental fish industry is wide spread in Sri Lanka and the total exports of ornamental fish and aquatic plants amounted to Rs. Mn 1847 in 2016. NAQDA is involved in development of new ornamental fish strains, development of technology, provide brood fish, fish disease diagnosis, provide training and technical assistance etc. to support development of ornamental fish and aquatic plant culture and exports. Aquaculture Development Centres at Rambodagalla and Ginigathena is dedicated for ornamental fish and plants. In 2016,1.75 milion ornamental fish were sold including 92,713 brooders by these two ornamental fish breeding centers. A tissue culture laboratory established at Rambodagalla is involved in tissue culture of ornamental aquatic plants.

The main objectives of this tissue culture laboratory are to technology transfer to the enterpreneurs ,undergraduates and also to expand the variety range of ornamental plants to earn the foreign exchange by exporting aquatic plants. 44,220 numbers of aquatic plants were produced from the tissue culture lab and 40,880 numbers of plants were exported in 2016. 26 training programmes were conducted and 696 beneficiaries were trained at Ornamental fish breeding and training center at Rambodagalla in 2016.

NAQDA has organized " Min Visithuru 2016", an Exhibition of Ornamental Fish, Aquatic Plants and Accessories with the objectives of improving the knowledge of those interested in ornamental fish farming and the producers, introducing new ornamental fish varieties and increasing the export demand for Ornamental Fish and Ornamental Aquatic Plants produced in Sri Lanka. This exhibition was inaugurated by His Excellency the President Maithripala Sirisena and 35987 persons were participated to this exhibition.

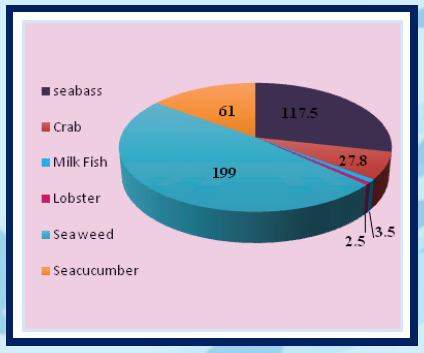




" Min Visithuru" - 2016

Other Coastal Aquaculture Projects

Other coastal aquaculture projects such as seabass culture, crab culture , seaweed farming, sea cucumber farming etc. were implemented under supervision of coastal aquaculture division of NAQDA. In 2016, Production details were given in figure 02.





Seaweed Culture



Crab Culture



Sea cucumber Culture



Seabass Culture

Proposed New Projects in 2017

(1) Multi species Marine Fin Fish Hatchery in Batticaloa district
(2) Aquaculture Industrial Park in Mannar district
(3) Freshwater Prawn Indoor Hatchery in Trincomalee district
(4) Sea Cucumber Hatchery in Mannar district
(5) Establishment of Crab cities
(6) Ornamental Fish Breeding Centre in Polonnaruwa district

Director (Coastal Aquaculture Development)
Dr. J. M. Asoka

11.2 Director - Freshwater Aquaculture Development

Culture of the aquatic animals and aquatic plants is known as aquaculture and it can be undertaken in freshwater, brackish water as well as in sea water. Freshwater aquaculture contributed around 90% of the overall aquaculture production in Sri Lanka in 2016. Carp species and Tilapia currently predominate in freshwater aquaculture.

In 2016 the total production from inland fisheries and aquaculture was 73,930 MT and of this carp and Tilapia species accounted for 54,780 MT. Fish seed is stocked under an Annual National stocking programme in the large, medium and small reservoirs as well as in the seasonal tanks planned and coordinated by NAQDA. In addition to that fish seeds are also provided to other fish farmers to be utilized in other types of Aquaculture practices (Eg: ponds, cages and enclosures).

The Aquaculture Development Centres managed by the Freshwater Aquaculture Development Division of the National Aquaculture Development Authority of Sri Lanka (NAQDA) are the main actors in the fish seed production programme as well as in the stocking of the reservoirs and in supplying seed to the fish farmers. A string of Aquaculture Development Centres in locations such as Dambulla, Iginiyagala, Udawalawa (Carp species), Udawalawa (Tilapia), Kalawewa, Iranamadu, Nuwara Eliya and Muruthawela are being operated under the freshwater Aquaculture Development Division. As much as 54% of the Fingerlings (Carp Species and Tilapia Species) produced in the year 2016 were directly produced by by these Centres. The balance i.e. 46% of the overall production of fingerlings were produced by the community based small scale fish seed production Units and the private fish seed producers who owned fish ponds, cages and other enclosed systems.

However, all the post larvae and fish fry used for their growing up to fingerling size for stocking were produced by the Aquaculture Development Centres operated under the National Aquaculture Development Authority of Sri Lanka. While 137.3 million of post-larvae and 112.3 million of fry was produced from the Aquaculture Development Centres in the year 2016 these Centres also produced a further 37.3 million fingerlings. The fish fry produced in 2016 showed a 30% increase compared with the 2015 production.

As a matter of principle, NAQDA encourage the issue of fish fry to external fish farmers, and other fingerling rearing units using cages and net encloses to rear them up to fingerling stage as against issuing of fingerlings direct from Aquaculture Development Centres for stocking in the reservoirs and water bodies in the surrounding areas. As a result, 55.2 million, which was the overall issue of fish fry in the year 2015 increased up to 69.8 million in year 2016 the increase being 14.6%.

The production of fish post larvae, fry and fingerlings of Aquaculture Development Centres in year 2015 and 2016 is shown in following chart.

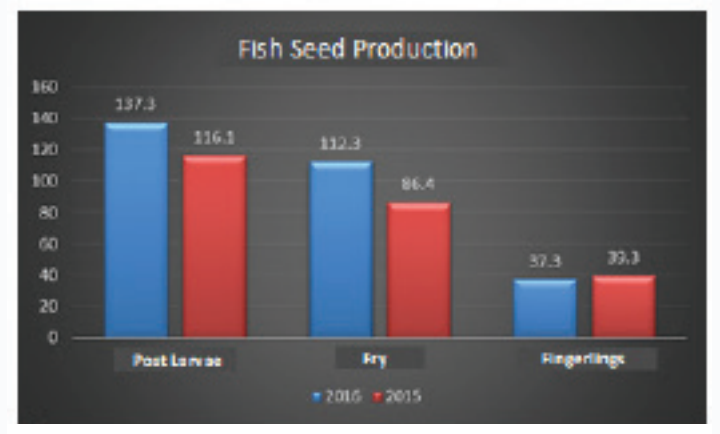


Fig. 1: Fish Seed Production

The percentages of the fish species produced by the Aquaculture Development Centres are shown in the following chart.

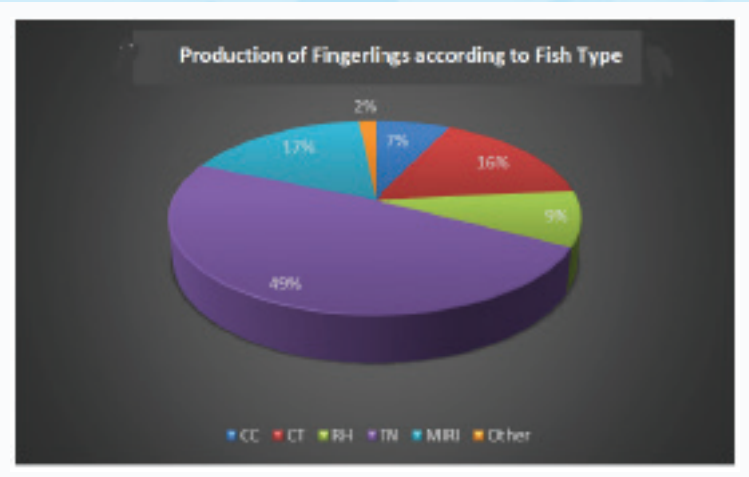


Fig. 2: Species wise Fingerling production

Increase the supply of fish seed required for stocking in reservoirs in the Southern and North Central areas in order to increase protein intake and improve the incomes of the rural communities, NAQDA has commenced the construction of three Aquaculture Development Centres in Sevanapitiya in Polonnaruwa District, Muruthawela in Hambantota District and Udawalawe in the Ratnapura District. The Sevanapitiya AQDC is funded under “Pibidemu Polonnaruwa” Programme at a cost of Rs. 400 Mn while the Udawalawe AQDC is funded under “National Food Production Programme”.at a cost of Rs. 250 Million. The Muruthawela AQDC has been funded by the Treasury at a cost of Rs. 400 million and will have the capacity to provide the bulk of the fish seed requirements of the southern region of the country.



Muruthawela AQDC



Polonnaruwa AQDC

Director (Freshwater Aquaculture Development)
H. M. U. K. P. B. Herath (B.Sc, M.Sc)

11.3 Director - Extension

Extension Division is responsible mainly for increasing fish food production through improving the management of culture based fisheries and development of Aquaculture. There are 22 District Aquaculture Extension Officers and 110 Aquaculture Extension Officers who have been assigned to do the extension activities in the respective areas covering the island.

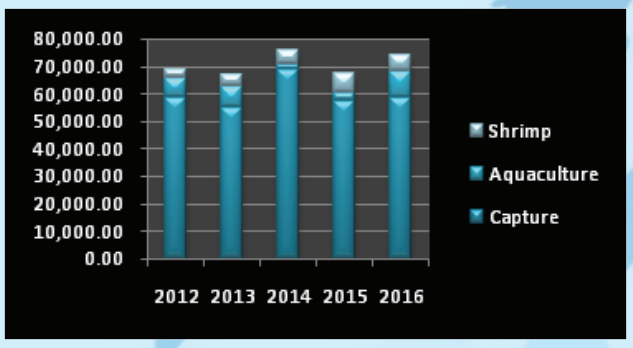


Fig 01: Inland fish and aquaculture production from 2012 to 2016



Picture 01: Fish catches from reservoir

Increased fingerling stocking is one of the most important strategies applied to enhance reservoir fish production. In addition to the production of fish fingerlings from Aquaculture Development Centres of NAQDA, community participation is also being actively encouraged to increase fingerling production for use in culture-based fisheries in reservoirs. In order to increase fish fingerling production, 22 community based nurseries are operated and it was possible to produce 10.08 million fingerlings in 2016. To meet the fingerlings requirement for stocking in reservoirs, rearing of fish fry in cages and pens installed in reservoirs, is being used. Feeding of fish fry up to fingerling size and other activities connected with the maintenance of net cages and pens are handled by the fishing communities. By using community based nurseries, pens and cages 21 million fingerlings were produced and this accounted for accounted for 31% of total fingerling production in 2016. It is planned to further increase fingerling production using cages and pens in the future.

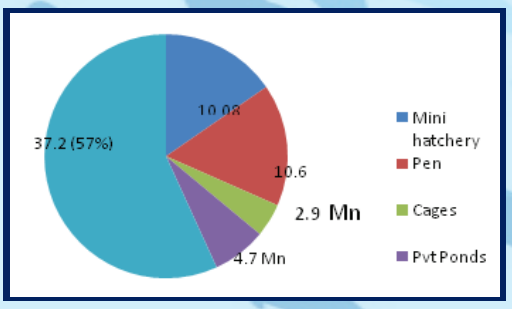


Fig. 02: Systems of fingerling production in 2016



Picture 02: Fry rearing in floating net cages in the Victoria reservoir in Kandy



Picture 03 : A community based nursery

Social development programme “Wewak Samaga Gamak” was introduced to improve infrastructure facilities in selected fisheries villages. The construction of access roads, improvement of facilities at landing site, construction of community halls, improving pre-school/nursery school facilities, supply of clean water and electricity are some of the common infrastructure facilities provided by this program spending Rs. 25 Mn during the year 2016.

Empowerment of fishing communities is one of the Inland fisheries management activity implemented by extension officers. Fisheries societies in associated with inland reservoirs/ water bodies have built up Revolving Funds by collecting Rs. 20 from each kilogram of fish harvest and such funds are utilized for purchasing fish seeds, preparation of net cages/ pens etc. Currently, the total funds collected by fisheries societies is around Rs. 120 Mn and plans are underway to raise these funds by ten times within the next 5 years. Special programme for reservoir fisheries management were launched to minimize illegal fishing by giving environmentally acceptable fishing gears, while 500 inland canoes were added to the fishing fleet to increase fishing effort in water bodies wherever they were found to be necessary and sustainable. The registration of canoes and the issue of operational licence to fishers continue to be undertaken by the Aquaculture Extension officers.



Picture 04 : Distribution of canoes to fishers

Dissemination of technical knowledge and the improvement of skill are vital elements in Aquaculture extension programmes. National Inland Fisheries and Aquaculture Training Institute (NIFATI) located at Kalawewa in Anuradhapura district has become a popular as well as a very useful training centre and continues to provide training and education of a practical nature among the all sectors of government non-government organizations. It has also got established as a financially self-sufficient entity in addition to the contribution made towards the development and promotion of inland fishing and aquaculture activities.

Director (Extension)
K. B. C. Pushpalatha (B.Sc, MA, M Phil)

11.4 Message of Aquaculture Engineer

Aquaculture Engineering Division of NAQDA involves in the design, supervision, and implementation of operation and maintenance of all ponds, hatcheries, infrastructure facilities and buildings of NAQDA.

In this context, Aquaculture Engineering Division implement and procurement of all constructions under coastal aquaculture development division , freshwater aquaculture development division and aquaculture extension division from initial conceptual stage to final operational completed stage and transfer of " Technical knowhow" to industry stakeholders and entrepreneurs who are willing to commence aquaculture related industries.

Ongoing and proposed major projects in 2017 / 2018;

I. Establishment of New Aquaculture Development Center at Sewanapityia, Welikanda in Polonnaruwa District under " Pibidemu Polonnaruwa Program".

II. Renovation of Muruthawela Aquaculture Development Centre in Hambanthota District.

III. Expansion of ponds and Infrastructure facilities at Freshwater Aquaculture Development Centres of Dambulla, Udawalawa (Tilapia), Inginiyagala and Kalawewa Inland Fisheries Aquaculture Training institute under National Food Production Program.

IV. Establishment of New Aquaculture Development Center at Udawalawa under National Food Production Program.

V. Establishment of Freshwater Prawn Hatchery at Kallarawa in Trincomalee District under National Food Production program.

VI. Establishment of Sea Cucumber hatchery at Oleithudai in Mannar District.

VII. Establishment of Crab Cities in Hambanthota and Batticaloa Districts.

VIII. Establishment of Marine Ornamental Fish Hatchery at Bangadeniya in Puttalam District.

IX. Establishment of Milkfish Hatchery at Bangadeniya in Puttalam District.

X. Establishment of Aquaculture Industrial Park in Mannar District.

XI. Establishment of Ornamental Fish Breeding Centre at Sewanapitiya in Polonnaruwa District.

XII. Establishment of Nauplii Centre in Puttalam District.

XIII. Assist to Establishment of Crab Hatchery, Sea Weed Hatchery, Sea Cucumber Hatchery and Coastal Aquaculture Training Centre in Northern Province under ADB Funded " Northern Province Sustainable Fisheries Development " Project.

XIV. Expansion of Hatchery and Infrastructure Facilities at Pambala & Kahandamodara under "Coast Conservation and Resource Management " Program.

Aquaculture Engineer
Eng. S. T. Withanage

12. Human Resources Report

Manpower Development of National Aquaculture Development Authority of Sri Lanka
as at 31st December 2016

Categories	Nos.
Senior Managers	05
Middle Managers	11
Junior Managers	
Aquaculturists	42
Regional/District Aquaculture Extension Officers	18
Statistical Officers	03
Computer Analyst	01
Procurement Officer	01
Social Development Officer	01
Finance Officer	01
Administrative Officer	01
Management Assistant - Technical	
Assistant Aquaculturists	15
Aquaculture Extension Officers	97
Technical Officers	03
Book Keeper	01
Forman	01
Management Assistant – Non Technical	70
Primary Level	
Drivers	42
Minor Staff	292
Total	**605**

Defined Benefit Plan-Gratuity

Gratuity provision has been made ½ month's salary for each year of service from the date of commencement of service.

However, according to the payment of gratuity Act no 12 of 1983, the liability for gratuity an employee arise only completion of five years continued service with the Authority.

Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident fund Contributions and Employees' Trust Fund contribution in line with the respective statutes and regulations. The Authority contributes 15% and 3% of gross emoluments of employees to Employees' Provident Fund & Employees' Trust Fund respectively.

■ Training

Local	30 Persons
Foreign	47 Persons

■ Loans

■ Distress loan

Provide Permanent Employee

Maximum Amount : Rs.250,000

■ Peddle Bicycle loan

Provide Permanent employee

Maximum Amount : Rs.10,000.00

■ Purchase of School Bags

Provide Permanent Employee

Maximum Amount : Rs.4,000.00

■ Medical Insurance Scheme

Annual Inpatient Benefit : Rs.1,00000.00

OPD Cover Rs.5,000.00

■ Festival Advance

Provide Permanent Employee

Maximum Amount : Rs.10.000.00

Act. Director HRD

W. M. I. K.Wijesekara (B.Sc (HRM) Sp.

13. Audit Management Committee Report

The National Aquaculture Development Authority of Sri Lanka (NAQDA) was established in 1999 and at present it successfully achieving its objectives. The major objectives of the National Aquaculture Development Authority (NAQDA) are,

- Increase inland and coastal fish/shrimp production from the current level of 73,930 Mt to 130,000 Mt within the next 4 years.
- Initiate self-employment schemes in culture based fisheries and aquaculture through the provision of training/technical assistance and credit facilities.
- Initiate ornamental fish culture and aquatic plant culture activities to expand production and generate export earnings and thereby increase Sri Lanka's share in Global trade from present level of 3% to 10%.
- Increase shrimp production for export from present level of 6030 Mt to at least 12,000Mt within the next four years.
- Initiate activities to culture alternate species of fish for inter cropping with shrimps and introduce organic farming activities.
- Develop public/private sector partnerships in aquaculture enterprises to demonstrate the economic viability of aquaculture systems and encourage investments in small, medium and large scale enterprises.
- Carry out monitoring and regulatory activities to ensure conservation of the environment and sustainable exploitation of capture fisheries and aquaculture practices.

Today, more than 600 employees are working under the Authority. The Internal Audit Division was initiated at the end of July 2003 and the composition and functioning of the Internal Audit Division in the year 2016 are as follows.

Staff of the Internal Audit			**Number of Audit Reports issued**	**Number of Audit and Management Committees**
Permanent	Functional basis	Apprenticeship training		
03	-	-	07	02

Conducting of Audit committee meeting is one of the major part of the Internal audit division and all the arrangements of the Audit Committee meetings are being handle through the Internal Audit Division.

The Audit Committee Members of NAQDA in the year 2016 were as follow.

No	Name	Designation of the AMC Member	Appointed From
01	Mrs. Hiransa Kaluthantree	Chairperson of the AMC	Treasury
02	Mr. N. W. Abeygunawardhana	Member of Committee	Minister
03	Mr. K. G. A. Gunarathna	Member of Committee	Minister

In addition, Mrs. G. S. S. G. Perera (Audit Superintendent), participated on behalf of Auditor General. The Director General and Heads of the Divisions are invited for the meetings and when required, in the year 2016, only two (02) committee meetings could be held due to the resignation of the Chairperson and the delay in nomination of new chairperson by the Ministry of Finance. The meetings were held on the following dates in 2016.

- 1st Meeting was held on - 2016.05.11
- 2nd Meeting was held on - 2016.07.29

The Internal Auditor arranged the meetings and the Board of Secretary and Internal Auditor recorded and maintained all the minutes of Audit Committee Meeting.

A summary of participant list during the year 2016 are as follows.

Name of the Committee Member	Dates held	
	2016.05.11	2016.07.29
Mrs. Hiransa Kaluthantree	Participated	Participated
Mr. N. W. Abeygunawardhana	Participated	Participated
Mr. K. G. A. Gunarathna	Participated	Participated

The duty of the Audit Committee….

- To serve as a focal point for communication between other directors, the external auditors, and the management as to their duties relate to financial and other reporting, internal controls and the audits and to assist the Board in fulfilling its responsibilities by providing an independent review of the financial reporting process, satisfy themselves as to the effectiveness of the Authority's internal controls and as to the efficiency of the audits.

- Reviewing the financial information of the Authority.
- Reviewing the audit queries from External and internal Auditors and responses thereto.
- To develop and implement policy on the engagement of an External Auditor to supply non-audit services.
- Recommendations given regarding the Audit plan to the Board Members.
- To report to the Board and to identify and make recommendations on any matters in respect of which it considers that action or improvement is needed and to make recommendations as to the steps to be taken.

In regard to the above duties

- The Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and due consideration to any matters that have been raised by company's qualified Accountant,External Auditor or Internal control officer.
- Monitoring the financial and internal control systems.
- To review the Authority's financial controls, internal control and risk management system.
- To report to the Board on the matters set out herein.

All the approved minutes of Audit Committee Meeting will be reported to the Board of Directors.

Internal Auditor
M. D. Nandasiri

14. Auditor General's Department

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය எனது இல. My No. } FLS/A/NAQDA/1/16/21 මගේ අංකය உமது இல. Your No. } දිනය திகதி Date } 20 October 2017

The Chairman,

National Aquaculture Development Authority of Sri Lanka

Report of the Auditor General on the Financial Statements of the National Aquaculture Development Authority of Sri Lanka for the year ended 31 December 2016 in terms of section 14 (2) (c) of the Finance Act , No.38 of 1971

The audit of financial statements of the National Aquaculture Development Authority of Sri Lanka for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the income statement , 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 25(2) of the National Aquaculture Development Authority of Sri Lanka Act , No.53 of 1998 as amended by the National Aquaculture Development Authority of Sri Lanka (Amendment) Act , No.23 of 2006 .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.

1.2 Management's Responsibility for the Financial Statements

The 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 control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud of error.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94-11-2887028-34 +94-11-2887223 oaggov@sltnet.lk www.auditorgeneral.gov.lk

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810).Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments , the auditor considers internal control relevant to the Authority ' s preparation and fair presentation of the financial statements 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 Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub – sections (3) and (4) of Section 13 of the Finance Act , No.38 of 1971 , give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

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 National Aquaculture Development Authority of Sri Lanka as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments of financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) **Sri Lanka Public Sector Accounting Standard No.01**

As per the Section 70 and 71 of the Standard the assets should be classified as current and non - current on expected to be recovered before 12 months and after 12 months from the date of financial reporting , the distress loan balance of Rs.44,549,328 had not been categorized accordingly.

(b) **Sri Lanka Public Sector Accounting Standard No.07**

(i) As per the Section 47 of the Standard, when the fair value of Property, Plant and Equipment differ materially from its carrying amount, annual revaluation is necessary. Even though frequent revaluation is unnecessary for property plant and equipment which are not material and revaluation is adequate once in 03 or 05 years, revaluation of assets had not been carried out by the Authority after the year 2012.

(ii) As per the Section 64 of the Standard the depreciation rates should be decided with considering useful life of the assets. However contradictory to it, the Authority had granted ten years useful life time for the Computer Software and Laboratory Equipment which rapidly becomes obsolete on the technical reasons.

(c) **Sri Lanka Public Sector Accounting Standard No.08**

As a result of a case filed by the external parties against the Authority in the 2011, the Authority had to be paid Rs.12, 734,000 in the year under review. As per Section 22 of the standard, due to not making provisions for it in previous years, this year's expenses and the loss had been increased by that amount.

2.2.2 Accounting Policies

Even though the six milk cows had been valued at Rs.309, 945 of the year under review, the accounting policy which was applied to this valuation had not been disclosed as per Section 132 (c) of Sri Lanka Accounting Standard No. 01 and the surplus arisen due to increasing the fair value of Rs.209, 995 had been transferred to Revaluation Reserve.

2.2.3 Accounting Deficiencies

The following observations are made.

(a) When calculating the final stock, the fishing net stock value of Rs.361, 958 had not been considered, and as a result of that the final stock had been understated by that amount.

(b) The sum of Rs.1, 543,141 of direct bank credits at 175 events existing over last few years had been adjusted to the monthly bank reconciliation statement instead of identify it and accounted.

(c) Even though the motor vehicle amounting to Rs.6, 500,000 had been used from 30 March of the year under review, the depreciation value of Rs.975, 000 of that vehicle had not been adjusted for the year under review.

(d) Even though the constructed mud ponds at Udawalawa Tilapia Center amounting to Rs.1, 967,756 had been used at 12 January 2016, which relevant assets had been accounted under the Work-in Progress without capitalizing under the assets. Due to that Rs.114, 183 depreciation values had omitted from accounts.

(e) The paid amount for the site supervision fees of Authority's Engineer, committee member fees and advertisement charges of total Rs.387, 051 had been accounted under the work-in progress instead of showing under the administrative expenses.

2.2.4 Lack of Evidence for audit

The evidence indicated against the following items at account had not been furnished for audit.

Item	Value	Evidence not made available
	Rs.	
Divi Neguma – Revolving Fund	32,679,030	(i) Detailed recovery schedule. (ii) Debtors Age analysis
Divi Neguma – fish fingerlings stock	1,258,960	Supporting schedules of fingerlings categorization

2.3 Accounts receivable and payable

The following observations are made.

(a) The debtors' balance from sale of fry /fingerlings amounting to Rs.13,739,176 included a balance of Rs.3,041,702 exceeding 05 years and the balance of Rs.1,779,992 exceeding 03 years and the recovery process of these loans had been at a sluggish level.

(b) Action had not been taken to settle the balance of Withholding Tax (WHT) of Rs.363, 329 included in the financial statements for over a period of five years.

(c) The action had not been taken even during the year under review for the recognition and settlement of contractors' retention money amounting to Rs.8, 377,714 existing from the years 2001 to 2011.

2.4 Non – compliance with Laws, Rules, Regulations and Management Decisions

Instances of non- compliance with the following laws, rules, regulations and management decisions were observed.

Reference to Laws ,Rules, Regulations and Management Decisions	Non – compliance
(a) Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
Financial Regulation 751	Even though the books received to library should be included in the Accession Register, the all books of the library as at 31 December 2016 had not been included in the Accession Register.

(b) Treasury Circular No IAI/2002/02 of 28 November 2002	A Register of Fixed Assets had not been maintained in respect of computer accessories and software.
(c) Paragraphs 3.1.6 and 3.1.7 of the Public Finance Circular No.05/2016 of 31 March 2016	The relevant reports had not been furnished to the Auditor General after conducting the survey on inventory relating to the year under review.
(d)Paragraph 6.5.1 of the Public Enterprise Circular No.PED/12 of June 2003	The Draft Annual Report had not been furnished with the financial statements.

2.5 Transactions not supported by Adequate Authority

A balance of Rs.403, 594 receivable for the rentals and a balance of cancelled cheque account of Rs.149, 203 which were continuously reported in the financial statements had been written off respectively from the law expenses account and from the other income account in the year under review without obtaining a formal approval from the relevant authorities.

3. Financial Review

3.1 Financial Results

According to the financial statements presented , the financial result of the Authority for the year under review had been a deficit of Rs.36,533,378 as against the surplus of Rs.11,443,032 for the preceding year , thus indicating a deterioration of Rs. 47,976,410 in the financial result for the year under review as compared with the preceding year. Despite the grants received from the treasury had increased by a sum of Rs.26,509,750 and the increase of contingency income by a sum of Rs.21,270,580 , increase of the administrative expenditure and the distribution cost by Rs. 63,475,658 and Rs.26,957,218 respectively , had been the main reasons for the above deterioration.

In the analysis of the financial results for the year under review and 04 preceding years , the deficit of the authority amounting to Rs.20,364,390 in the year 2012. However it had been a surplus of Rs.11, 443,032 in the year 2015 and it had been a deficit of Rs.36, 533,378 again by the year 2016. Nevertheless , in considering the depreciation for non- current assets and employees' remuneration , the contribution of the Authority which had been Rs.208,579,857 in the year 2012 had gradually improved up to Rs.377,818,292 at the end of the year 2016.

3.2 Legal Actions instituted against the Authority

A case was filed by an employee against the Authority on 22 June 2015 to obtain the job again.

4. Operating Review

4.1 Performance

In terms of Section 11 of the National Aquaculture Development Authority of Sri Lanka Act, No.53 of 1998 amended by the National Aquaculture Development Authority of Sri Lanka (Amendment) Act, No.23 of 2006, and its functions are as follows.

(a) Development of freshwater aquaculture, brackish water aquaculture, coastal aquaculture and sea farming with a view to increasing fish production and fish consumption in the country and promote the creation of employment opportunities.

(b) Promote the farming of high valued fish species including ornamental fish for export and promote, facilitate and develop small, medium and large scale private sector investment in aquaculture.

(c) Preparation and implementation of environment friendly plans and programmes to manage, conserve and develop, having regard to the need to conserve bio – diversity, aquaculture, aquatic resources used for aquaculture and the aquaculture operations and culture based fisheries in perennial tank and seasonal tank.

(d) To carry on business as an importer, exporter, seller, supplier and distribution of aquatic resources and to assist persons engaged in such activities etc.

The following observations are made in the examination carried out in respect of fulfilling the above objectives during the year under review.

(a) Plans and environment friendly programmes to manage , conserve and develop having regard to the need to conserve bio- diversity aquaculture , aquatic resources used for aquaculture and the aquaculture operations and culture based fisheries in perennial tank and seasonal tank which is one of the main functions of the Authority had not been prepared and implemented.

(b) Although the deposit of fish fingerlings in freshwater tanks had been increased by 12.6 million in 2016 rather than 2015 year , the researches and experiments had not been done to measure and improve the post harvest of fish fingerlings stock. The required surveys and researches to improve the fish production had not been taken by the Authority from the National Aquatic Resources Research and Development Agency of the government.

(c) The follówing observations are made on the production of fish fries and fish fingerlings from the year 2011 to 2016.

(i) In the year 2014 the fish fingerlings production had been 40.98 millions and the aquatic harvest had been 70,600 metric Tons. Even though the fish fingerlings had been grown by 66.47 millions in the year under review, when comparing with 2014 year, the total fish production had been decreased by 67,480 metric tons.

(ii) Even though the Fry fish production had been increased by 29.17 million from 83.10 million to 112.27 millions in 2011 to 2016 years, the fish fingerlings production had not been increased against the growth of Fry fish.

(iii) In relation to the year 2014, fresh water aquaculture production in the years of 2015 and 2016 had been decreased by 10,390 metric tons and 3,120 metric tons respectively.

(iv) It has been observed on the information of 2015 and 2016 years the targets of Fish Fingerlings stock had not been achieved from 25 per cent to 73 percent range from 11 districts and 23.5 to 75 ranges in 06 districts. The management had not focused on this and hence the basic objective of establishing the National Aquaculture Development Authority had not been achieved adequately.

(v) Although the targets set for fish fingerlings stock in freshwater reservoirs in Gampaha , Kalutara , Matara , Kegalle districts in the years of 2015 and 2016 were millions 0.334 , 0.345,0.349 and 0.054 respectively , any fish fingerlings had not been stocked with covering that districts. As a result of that, the objectives of the development of fresh fish production and the consumption as well as the creation and improvement of employment opportunities had not been achieved.

(d) Even though the Rs.229,035,250 amounts had been granted to the 6450 beneficiaries via Divi Neguma loan scheme in 2011 , 2012 , 2013 and 2014 years to achieve the objective of development of freshwater aquaculture , brackish water aquaculture , coastal aquaculture and sea farming with a view to increasing the fish production and fish consumption in the country and promote the creation of employment opportunities, this programmed had been failed due to the reasons , listed in below.

- When selecting the beneficiaries, had not been considered about the water shortage in the areas.

- Beneficiaries had not been trained properly.

- Even though the rural organization or a district organization should be established by the Divi Neguma project owners according to the common guidelines given at the beginning of the project, such a rural or district organization had not been functioned.

- Follow-up activities had not done by the Aquaculture farming officers.

(e) Activities had been planned under four main topics instead of including the above functions separately in the action plan of the authority, according to the performance report of the year under review, the following observations are made in respect of the progress in fulfilling the activities included in the Action Plan.

(i) Even though a sum of Rs.12.62 millions had been allocated for the construction of resource person's quarter at National Inland Fisheries and Aquaculture Training Institute at Kalawewa and as per the progress reports, only Rs.10.96 million had been spent for it. Out of that, a sum of Rs.2.24 millions had been spent for the construction of Twin Quarters which was not included in the Action Plan.

(ii) Even though a sum of Rs.2.51 million had been allocated for the renovation of labour quarter at Inginiyagala Aquaculture Development Center, without completing that activity out of that the Gravity Hatchery's works had been completed by using that allocated money. But the physical progress for labour quarter's renovation had been shown as 100 per cent.

(iii) Even though a sum of Rs.1.16 million had been spent for the management of fish stock and development of fisheries and aquaculture activities, out of that Rs.0.79 millions or 32 per cent had not been spent. As expected targets of this were not planned, the physical progress of it had not been evaluated.

4.2 Management Activities

The following observations are made.

(a) Even though to maintain the Divi Neguma programmed as a revolving fund there had been identified the methods via entering an agreement with the beneficiaries to recovery 50 per cent of given money that methods had not been implemented.

(b) In terms of the agreements, the financial and technical advices should be given to the beneficiaries and that beneficiaries need to complete projects in accordance with those technical advices. However, the follow – up activities had not been carried out by Districts Aquaculture Development Extension officers to verify that projects were implemented in accordance with those technical advices. Further observed that, there had not been followed the common guidelines issued by the National Aquaculture Development Authority and had not been implemented the proper methods to charge premiums regularly. Further Authority has not keep the survey data on growth of fish harvest and had not been conducted the follow - up activities relating to the projects by the National Aquaculture Development Authority.

(c) Lands in extent of 38.7526 hectares used by the Authority without getting actions to vesting until 30 September 2017.

4.3 Operational Activities

(a) With a Private Company the National Aquaculture Development Authority had started the project on 28 September 2005 for the development of technology for breeding milk fish with investing a sum of Rs.3,874,592 which was received from the Asian Development Bank , and as per the agreement between the Authority and the Private Company , the total amount should be paid to the Authority by the Private Company after the two years grace period commencing from the operational activities .Even though the operational activities had been started from the 24 December 2008 , Only Rs.692,726 had been recovered at 31 December

2016. The Authority had not taken actions to recover the outstanding amount of Rs.3, 181,866 on that date.

4.4 Transactions on Contentious Nature

Even though the ministry had granted a sum of Rs.30 million to the Authority for the purpose of stocking fish fingerlings in fresh water reservoirs to improve the fresh water fish production, out of that only Rs.26.1 million had been spent and only 13 million fish fingerlings had been stocked. The balance amount of Rs.3.9 million had been spent to purchase fish foods. However, the incorrect information had been presented to the Ministry with showing the settlement of total sum of Rs.30 million that was used only for stocking 15 million fish fingerlings.

4.5 Staff Administration

Following observations are made.

(a) Out of the two approved posts of Engineers, one post had been vacant since the year 2008. As such , it was observed that there had been delays in performing functions of constructions resource persons quarter , construction of mud ponds , other reconstruction activities and obtain the Engineer Certificate to release of retention money Rs.27.38 million.

(b) A female officer had been appointed for the post of Director – Finance of the Authority on the contract basis of annual extension from 06 May 2014 and the Authority had not taken action to appoint permanent posts even by the end of the year under review.

5. Accounting and Good governance

5.1 Action Plan

Following observations are made.

(a) The plans for special projects had not been included in to the Action Plan.

(b) The physical targeted data had not been indicated in the Action Plan.

5.2 Internal Audit

Following observations are made.

(a) Even though the authority had been expanded up to head office , 15 centers and 22 district offices at the end of the year under review, the staff of the internal audit division had been limited to one internal auditor and two management assistant (non – technical) officers. Even though the existing approved cadre hat not been sufficient with the expansion of the authority's activities. , the authority had not taken action to approve and recruit sufficient number of staff to the authority.

(b) From the value of Rs.198.94 millions transactions of the Internal Audit Plan, 10 per cent to 15 per cent transactions included in the risk limit had not been checked.

(c) An internal audit tests had not been carried out for the special projects as the audit plan for special projects had not been included in the Annual Internal Audit program.

(d) Even though the six internal audit reports had been submitted by the internal audit division during the year under review, the reports on the management actions for it and the implementation of the recommendations had not been submitted to the Auditor General. In addition, the quarterly audit summery reports had not been prepared.

(e) The independence of the Internal Audit division had not been sustained through granting the power to internal Auditor for signing the cheques as the first signatory.

5.3 Procurement Plan

Following observations are made.

(a) As per the Section of 4.2.1(e) of procurement guideline, the Master Procurement Plan had not updated within not older than six months.

(b) Deviating from the procurement plan, the sum of Rs.3, 356,972 had been spent for purchasing 144,000 meters of covering nets. Even though there should be a given minimum of seven days for submitting bids under the shopping method in accordance with the 6.2.2 clause of the Procurement Guideline, only two days had been allocated for this activity.

5.4 Budgetary Control

When comparing the estimated income and expenses with the actual income and expenses at the year under review, some income components had not been estimated and the variances had been increased from 46 per cent to 156 per cent, hence it was observed that the budget had not been used as the financial management tool.

5.5 Audit Committee

Even though the at least four audit and management committee meetings should be held per year according to the clause 7.4.1 of the Public Enterprise Circular, No. PED /12 of 02 June 2003, only 03 meetings in 2015 and 02 meetings in 2016 had been held by the Authority.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the attention of the Chairman of the Authority from time to time .Special attention is needed in respect of the following areas of control.

Areas of systems and controls	Observations
(a) Financial Control	(i) Failure in taking actions to identify the direct bank deposits, not maintaining the debtor control accounts when granting loans and follow – up activities had not been done.
	(ii) Not approved limitations to officers who sign the cheques.
(b) Advance Control	(i) Non inclusion of voucher numbers relating to settlement of advances in the register.
	(ii) Failure in taking action to settle advances immediately after the completion of the relevant purpose, and failure in mentioning the posts of the officers who obtained advances in the Register of Advances.
	(iii) Failure to maintaining the advance Register of Ginigathhena Ornamental fish Breeding Center and non – maintenance of the Special Advance Register.
(c) Procurement Control	(i) In 41 times, failure to issue orders to suppliers for a total value of Rs.10, 398,567 worth during the year under review.
	(ii) Failure to delegate the works to do the internal check between the procurement and payments.

(d) Staff Administration	-	Failure to fill the vacancies of staff
(e) Internal Audit	(i)	Failure to maintain adequate and qualified staff team.
	(ii)	Failure to conduct the Internal Audit Inspection for Ginigathhena Ornamantal Fish Breeding Center since 2008 year.
(f) Books and records maintenance	-	Failure to properly maintain the Stores ' Registers and the formal register for dead fish fingerlings at Ginigthhena Ornamantal Fish Breeding Center.
(g) Divi Neguma Revolving Fund	(i)	Failure to recover the due balances and failure to update Debt Registers and files.
	(ii)	Procedures of selection and trainings of beneficiaries are poor.
	(iii)	Failure to do the follow – up activities by farming officers.
	(iv)	Failure to act in accordance with the common guidelines.
	(v)	Failure to strengthen the economy of fishing community and the project had been failed.

W.P.C.Wickramarathna.
Acting Auditor General

15. Financial Statement

National Aquaculture Development Authority
Financial Statements Year 2016

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National Aquaculture Development Authority of Sri Lanka

Statement of Income

For the Year ended 31st December 2016

FOR THE YEAR ENDED 31ST DECEMBER	NOTE	2016 Rs.	2015 Rs.
Revenue		105,254,468.35	95,585,212
Cost of Sales	12	(104,942,681.04)	(83,002,781)
GROSS PROFIT		**311,787.31**	**12,582,431**
Other Income	13	58,896,383.44	51,941,770
Treasury Grants - Recurrent		339,600,000.00	313,090,250
		398,808,170.75	**377,614,451.15**
Administrative Expenses	14	(453,322,948.70)	(389,847,290)
Distribution Cost	15	(74,318,523.99)	(47,361,305)
Finance Cost	16	(101,742.41)	(93,911)
		(527,743,215.11)	**(437,302,505)**
PROFIT /(LOSS)BEFORE ADJUST DEFERRED REVENUE		**(128,935,044.36)**	**(59,688,054)**
Differed Revenue		92,401,666.85	71,131,086
PROFIT / (LOSS) FOR THE YEAR		(36,533,377.51)	11,443,032

National Aquaculture Development Authority of Sri Lanka

Statement of Financial Position

As at 31st December 2016

	Note	Yr2016 Rs.	Yr 2015 Rs.
ASSETS NON CURRENT ASSETS			
Property, Plant & Equipment ..	03	823,939,973.28	823,778,666.93
Breeding & Trading Assets ..	04	272,331,717.23	285,364,959.02
Working Progress ..		55,821,202.30	17,463,020.30
Live stock ..		309,945.00	99,950.00
		1,152,402,837.82	**1,126,706,596.25**
CURRENT ASSETS			
Inventory ..	05	36,492,547.51	27,383,281.52
Deposit, Advance & Prepayments ..	06	21,592,188.15	12,668,503.34
Trade & Other Receivable ..	07	62,637,984.49	55,886,680.94
Cash in Hand & at Bank ..	08	74,812,849.01	49,268,312.68
		195,535,569.16	**145,206,778.48**
TOTAL ASSETS		**1,347,938,406.98**	**1,271,913,374.73**
EQUITY CAPITAL & RESERVES			
Treasury Grants ..		243,328,504.96	158,514,594.24
Retained Earnings ..		(226,415,869.12)	(189,882,491.62)
Assets Valuation Fund ..		17,609,995.00	17,400,000.00
TOTAL EQUITY		**34,522,630.84**	**(13,967,897.38)**
LIABILITIES NON CURRENT LIABILITIES			
Retirement Benefit Obligation ..	09	79,546,626.69	70,918,812.89
Differed Revenue ..	10	1,078,675,479.54	1,091,547,414.97
Government Grants Projects		54,040,042.00	54,040,042.00
(Bud. Proposal 2006)		1,212,262,148.23	1,216,506,269.86
CURRENT LIABILITIES			
Trade & Other Payable ..	11	73,775,262.96	45,340,944.08
Retention on contract ..		27,378,364.95	24,034,058.16
		101,153,627.91	69,375,002.24
TOTAL LIABILITIES		**1,313,415,776.14**	**1,285,881,272.10**
TOTAL EQUITY AND LIABILITIES		**1,347,938,406.98**	**1,271,913,374.73**

*The Accounting policies on pages 65 to 66 and Notes on pages 67 to 77 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

.....	.....	.....
Upali Mohotti (Attorney-at-Law)	P. Nimal Chandrarathne	A.T. Gunadheera
Chairman	Director General	Director Finance

National Aquaculture Development Authority of Sri Lanka

Statement Of Changes

For the Year ended 31st December 2016

	Grants Recurrent	Capital	Assets Valuation Fund	Retained Earnings	Total
Balance as at 1st January 2015	0.00	207,003,656.89	17,400,000.00	(205,564,085.89)	18,839,571.00
Grants during the year Recurrent & capital	313,090,250.00	100,000,000.00	0.00	0.00	413,090,250.00
Grants during the year - Iranamadu	0.00	280,780,717.39	0.00	0.00	280,780,717.39
Non cash Grant during the year	0.00	30,760,000.00	0.00	0.00	30,760,000.00
Differed Revenue amount of during the year	0.00	(460,029,780.04)	0.00	0.00	(460,029,780.04)
Transfer to Profit & Loss A/c	(313,090,250.00)	0.00	0.00	0.00	(313,090,250.00)
PY Adjustment Net Profit	0.00	0.00	0.00	4,238,561.82	4,238,561.82
(Loss) for the Year	0.00	0.00	0.00	11,443,032.45	11,443,032.45
Balance as at 31st December 2015	**0.00**	**158,514,594.24**	**17,400,000.00**	**(189,882,491.62)**	**(13,967,897.38)**
Balance as at 1st January 2016	0.00	158,514,594.24	17,400,000.00	(189,882,491.62)	(13,967,897.38)
Grants during the year Recurrent & capital	339,600,000.00	150,000,000.00	0.00	0.00	489,600,000.00
Grants during the year Muruthawela	0.00	7,843,642.13	0.00	0.00	7,843,642.13
Non cash Grant during the year	0.00	6,500,000.00	0.00	0.00	6,500,000.00
Differed Revenue amount of during the year	0.00	(79,529,731.41)	0.00	0.00	(79,529,731.41)
Transfer to Profit & Loss A/c	(339,600,000.00)	0.00	0.00	0.00	(339,600,000.00)
Livestock Valuation	0.00	0.00	209,995.00	0.00	209,995.00
Net Profit/(Loss) for the Year	0.00	0.00	0.00	(36,533,377.51)	(36,533,377.51)
Balance as at 31st December 2016	**0.00**	**243,328,504.96**	**17,609,995.00**	**(226,415,869.12)**	**34,522,630.84**

National Aquaculture Development Authority of Sri Lanka

Statement of Cash Flows

For the Year ended 31st December 2016

	Yr2015 Rs.	Yr2015 Rs.
CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit /(Loss) for year	(36,533,377.51)	11,443,032.45
Adjustments for		
Depreciation - Fixed Assets	49,971,881.06	35,609,628.64
Depreciation - Breeding Assets	34,586,143.66	25,526,354.92
Doubtful Debtor	96,576.00	1,554,649.14
Gratuity Provision	9,736,927.80	18,698,933.01
PY Adjustments	0.00	4,238,561.82
Assets Disposal Profit	0.00	(4,694,898.00)
Differed Revenue	(84,558,024.72)	(61,135,983.56)
Operating Profit before working capital changes	(26,699,873.71)	31,240,278.42
(Increase)/Decrease in Inventory	(9,109,265.99)	(4,507,264.83)
(Increase)/Decrease in Advance & Prepayments	(8,923,684.81)	(189,849.63)
(Increase)/Decrease in Debtors & Other Receivables	(6,847,879.55)	(28,992,209.04)
(Decrease)/ Increase in Retention	3,344,306.79	2,103,060.33
(Decrease)/ Increase in Trade & Other payable	28,434,318.88	9,756,819.92
Cash generated from operations	(19,802,078.39)	9,410,835.17
Gratuity paid	(1,109,114.00)	(1,342,884.00)
Net Cash from/(Used in) Operating Activities	**(20,911,192.39)**	**8,067,951.17**
CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(47,723,068.98)	(57,622,956.66)
Work in Progress	(55,821,202.30)	(17,463,020.30)
Disposal of Vehicle	0.00	4,694,898.00
Net cash from / (Used in) Investing Activities	**(103,544,271.28)**	**(70,391,078.96)**
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Treasury Grant for Capital	150,000,000.00	100,000,000.00
Net cash flows from /(Used in) Financing Activities	**150,000,000.00**	**100,000,000.00**
Net Increase / (decrease) in Cash & Cash Equivalent	**25,544,536.33**	**37,676,872.21**
Cash & Cash Equivalent at the beginning of the year	**49,268,312.68**	**11,591,440.47**
Cash & Cash Equivalent at the end of the year	**74,812,849.01**	**49,268,312.68**
ANALYSIS OF CASH & CASH EQUIVALENT		
At the end of the year		
Cash at Banks	74,812,849.01	49,268,312.68
Cash in hand	0.00	0.00
	74,812,849.01	**49,268,312.68**

National Aquaculture Development Authority of Sri Lanka
Accounting Policies

1. CO-OPERATE INFORMATION

1.1 General
National Aquaculture Development Authority of Sri Lanka established by the Act No.53 of 1998, is falling under the purview of Ministry of Fisheries & Aquatic Resources Development. The Head office is located at 41/1, New Parliament Road, Pelawatta, Battaramulla.

1.2 Principal Activities and Nature of Operation
During the year, the principal activity of the Authority is Sale of Fish seeds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

2.1 Basis of Preparation
These Financial Statement have been prepared on a historical cost basis. No adjustment is made for inflationary assets, which are reflected at valuation.

2.2 Statement of Compliance
The Financial Statement of the Authority are prepared in accordance with Public sector Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and provision of Finance Act 38 of 1971

2.3 Comparative Information
The accounting policies have been consistently applied by the Authority and are consistent with those used in the previous year unless otherwise stated.

2.4 Trade and Other Receivable
Trade receivables are stated at the amounts they are estimated to realize net of provisions for bad and doubtful receivables. Other receivables are recognized at cost.

2.5 Cash and Cash Equivalent
Cash and Cash Equivalents are defined as cash in hand and Cash at Bank.

2.6 Government Grants
Government Grants is presented as deferred income method in the financial statement. Deferred income is recognized in profit or loss on a systematic basis over the useful life of the assets.

2.7 Property, Plant and Equipment
Except lands, all other Assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over the useful life of the assets.

The rate of depreciation as follows,

Building & Structure	4%
Motor Vehicles	20%
Furniture & Office Equipment	10%
Laboratory Equipment	10%
Machinery and equipment	10%
Hatchery Jars	10%
Fish Tanks	10%
Fish Ponds	6%
Tool and Implements	10%
Communication Outlay	20%
Computer software	10%

2.8 Doubtful debtors

10% provision on debtors balance from 2012-2016 and full provision for 2010, 2011 has been made in respect of doubtful debtors. Over/under provision of doubtful debtors during the year is charged to the P & L.

2.9 Stocks

Stocks are valued at cost or net realizable value whichever is lower

2.10 Retirement Benefit Obligation

Defined Benefit Plan-Gratuity

Gratuity provision has been made ½ month's salary for each year of service from the date of commencement of service.

However, according to the payment of gratuity Act no 12 of 1983,the liability for gratuity for an employee arise only after completion of five years continued service with the Authority.

Defined Contribution plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident fund Contributions and Employees' Trust Fund contribution in line with the respective statutes and regulations. The Authority contributes 15% and 3% of gross emoluments of employees to Employees' Provident Fund & Employees' Trust Fund respectively.

2.11 Expenditure recognition

Expenses are recognised in the Income statement on the basis of a direct association between the cost incurred and the earning of specific item of income. All expenditure incurred in the running of the Production and in maintaining the property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit/ (Loss) for the year.

2.12 An adjudication has been filed by the Contractor of Iranamadu Breading Centre claiming Rs. 14.049 million

National Aquaculture Development Authority of Sri Lanka

Yr2016- Final Accounts
Notes to Financial Statements

NOTE - 03
PROPERTY, PLANT AND EQUIPMENT

COST	Balance as at 01.01.16	Additions/ Valuation of assets for the Year	Disposal & Adjustment /Adjust-ment of assets for the Year	Balance as at 31.12.16
Land	146,411,854.00	-	-	146,411,854.00
Buildings & Structure	563,707,299.05	31,946,975.46	-	595,654,274.51
Buildings & Structure (ADB)	206,460,717.00	-	-	206,460,717.00
Building & Structure (New Office) Furniture & Office	3,184,404.00	-	-	3,184,404.00
Equipment Furniture & Office Equipment	40,014,106.17	3,203,774.28	-	43,217,880.45
ADB	4,911,820.00	-	-	4,911,820.00
Laboratory Equipment	13,674,018.70	1,837,985.00	-	15,512,003.70
Machinery & Other Equipment	26,536,453.66	3,617,739.68	-	30,154,193.34
Consumable and Sundry Equipment	10,137,648.96	-	-	10,137,648.96
Tools & Implement	1,573,467.00	-	-	1,573,467.00
Vehicles	84,260,843.86	6,500,000.00	-	90,760,843.86
Vehicles - ADB	38,193,904.00	-	-	38,193,904.00
Communication and Computer	10,874,654.99	3,931,200.00	-	14,805,854.99
Computer Software	1,155,625.00	948,022.50	-	2,103,647.50
	1,151,096,816.39	**51,985,696.92**	**0.00**	**1,203,082,513.31**

National Aquaculture Development Authority of Sri Lanka

Yr2016- Final Accounts
Notes to Financial Statements

NOTE - 03
PROPERTY, PLANT AND EQUIPMENT

DEPRECIATION	Balance as at 01.01.16	Charge for the year	Disposal & Adjustment for the year	Balance as at 31.12.16
Land	-	-	-	0.00
Buildings & Structure	120,276,697.12	22,548,291.97	-	142,824,989.09
Buildings & Structure (ADB)	57,809,000.76	8,258,428.68	-	66,067,429.44
Building & Structure (New Office)	3,184,404.00	-	-	3,184,404.00
Furniture & Office Equipment	21,398,674.21	3,021,970.27	-	24,420,644.47
Furniture & Office Equipment ADB	3,438,274.00	491,182.00	-	3,929,456.00
Laboratory Equipment	7,442,789.77	935,048.59	-	8,377,838.36
Machinery & Other Equipment	16,154,811.12	1,852,509.51	-	18,007,320.63
Consumable and Sundry Equipment	8,205,356.76	782,933.82	-	8,988,290.58
Tools & Implement	1,573,467.29	-	-	1,573,467.29
Vehicles	42,526,264.29	11,639,157.70	-	54,165,421.99
Vehicles - ADB	38,193,904.00	-	-	38,193,904.00
Communication and Computer	6,660,757.93	2,100,839.76	-	8,761,597.69
Computer Computer Software	453,748.22	194,028.27	-	647,776.49
	327,318,149.46	**51,824,390.57**	**0.00**	**379,142,540.03**
WRITTEN DOWN VALUE	**823,778,666.93**			**823,939,973.28**

National Aquaculture Development Authority of Sri Lanka

Yr2016- Final Accounts
Notes to Financial Statements

NOTE - 04
BREEDING & TRADING ASSETS

COST	Balance as at 01.01.16	Additions /Valuation/ Adjustment of assets for the Year	Disposal & Adjustment of assets for the Year	Balance as at 31.12.16
Hatchery	16,059,458.43	-	-	16,059,458.43
Hatchery ADB	84,246,743.00	-	-	84,246,743.00
Fish Tank	40,611,313.48	2,952,942.48	-	43,564,255.96
Fish Ponds	386,858,710.9	16,747,449.88	-	403,606,160.84
	527,776,225.87	19,700,392.36	-	547,476,618.23

DEPRECIATION	Balance as at 01.01.16	Additions /Valuation/ Adjustment of assets for the Year	Disposal & Adjustment of assets for the Year	Balance as at 31.12.16
Hatchery	6,985,394.04	1,176,600.34	-	8,161,994.38
Hatchery ADB	42,123,371.50	8,424,674.30	-	50,548,045.80
Fish Tank	11,186,194.32	3,858,588.85	-	15,044,783.17
Fish Ponds	182,116,306.99	19,273,770.66	-	201,390,077.65
	242,411,266.85	**32,733,634.15**	**-**	**275,144,901.00**
WRITTEN DOWN VALUE		**285,364,959.02**		**272,331,717.23**

National Aquaculture Development Authority of Sri Lanka

Yr2016- Final Accounts
Notes to Financial Statements

NOTE - 05
INVENTORIES

	Yr 2015	Yr 2016
Stationery	303,598.62	213,245.72
Fish feed	8,633,830.27	4,213,920.80
Chemical & hormone	16,318,616.12	15,377,662.40
Fish seeds	4,521,861.00	3,864,130.60
Brood Stock	6,714,641.50	3,714,322.00
	36,492,547.51	**27,383,281.52**

NOTE - 06
DEPOSITS, ADVANCES AND PREPAYMENTS

Mis. deposit CEB	1,290,750.00	1,290,750.00
Deposit Made by NAQDA	272,290.00	292,290.00
	1,563,040.00	**1,583,040.00**
Advances		
Special Advance	313,120.00	258,050.00
Fuel Advance	76,237.50	183,200.00
Festival Advance	118,250.00	92,250.00
Book Loan Advance	6,150.00	3,850.00
Local purchasing Advance	8,947,996.44	1,050,547.56
	9,462,753.94	**1,596,297.56**
Prepayments		
Prepaid	10,566,394.21	9,489,165.78
	10,566,394.21	9,489,165.78
	21,592,188.15	**12,668,503.34**

National Aquaculture Development Authority of Sri Lanka

Yr2016- Final Accounts
Notes to Financial Statements

NOTE - 07
TRADE AND OTHER RECEIVABLES

Trade Debtors		
Debtors for Fish Sales	13,739,176.50	12,772,747.09
Less :- Doubtful Debtors	(3,580,719.90)	(3,484,143.90)
	10,158,456.60	**9,288,603.19**
Other Receivable		
Debtors(PPP)	0.00	329,120.70
Lease Rent Due	0.00	403,593.75
Establishment of Iranamadu AQDC - Kilinochchi	1,637,187.06	10,042,202.08
Ornamental Fish Industry Development	365,333.41	365,333.41
FW prowns Hetchery	1,017,763.92	148,450.25
MH Mud Ponds	0.00	4,803.89
Brakish water Development	192,606.00	0.00
Establishment of Muruthuwela AQDC	4,061,049.14	0.00
Food Security	78,724.75	0.00
	7,352,664.28	**11,293,504.08**
Employee Related Debtors		
Debtors for distress Loan	44,549,328.93	34,497,332.03
Bicycle Loan	577,534.68	807,241.64
	45,126,863.61	35,304,573.67
	62,637,984.49	**55,886,680.94**

National Aquaculture Development Authority of Sri Lanka

Yr2016- Final Accounts
Notes to Financial Statements

NOTE - 08
CASH IN HAND & AT BANK
At Bank

People's Bank (Recurrent) - 243320761	28,518,428.22	8,199,884.28
People's Bank (Capital) - 333320761	2,696,554.63	5,891,641.72
Bank of Ceylon (Mis. Deposit) - 3270048	10,285,770.39	6,507,121.49
People's Bank (Distress Loan) -153320761	566,661.21	962,054.57
People's Bank (Pro./Mis.) - 423320761	8,428,111.43	14,110,472.94
People's Bank (Kalawewa) - 179-1-001-2-0000458	406,828.64	327,155.58
Bank of Ceylon (Divinaguma) - 0072520724	23,554,737.14	12,901,381.64
People's Bank (JICA) - 208-1-005-7-3320761	0.00	121,732.85
People's Bank (Motor Bike Fund) - 208-1-001-3-0022301	355,757.35	246,867.61
	74,812,849.01	49,268,312.68

NOTE - 09
RETIREMENT BENEFIT OBLIGATIONS

Balance B/Forward	70,918,812.89	53,562,763.88
Charge for the year	9,736,927.80	18,698,933.01
Paid during the year	(1,109,114.00)	(1,342,884.00)
Balance at the end of the year	**79,546,626.69**	**70,918,812.89**

NOTE - 10
DEFFERD REVENUE

Treasury & Ministry Grants Grant - Capital

Balance B/F (Ministry)	898,478,598.99	492,896,802.22
Value of Grants received during the year	79,529,731.41	460,029,780.04
Profit & Loss A/C	(75,227,381.87)	(54,447,983.27)
	902,780,948.54	898,478,598.99

ADB Grants

Balance B/F	193,068,815.98	209,751,918.96
Profit & Loss A/C	(17,174,284.98)	(16,683,102.98)
	175,894,531.00	193,068,815.98

National Aquaculture Development Authority of Sri Lanka

Yr 2016 - Final Accounts
Notes to Financial Statements

NOTE – 11
TRADE & OTHER PAYABLE

Other Creditors		
Mis. Deposit Other	7,085,389.92	1,725,796.27
Mis. Dep. (Provincial Council)	11,058,563.32	1,968,790.32
Mis. Deposit (IUCN)	71,212.00	71,212.00
Inter Bank transfer Accounts	1,000,000.00	200,000.00
Management License	217,938.01	217,938.01
Fisheries ID	301,907.90	301,907.90
Cancelled Cheques	0.00	148,903.55
Bonds	1,802,200.00	723,800.00
Fingerling Stocking - FAO Project	593,704.00	593,704.00
JICA	0.00	121,732.85
Viatnam MOU	454,948.60	454,948.60
FAO - Admininstration cost	120.00	120.00
DiviNaguma-Agreements	32,679,029.66	21,939,602.16
DiviNaguma - Fingerling stocking	1,258,960.75	1,258,960.75
MH Mud Ponds	110,624.00	0.00
Bike Deposit Fund	355,757.35	246,867.61
Brakish water Development	0.00	509,358.00
EU-SDDP-FAO Project	212,629.12	657,727.62
Establishment of Polonnaruwa AQDC	55,539.76	0.00
Fooh Security - President Fund	2,243,571.94	0.00
Improvement of Ornamantal	100,000.00	0.00
	59,602,096.33	**31,141,369.64**

FOR THE YEAR ENDED 31ST DECEMBER FOR THE YEAR ENDED 31ST DECEMBER	**2016 Rs.**	**2015 Rs.**
Other Payable		
Accrued Expenses	13,131,812.41	13,507,090.22
Provision for Audit Fees	592,740.00	296,370.00
Stamp duty Payable	85,285.15	32,785.15
WHT	363,329.07	363,329.07
	14,173,166.63	**14,199,574.44**
	73,775,262.96	**45,340,944.08**

National Aquaculture Development Authority of Sri Lanka

Yr 2016 - Final Accounts
Notes to Financial Statements

NOTE - 12

COST OF FISH SEED PRODUCTION

Stocks as at 01.01

Fish Seeds		3,864,130.60	9,561,507.00
Brood stocks		3,714,322.00	3,455,785.00
		7,578,452.60	**13,017,292.00**
Add : Direct Expenses			
Brood stocks Managing Expenses		9,616,423.08	3,603,031.95
Fish Feed consumption			
stock as at 1.1	4,213,920.80		4,194,412.00
Add : Purchases	43,687,919.60		27,009,693.26
Less : Stocks as at 31.12	(8,633,830.27)	**39,268,010.13**	**(4,213,920.80)**
Hormones, Chemical & Oxygen consumption			
stock as at 1.1	15,377,662.40		5,199,753.16
Add : Purchases	5,385,866.36		16,106,558.68
Less : Stocks as at 31.12	(16,318,616.12)	**4,444,912.64**	**(15,377,662.40)**
Add : Breeding overhead			
Electricity &Water(60%)	9,191,483.41		8,877,625.22
Security Services (50%)	7,808,470.32		5,320,672.55
Repairs &Main. Plant & Machinery	3,685,287.70		1,317,423.12
Depreciation Note(05)	34,586,143.66	**55,271,385.09**	**25,526,354.92**
Less : Stocks as at 31.12			
Fish Seeds		(4,521,861.00)	(3,864,130.60)
Brood stocks		(6,714,641.50)	(3,714,322.00)
Cost of Fish seeds Production		**104,942,681.04**	**83,002,781.06**

National Aquaculture Development Authority of Sri Lanka

Yr 2016 - Final Accounts
Notes to Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER	2016 Rs.	2015 Rs.
NOTE - 13		
OTHER INCOME		
Fishery ID	283,550.00	57,540.00
Lease Rent	0.00	337,500.00
Circuit Bungalow income	1,462,785.00	1,024,896.40
Other Income	3,666,206.59	2,870,060.12
House Rent -Quarters	310,216.12	467,433.45
Tender Deposit non Refundable	2,717,080.05	398,400.00
Distress Loan Interest	1,702,283.22	1,036,401.63
Bicycle Loan Interest	29,780.74	23,619.06
ADB MH Loan Recovery	108,936.65	0.00
Ornamental Fish Training Programme	2,546,550.00	2,282,209.75
Aquaculture license	4,343,230.00	3,611,715.00
Disposal of Assets A/C	0.00	4,694,898.00
Renting of Facilities at Kalawewa	24,184,942.78	20,285,171.56
Fingerling Transport Income	5,683,842.99	5,644,516.00
Fine	2,126,525.00	499,167.00
Income PPP	1,140,879.30	1,492,967.00
Lab Testing Income	7,399,575.00	6,069,275.00
Field Inspection Charges	**1,190,000.00**	**1,146,000.00**
	58,896,383.44	51,941,769.97
NOTE - 14		
ADMINISTRATIVE EXPENSES		
Emoluments		
Salaries & Other Allowances	259,835,640.60	227,488,877.15
Overtime & Holiday pay	13,747,861.21	9,806,835.52
Contributions to E. P. F.	36,993,550.01	33,862,429.26
Contributions to E. T. F.	7,402,341.32	6,973,603.17
Uniform	204,505.00	194,708.88
Welfare Expenses	1,872,818.69	2,521,462.08
Provision Gratuity	9,736,927.80	18,698,933.01
	329,793,644.63	299,546,849.07
Communication		
Telephone, Telex and Fax Charges	3,571,562.11	3,052,262.55
Postage and Telegrams	496,199.50	959,468.00
	4,067,761.61	**4,011,730.55**

National Aquaculture Development Authority of Sri Lanka

Yr 2016 - Final Accounts
Notes to Financial Statements

Repairs and Maintenance		
Office and Centres Maintenance	2,521,988.58	3,495,414.54
Equipment Maintenance	1,867,607.65	3,400,596.32
Depreciation on Fixed assets Note(04)	38,332,723.36	29,258,757.28
	42,722,319.59	36,154,768.14
Premises Maintenance		
Rent	522,600.00	1,708,140.29
Rates	207,501.31	74,633.00
Cleaning charges	3,365,345.42	2,380,707.66
Water & Electricity Charges	6,127,655.61	5,918,416.82
	10,223,102.34	10,081,897.77
Others		
Audit Fees	296,370.00	264,350.00
Security Charges	7,808,470.32	5,320,672.55
Advertisement	981,600.60	1,672,108.00
Newspapers and Periodicals	54,750.00	54,010.00
Transport	155,066.50	76,697.50
Stationery	3,261,650.08	2,591,530.50
Printing	109,170.84	297,194.72
Traveling (Local)	6,539,915.62	5,222,052.60
Entertainment Expenses	841,964.68	906,781.18
Allowance to Board Members	735,600.00	344,575.00
Laboratory Equipment	110,510.36	122,787.00
Mechanical & Electrical goods	705,665.00	1,301,655.80
Other Contractual Services	10,685,024.57	6,780,526.46
Expenses - Renting of Facilities at Kalawewa	14,596,791.50	12,456,055.20
Legal Expenses & Similar Cases	13,699,113.25	1,603,470.00
Ornamental Fish Training Program Expenses	1,251,855.45	880,854.75
Sundry Expenses	177,515.00	156,723.00
Lease Rental (Operational Leasing)	2,360,550.00	0.00
Labour fees (Outsource)	1,974,843.25	0.00
Fisheries ID	169,693.52	0.00
	66,516,120.54	**40,052,044.26**
Total	**453,322,948.70**	**389,847,289.79**

National Aquaculture Development Authority of Sri Lanka

Yr 2016 - Final Accounts
Notes to Financial Statements

NOTE - 15

DISTRIBUTION COST

Motor Vehicle Running Expenses		11,817,048.90	8,619,871.22
Fuel for Fingerling Transport		3,091,150.25	2,539,526.50
Motor Vehicle Maintenance		11,856,255.74	8,289,265.62
Motor Vehicle Insurance		2,194,132.23	2,204,226.30
Aquaculture Development		3,186,973.55	3,123,352.01
Exhibition		9,143,865.63	711,175.09
Raids Illegal Fishing activities		803,467.80	370,263.67
shrimp farming		2,399,380.13	1,893,478.98
Test Kits		12,768,720.95	6,398,898.23
Training -Local & Foreign		4,698,520.11	3,422,454.34
Vehicle License & Emission Test		623,275.00	675,993.42
Depreciation on Motor Vehicle	Note (04)	11,639,157.70	6,350,871.36
Debtor write off		0.00	1,207,278.75
Doubtful Debtor		96,576.00	1,554,649.14
		74,318,523.99	47,361,304.63

NOTE - 16

FINANCE COST

Bank Charges	101,742.41	93,910.53
	101,742.41	93,910.53



National Aquaculture Development Authority of Sri Lanka

NO.41/1,New Parliament Rd, Pelawatta,
Battaramulla, Sri Lanka.
TEL:0112786575/0112786495
FAX:0112786575
WEB:WWW.NAQDA.GOV.LK

Department of Government Printing