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விவசாய அமைச்சு
MINISTRY OF AGRICULTURE



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இலங்கை ஹதபிம அதிகாரசபை
HADABIMA AUTHORITY OF SRI LANKA



காலக கிஷுமீ வர்த்தா - 2011

நிர்வாக மற்றும் கணக்கு அறிக்கை - 2011

ADMINISTRATION & ACCOUNT REPORT - 2011



INDEX

01.	Message from the Chairman	-	02
02.	Message from the Executive Director	-	03
03.	Vision and the Mission	-	04
04.	Report of the Board of Directors	-	05 - i
05.	Organization Structure	-	06 - i
06.	The appraisal – 2011	-	07 - 08
07.	Main Development Programme	-	09 - 18
08.	First development Year		
	Soil Conservation and Watershed Management	-	09 - 12
09.	Second development Year		
	Crop Diversification and home gardening	-	13 - 15
10.	Third Development Year		
	Entrepreneur development activities	-	16
11.	Other Development Activities	-	17 - 18
12.	Special Project	-	19 - 28
13.	Sales Promotion Programme	-	28 - 29
14.	Financial Review	-	30 - 48
15.	Audit Comity Meeting	-	49
16.	Report of the Auditor General	-	50 - 56
17.	The answers of the Auditor General Report	-	57 - 74

Message from the Chairman



It is my duty to submit the Annual Report of the Hadabima Authority of Sri Lanka for the year 2011 as per section 40(2) of the Financial Act No 38 of 1971.

During the year of concern main development programme conducted in 22 divisional secretariats and successfully completed. Several activities were launched in the field to fulfill the objectives of the programme funded by Treasury of Sri Lanka. Accordingly special projects were conducted under the funds & guidance of the Ministry of Agriculture and completed for their satisfaction.

Though we had to face several incidents due to unfavorable weather during the year, obtain 95% of financial achievement. The physical performance of all activities i.e. supply of planting materials, agricultural equipment and the relevant purchasing were done in time. All the payments have been made and the advances were settled at the end of the year.

I wish to extend my sincere gratitude to the Honorable Minister of Agriculture for his support and guidance rendered throughout the year. Special thanks go to the Secretary and staff on behalf of my Board of Directors for their friendly cooperation given to us. Also I thank the entire staff of the Hadabima Authority for their endeavour given to achieve such progress in the entire development programme launched by the Authority.

Nandasena Herath
Chairman

Message from the Executive Director



During the year 2011 Ministry of Agriculture has assigned us a massive workload through the main development programme as well as through special projects. Focusing our trust area of developing selected farmlands with the participation of households through soil conservation, land and crop improvement for the benefit of the sector, every attempt were taken for the success of each and every event. Also we considered that as a main responsibility of our authority to fulfill the objectives of “Mahinda Chinthana” Policy framework to build up the motherland.

Activities were planned and performed with the participation of all staff members of Hadabima as a team and also with the involvement of relevant authorities & individuals. I can assure that our development team had been made every effort to aware and guide the targeted group to achieve sustainable development from their lands which directly affected the level of productivity & income. We as a team considered not only soil conservation & productivity improvement but also marketing, income generation activities and empowerment of farmer organization. Hence we played a major roll for the food security and social development of the community.

Other than the main development programme 14 special projects were launched under the assistance of our ministry. Year 2011 ministry has allocated Rs. Million 63.5 for the programmes such “Ranabimen Govibimata – Mudu polawata haritha pahaya”, Community based seed production, Rain water harvesting, Organic manure production, Demonstrative village, special soil conservation projects, model agricultural villages. All programmes were conducted successfully for the satisfaction of the targeted groups as well as ministry officials. I thank to the ministry staff that trust our capacity and capability of implementing those progarmmes in a way of success.

Among the programmes discussed above, “Ranabimen Govibimata” Programme gave us courage and motivation to move our programmes in a different way. Through this programme we were able to share our knowledge and skills with the capacity & strength of war heroes for the development of agriculture sector. With this understanding 400 ha of lands inside 20 camps and some lands outside the camps were cultivated.

Hence during the year 2011, we were able to achieve different tasks & challenges given to us for the benefit of the sector as well as the nation. Therefore at this stage, on behalf of Hadabima team I appreciate the assistance and guidance given by our honorable minister, secretary to the ministry and staff, Chairmen and board members of the authority. Finally my sincere gratitude should go to all officers and workers of our authority, because without their dedication and hard work we cannot achieve such progress during the year.

(D.M.R.B.Dissanayake)
Executive Director
Hadabima Authority of Sri Lanka.

VISION

Environmentally better land and
Economically strong farming community

MISSION

Contributing to increase national production through conserving
soil and making a sustainable and economic cultivation in
marginal up lands in Sri Lanka by participation of the farming
community who owns those lands.

HADABIMA AUTHORITY OF SRI LANKA

Annual Report – 2011

Board of Directors

The Board of Directors appointed by Hon. Mahinda Yapa Abeywardhane Minister of Agriculture Development on 12th May 2010 is stated below.

1. Mr. Nandasena Herath	Chairman
2. Mr. Lalith Rohana Nanayakkara	Member
3. Mr. M. P. Jayasinge – Attorney at law	Member
4. Mr. Buddhi Ramawickrama	Member
5. Miss. Anoja Munasinghe	Member
6. Mr. H. S. Dharmawardhana	Member
7. Mr. K. A. Samantha	Member

Mr. Nandasena Heratha is the Chairman of the Hadabima Authority and Mr. Ajith Rohana Nanayakkara is working as the Deputy Chairman.

Mr. D. M. R. B. Dissanayake who is in the special grade in the Sri Lanka Administrative Service (SLAS) is serving as the Executive Director of the Authority on secondment basis with effect from 01st January 2010.

The post of Deputy Director (Administration) of the Authority is vacant from 09.04.2010.

Mr. M. M. Weerakoon Banda who is in the Agricultural Sri Lanka Service was serving as the Deputy Director (Development) of the Authority from 02.06.2010 to 30.03.2011 and he returned back to the Department of Agriculture on 01.04.2011.

Mr. H. A. M. Wimal who was appointed to the post of Deputy Director (Marketing) w.e.f. 01.07.2010 on secondment for a period of one year was released to the Ministry of Irrigation and Water Resources Management. The post is vacant from that date.

Hadabima Authority of Sri Lanka

Dates of the Director Board meeting in the 2011

Director Board	Dates of the Director Board meeting & Present										
	2011-01-28	2011-02-28	2011-03-28	2011-04-28	2011-05-30	2011-06-30	2011-07-29	2011-08-30	2011-09-21	2011-11-25	2011-12-23
1 Mr. Nandase Herath Chairman, Hadabima Authority of Sri Lanka	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2 Mr. Lalith Rohana Nanayakkara Deputy Chairman, Hadabima Authority of Sri Lanka	X	✓	✓	X	✓	✓	✓	✓	✓	✓	X
3 Mr. Buddi Ramawikrama Boar Member	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
4 Mr. Ranjan Dharmawardene Boar Member	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5 Miss.Anoja Munasighe Board Member	✓	X	✓	✓	✓		✓	✓	✓	✓	✓
6 Mr.P.Jayasighe LLB Board Member	✓	✓	X	X	X	✓	✓	✓	✓	✓	✓
7 Mr. K.A.Samantha Board Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Present : ✓

Not Present : X

Designation of the Post

Director	-	Director
A.D/ D.D (D.)	-	Assistant Director/ Deputy Director (Development)
A.D/ D.D (A.)	-	Assistant Director/ Deputy Director (Administration)
A.D/ D.D.(M.)	-	Assistant Director/ Deputy Director (Marketing)
A.D/ D.D. (F)	-	Assistant Director/ Deputy Director (Finance)
A.D.O	-	Agriculture Development Officer
A.O	-	Administrative Officer
F.O	-	Finance Officer
M.O	-	Marketing Officer
I.A.O	-	Internal Audit Officer
Z.O	-	Zonal Officer
M.A	-	Management Assistant (Tech)
M.A	-	Management Assistant (Tech Non)
P.L	-	Primary Level (Machine Operator, K.K.S, Drivers, Cleaners)

PERFORMANCE IN 2011

During the year, main development programme were launched in the districts of Kandy, Matale, Kurunagela, Rathnapura and Kegalle under the treasury funds. For the main programme the treasury has allocated Rs. Million 72.0, while 14 number of special projects were implemented using ministry funds (Rs. Million 81.726) in Kandy, Monaragela, Badulla, Hambantota, Matara, Anuradapura, Nuwaraeliya and Kurunagela Districts.

The main development programme conducted in 22 divisional secretariats divisions were selected according to the recommendations of the Natural Resource Management centre of the department of agriculture. Grama Niladari Divisions were selected under the involvement and approval of Agricultural committee of each DS division. As such development activities of 7500 acres of land were performed with the participation of 10,000 farmer families. Steps have been taken to fulfill the objectives of “Mahinda Chinthana” policy framework to assure the food security of the country through sustainable management of natural resources.

Therefore main development programme was planned and performed in a sustainable manner considering three development phases.

Development Phase	Main Activities	Sub activities
First Year	Soil conservation and water shed management	Participatory Rural agricultural development planning.
		Training of selected community leaders.
		Soil conservation field training.
		Implementing Soil conservation activities
		Distribution of inputs & incentives
		Short term crop cultivation programme.
Second Year	Crop Diversification home gardening and Integrated farming	Technical training, awareness and Implementation of productivity improvement programme
		Distribution of seeds & planting material and animals.
Third Year	Entrepreneur development and marketing activities	Empower the community based organizations.
		Agri entrepreneur training programme.
		Establish new collecting and marketing units of Agri crop productions and maintain them.

Main Activities	Sub activities
Farm Development Activities	Development of the Kotmale & Pallekale Farm.
Planning, monitoring and development activities	Planning and progress monitoring
	Officer training programmes
	Physical resources development.
Media & propaganda programmes.	‘Deyata Kirula’ and ‘Jathika Govi Sathiya’ exhibition.
	electronic and printing media activities.

District Secretaries and relevant Divisional Secretaries of Kandy, Matale, Nuwara Eliya, Kegalla, Kurunegala and Rathnapura Districts have given their fullest cooperation in planning and implementing field activities, progress monitoring and evaluation for the success of each activities of the main development programme.

Accordingly the Hadabima Authority was able to obtain the following achievements from the main development programmes implemented in 2011 with the dedication and hard work of the field staff as well as the office staff.

FIRST DEVELOPMENT YEAR

Activity 01; Soil Conservation and Watershed Management.

Sub activity 01; Participatory Rural Development Planning

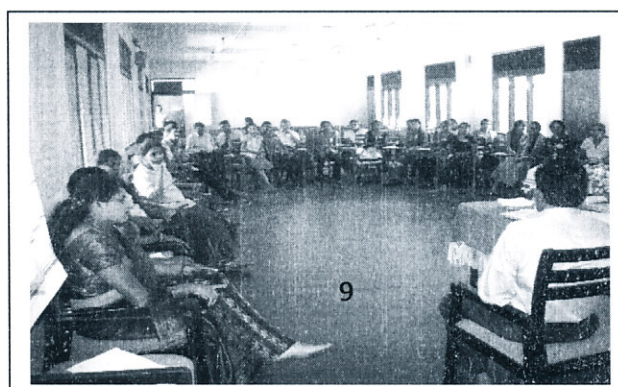
For the introduction of the programme and planning, one day workshops were carried out with the involvement of rural community and also with the participation of offices in the rural level. Progress of the activity is as follows.



	Physical		Financial	
	Target	Progress	Target	Progress
Number of programmes	44	48	0.290	0.277
Participation		6250		

Sub activity 02; Training for community leaders

Development activities of selected villages implemented with the participation of community leaders selected from the relevant areas. Therefore 3 days training sessions were carried out with the assistance of the resource personnel's of the Community Leadership Training Centre at Pilimathalawa, Kandy. 232 community leaders were selected for the 2011 programmes and trained as mentioned below.



	Physical		Financial	
	Target	Progress	Target	Progress
Number of programmes	05	05	0.57	0.552
Participation (Mandays)	690	696		

Sub activity 03; Soil conservation field training programme.

Field training programmes were launched to aware the farming community on conservation and recommended management practices, selecting conservation method etc.



	Physical		Financial	
	Target	Progress	Target	Progress
Number of programmes	100	66	0.44	0.434
Participation		6250		

Sub activity 04; Soil Conservation field activities and payments

To protect the soil & nutrients recommended conservation measures were applied in the field. Farmers carried out necessary methods with the guidance of Hadabima officers for the development of their lands. Incentive payments were paid to the farmers for the activities performed. But that amount is far below the rates recommended by the Department of Agriculture for soil conservation practices. Areas covered in each district and value of the payment are given below.



District	Physical (Area covered Ac)		Financial (Rs. Mn)	
	Target	Progress	Target	Progress
Kandy	3385.8	3904.5	18.75	18.72
Kegalle	1683.0	1680.5		
Matale	673.2	536.1		
Ratnapura	1009.8	450.7		
Kurunagela	673.2	839.5		
Total	7425	7411.4		

Sub activity 05; Distribution of Agricultural equipment to the beneficiaries

Arrangements have been made to give a mamoty as an incentive for every farmer family for their soil conservation field activities as agreed and the progress achieved in 2011 is stated below.

	Physical		Financial	
	Target	Progress	Target	Progress
Number of mamoties	10000	8634	6.719	6.285

Sub activity 06; Short term crop cultivation programme.

Arrangements have been made to provide seeds & planting materials, under the short term crop cultivation programme for the lands where the soil conservation activities were done successfully during 2011 and the progress achieved under that programme is given below.

	Physical		Financial	
	Target	Progress	Target	Progress
Number of farm families	10000	8634	1.0	1.9

As such, the entire physical progress of this programme is 100% and the financial progress is 90%.

The Following seed packets were distributed among farmers for the home gardening

Crop	Amount (pkt)
Brinjal	1g
Chillies	5g
Long Beans	10g
Luffa - (Vetakolu)	10g
Bitter gourd	10g

SECOND DEVELOPMENT YEAR

Activity 01; Crop Diversification and home gardening

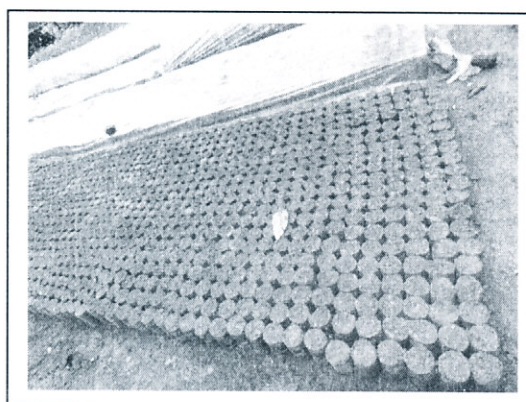
This programme was launched in 2011, where the soil conservation activities had been done successfully and the following works were carried out with the participation of the farmer community in order to fulfill the relevant objective.

Sub activity 01; Conduct technical training programmes.

Field training programmes were conducted to enhance farmer's knowledge and also to change their attitudes from traditional to commercial or to do in organized manner.

	Physical		Financial	
	Target	Progress	Target	Progress
Number of programmes	50	49	0.375	0.257
Participation		5419		

Sub activity 02; Training on establishment & management of plant nurseries



	Physical		Financial	
	Target	Progress	Target	Progress
Number of programmes	45	40	0.337	0.155
Participation		4042		

Sub activity 03; Establishment of community participatory plant nurseries

To fulfill the annual requirement of planting material for the development programmes farmer participatory nurseries were established by providing necessary inputs and guidance.

	Physical		Financial	
	Target	Progress	Target	Progress
Number of nurseries	45	40	3.375	2.046

Sub activity 04; Distribution of seeds and planting materials to the beneficiaries

Non availability of quality seeds and planting materials is a problem for the farmers. Therefore under this programme action had been taken to supply quality seeds & planting materials from the Department of Agriculture as well as from other relevant organizations in order to increase the productivity.

Though during the year we had to face several constraints in finding required amount from the reliable sources, it was able to distribute the amount purchased alike among all the beneficiaries. As such the progress achieved during 2011 is given below.

	Physical		Financial	
	Target	Progress	Target	Progress
Extent covered (ha)	3400	3400	11.475	5.300

The particulars of the vegetable seeds and plants distributed under this programme are given below.

Crops and quantity of seeds issued.

Variety	Quantity (kg)
Ginger	7735.0
Turmeric	2050.0
Long Beans	75.1
Okra	24.6
Beans	257.0
Tomatoes	5.0
Chilies	16.8
Brinjal	7.0
Carrots	5.0
Total	10175.6

Planting materials and quantity supplied.

Variety	Quantity (Number)
Coconut seedlings	30000
Rambutan	800
Total	30800

Sub activity 05; Semi back yard poultry rearing programme.

One month old chicks were distributed among selected farmer families under this integrated small scale farm development programme. During the year this was done in two stages. The first batch was distributed in the early part of the year due to non availability of chicks during the year 2010. In the latter part of the year chicks were distributed among selected farmers in 2011. Hence the achievement was far behind the target due to non availability of animals. As such the progress is mentioned below.

	Physical (Number)		Financial (Rs. Mn)	
	Target	Progress	Target	Progress
Amount distributed for farmers - 2010	7596	7365	1.723	1.712
Amount distributed for farmers - 2011	6000	2190	3.756	0.548
Total	13596	9555	5.479	2.260

THIRD DEVELOPMENT YEAR

Activity 01; Entrepreneur development activities

Programmes were planned and implemented to increase the home economy of the farmer families selected in the year 2010 programme for the soil conservation and crop improvement. During the year 95 selected farmers were trained from the areas concern and spent Rs. 37,960.00 for it.

Activity 02; Empowerment of the Farmer organizations

Targeting the improvement of marketing, income generation and organizational behaviors of the selected farmer groups and individuals, “Haritha Udana” organizations were formed. During the year 100 such organizations were maintained and they have involved in several activities with the authority.



Activity 03; Sales promotion and marketing activities

Assistance and guidance were given to the farmers and farmer organization to find the market for their produce by the Authority. Activities such as the post harvest activities and a better price for the produce were introduced. Arrangements have been made to protect the farmer community by introducing of proper sale center. Accordingly the Authority was able to establish a sale center in Gannoruwa, Peradeniya in order to fulfill the objectives of the Authority. The amount allocated for the for the construction works was Rs. mn. 1.24 in 2011.

OTHER DEVELOPMENT ACTIVITIES

Activity 01; Development of Model Farm Units.

Two special units were maintained by Hadabima Authority with the funds received from the treasury. The main objective of the maintaining those farms is to supply quality planting materials, animals which required for the main development programme. Actions were taken to maintain the farms as model units and especially as training farms.

Two model farms at Kothmale and Pallekale which belong to the Hadabima Authority of Sri Lanka are maintained as model units for soil conservation, animal husbandry, crop cultivation, production and distribution of chicks to the farmers, production of plant nursery potted vegetables as well as cultivates vegetable for the use of farmers. Products and by products of both farm are send to the Gannoruwa fresh vegetable sale center maintain by the Authority.

During the year 2011, Rs. 8,031,260/- has been spent for the development and maintenance of these two farms. Accordingly Rs. 4,849,908.14 was spent for Pallekale farm and Rs. 3,181,351.96 was spent for the development and maintenance of the Kothmale farm. An received annually Rs. 4,538,724.37 (Pallekale) and Rs. 1,638,207.75 (Kothmale) respectively.

Activity 02; Development of institutional, human and physical resources

	Physical (Number)		Financial (Rs. Mn)	
	Target	Progress	Target	Progress
Planning and awareness meetings	01	01	0.20	0.19
Training programmes for Technical officers	03	01	0.3	0.25
No. of officers sent for other training	50	22	0.25	0.23
Purchasing training equipment	01	01	1.20	1.01
Increasing capital assets			1.28	0.91

Activity 03; Media and Publicity Promotional Programmes.



	Physical (Number)		Financial (Rs. Mn)	
	Target	Progress	Target	Progress
“Dayata Kirula” National Exhibition	01	01	0.50	0.50
“Govi Sathiya” Exhibition	01	01	0.44	0.25
Electronic & printing media programmes	10	08	1.31	1.13

SPECIAL AGRICULTURAL DEVELOPMENT PROGRAMME

Special Agricultural programmes have been implemented annually by the Hadabima Authority of Sri Lanka under the guidance and funds allocated by the Ministry of Agriculture. During the year under the programme of “**Api Wawamu – Rata Nagamu**” several projects were approved and conducted successfully.

Special Project 01; Crop diversification and home gardening in Matara

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Awareness & Planning	Participatory rural agriculture development planning programmes	20	24	0.150	0.148
Training	Training programmes for Community leaders	01	01	0.150	0.139
Soil Conservation activities	Number of field training programmes	20	27	0.150	0.121
	Supply of mammoties to the farmers	2250	2416	1.687	1.638
	Extent (ha) given Incentives	800	753.3	5.000	3.714
Crop Productivity programme	Extent (ha) supply seed & planting materials	800	753.3	2.150	0.652
Field operations	Field assistance for supervision	02	02	0.360	0.263
Media activities	Preparation hand bills and name boards			0.0525	
Administrative cost				0.3	
Total				10.000	6.967

Though the financial achievement was 69% the Hadabima Authority of Sri Lanka was able to complete all the physical activities successfully. Due to problems faced in supplying of seed and planting materials and less involvement in soil conservation caused the drop on financial progress.

Special Project 02; Crop diversification and home gardening at Hambantota

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Awareness & Planning	Participatory rural agriculture development planning programmes	10	12	0.075	0.074
Training	Training programmes for Community leaders	01	01	0.100	0.094
Soil Conservation activities	Number of field training programmes	10	12	0.075	0.036
	Supply of mammoties to the farmers	1250	968	0.937	0.912
	Extent (ha) given Incentives	400	399.3	2.500	2.496
Crop Productivity programme	Extent (ha) supply of seeds & planting materials	400	399.3	0.750	0.041
Field operations	Field assistance for supervision	02	02	0.360	0.306
Media activities	Preparation of hand bills and name boards			0.0525	
Administrative cost				0.15	
Total				5.000	4.100

Except the supply of seeds & planting materials all other activities were performed well as targeted.

Special Project 03; Crop diversification and home gardening at Badulla

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Awareness & Planning	Participatory rural agriculture development planning programmes	20	14	0.150	0.054
Training	Training prg. for Comm. leaders	01	01	0.150	0.077
Soil Conservation activities	Number of field training prg	20	10	0.150	0.037
	Supply of mammoties to the farmers	2250	1316	1.6875	0.951
	Extent (ha) given Incentives	800	519.7	5.000	3.248
Crop Productivity	Extent (ha) supply of seeds & pm	800		2.150	
Field operations	Field assistance for supervision	02	02	0.360	0.296
Media activities	Preparation of hand bills and name boards			0.053	
Administrative cost				0.300	0.074
Total				10.000	4.737

Special Project 04; Development of uncultivated lands with unemployed youth – Mahailuppallama farm.

This project was started in 2010 and continued in this year too in MI area. Land was temporarily taken over from the Department of Agriculture and targeted to develop 100 acres of land. Different Varieties of field crops (OFC) which suit to the area were cultivated mainly. Several other development programmes were launched to generate and income.

During the year the targeted land for the cultivation was expanded up to 65 acres and cultivated crops such as Maize, Cowpea, Green gram, several vegetable crops etc. Other than the seasonal crops, part of the land developed as a perennial crop (Fruit crops) cultivating area with a plant nursery. Progress of the development activities of the project is mentioned below.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Awareness & Planning	Technical training sessions for selected youth force	01	01	0.100	0.003
Development of infrastructure	Supply of water			0.350	0.203
	Fencing around the cultivable area			0.400	0.372
Acquisition and maintenance of agricultural equipments & implements	Purchasing equipments like tractor trailer, tiers and other farm requirements			0.800	0.784
	Maintenance of machinery & equipment			0.200	0.159
Cost for the labour	Payment for youths and workers			5.000	2.744
Farm management	Field assistance for supervision			0.432	0.006
Field operations	Extent (ha) under Land cleaning	26	11.6	0.360	0.296
	Land development to cultivate crops (ha)	40	25	0.663	.002
Crop Productivity programme	Purchasing of Seed & planting materials			0.500	0.238
	Purchase & supply of other inputs			0.700	0.679
Progress monitoring	Farm supervision			0.030	0.030
Media activities	Preparation of hand bills and name boards			0.025	
Administrative cost				0.300	0.170
Total				10.000	5.766

Special project 05; Community Based Seed Producing Villages – Monaragala

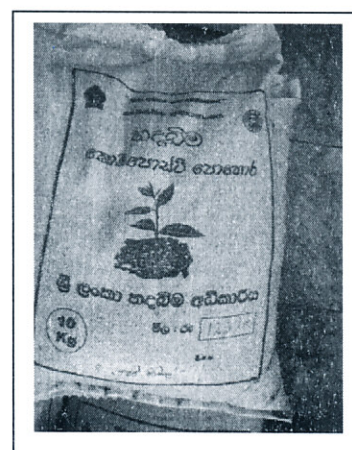
This programme was launched under the funds and guidance of the Ministry of Agriculture in order to assure the availability of the better seeds. Priority was given to cultivate crops such as Cowpea, Green gram, Gingerly, Finger millet etc. The Progress is stated below.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Training	Number of Training programmes for farmers	05	04	.030	0.029
Crop Productivity programme	Extent (ha) supply seed & panting materials *	400	400	1.170	1.169
Field operations	Field assistance for supervision	02	02	0.300	0.263
Administrative cost				0.046	0.042
Total				1.546	1.502

- ❖ 2450 kgs of cowpea (certified), 133kgs of cowpea (registered), green gram (certified) 1995 kgs green gram (registered) 7kgs of gingili 252 kgs were being supply.

Special Project 06; Promote the usage & production of organic manure

During the year 2011 Ministry of Agriculture has granted a Rs. mn. 5.5 for the above project. Several activities were planned and implemented with the farmers of the main programme, three farms of Hadabima, Camps selected for crop productivity improvement and also in Pantiyana, Matara. The programme was very productive it was able to use and distribute massive amount of compost.



Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Training	No. of Training Programmes for community leaders	15	15	0.200	0.200
	No. of leaders trained	500	532		
	Training programmes for farmers	5000		0.285	0.234
Supply of ag. Inputs for paddy farmers	Watering cans (Number)	1000	1000	2.250	2.157
	Polythene (Kg)	2000	2000		
Commercial production of Organic manure at Pallekale	Purchasing of Polythene (Kg)	10000	10000	0.100	0.071
	Watering cans (number)	55	55	0.007	0.007
	electronic accessories				
	Payment for labours	03	02	0.515	0.364
	Purchasing of cow dung (20 mt)			0.1	
	Purchasing 10 kg poly bags	10000	10000	0.150	0.150
	Printing cost (Bag)			0.008	0.007
Commercial production of Organic manure at Panatiyana	Transport cost			0.060	
	Watering cans (number)			0.050	0.027
	Payment for labours	05	03	0.686	0.538
	Payment for formen	01	01	0.144	0.119
	Purchasing of cow dung (10 mt)			0.050	
	Purchasing 10 kg poly bags	5000	2500	0.050	0.050
	Transport cost			0.660	0.660
Encouraging small scale producers	Supply of polythene to the farmers (Kg)	5000	2000	0.020	0.012
Administrative cost	Travelling & OT			0.100	0.007
	Fuel for travelling			0.065	0.049
Total				5.500	4.652

Special Project 07; Sustainable Soil Conservation and Land Development Project (Nuwara Eliya).

A special agricultural development project was implemented to minimize the soil erosion conditions by identifying the places in the Hanguranketha, Walapane and Kotmale D. S. Divisions in the Nuwara Eliya district and the progress is stated below.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Awareness & Planning	Participatory rural agriculture development planning programmes	10	08	0.075	0.057
Training	Training programmes for Community leaders	01	01	0.100	0.095
Soil Conservation activities	Number of field training programmes	20	12	0.100	0.049
	Supply of mammoties to the farmers	1500	792	1.125	0.544
	Extent (ha) given Incentives	400	384.8	2.500	2.405
	Introduction of savandera plants	150000		0.150	
Crop Productivity	Extent (ha) supply seed & panting materials	400	384.8	0.750	0.750
Media activities	Preparation of hand bills and name boards			0.050	
Administrative cost				0.150	0.070
Total				5.000	3.970

Special Project 08; Fruit Crop Nursery Development Project.

A special nursery development programme was commenced at Kotmale and Mahiluppallama farms in order to supply quality planting materials required for the 'Divi Naguma' national development programme and the special fruit plants producing project was launched on the allocations provided by the 'Api Vavamu Rata Nagamu' division in Ministry of Agriculture. The progress of it is stated below.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Infrastructure development	Establishment of net houses	01	01	0.250	0.181
	Supply of water for nurseries			0.021	
Operational cost	Payment for labourers	02	02	0.229	0.036
	Potting of plants	200000		0.100	
	Obtaining polythene bags (Kg)	400		0.100	
	Obtaining the basic nursery materials			0.080	
	Purchasing the seeds and planting materials			0.100	
	Obtaining agri chemical inputs.			0.050	
Administrative cost	Transport			0.040	
	Other administrative			0.030	
Total				1.000	0.217

Special Project 09; Fruit Crop Nursery Development Project - Mahailuppallama.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Infrastructure development	Establishment of net houses	01	01	0.250	0.207
	Supply of water for nurseries			0.021	0.019
Operational cost	Payment for labours	02	02	0.229	0.032
	Potting of plants	200000	8000	0.100	
	Obtaining polythene bags (Kg)	400	400	0.100	0.100
	Obtaining the basic nursery materials			0.080	0.041
	Purchasing the seeds and planting materials			0.100	
	Obtaining agri chemical inputs.			0.050	
Administrative cost	Transport			0.040	
	Other administrative			0.030	
Total				1.000	0.399

Special project 10; Accelerated Vegetable cultivation Programme

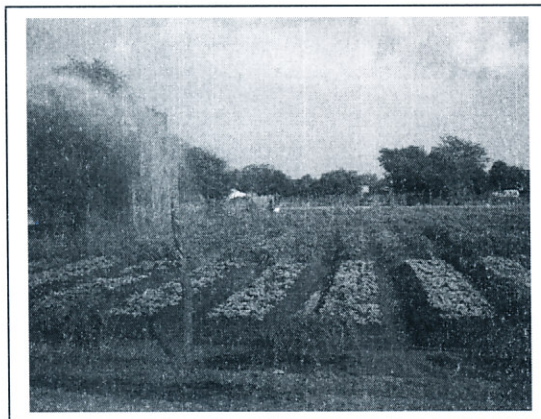
Hadabima Authority of Sir Lanka has launched an accelerated vegetable growing project in parallel to the main development programme for the benefit of the food security of the country. Amount allocated for the programme was Rs. Million 2.6 and the financial achievement was 92% and 100% success field programme.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Awareness & Planning	Number of farmer discussion & training	15	15		
Crop Productivity programme	Extent (ha) supply seeds	300	300	2.500	2.314
Administrative cost				0.100	0.081
Total				2.600	2.394

Issued 5kgs of Luffa seeds, 35.7kgs of Carrot seeds, 9.95kgs of Bitter gourd seeds, 52.625kgs of Beet seeds, 3.44kgs of Tomato seeds, 2.535kgs of Cabbage seeds, 5.650kgs of Raddish seeds, 380kgs of Beans seeds, 6.7kgs of Chillies seeds 2.12kgs of Mea and 5.800kgs of Okra seeds

Special Project 11; Participatory Food Crop Development Project with War Hero

A special development programme was launched in 2011 by the Hadabima Authority with the assistance of the war heroes under the theme of 'Rana Bimen Govi Bimata-Mudu Polowata-Haritha Peheya' with the objective of using the lands belonged to army camps in Northern Province which were not cultivated after the end of the war in that region and the progress is given below. The Extent of the cultivated land under fruit crop is 200 ha. vegetable crops 130 ha. Subsidiary food crops in 70 ha. Therefore total extent of the land cultivated under the programme, during the year concern was 400 ha.



Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Infrastructure development	Number of camps supply water	20	15	2.500	1.355
	Number of camps supply security fences	10	10	0.425	0.404
	Number of camps supply equipment	22	20	1.775	1.576
	Number of Two Wheel tractors supplied	10	20	2.250	1.458
Productivity improvement	Supply seed & planting materials (ha)	400	400	2.525	2.061
	Supply of other inputs(camps)	22	10	0.475	0.144
	Supply of One month old chicks (Camps)	03	02	0.320	0.163
	Supply of Bee boxes (Camps)	01	01	0.025	0.006
Media activities	Preparation of name boards	10	12	0.275	0.098
Training	Number of training programmes	01	02	0.100	0.089
Administrative cost				0.330	0.286
Total				11.000	7.639

Special Project 12; Establishment of Model Villages

A special project was implemented by the Hadabima Authority targeting 50 model villages by using Rs. 5.0 million received from the Technological division of the Ministry of Agriculture. Under the model villages development programme launched by them with a view to take the new agriculture technology to the village and 5000 farmer families were included in this project. The progress of it is stated below.

During the year of concern, supplied 1886 Guava plants, 765 dwarf Embarella plants, 2500 Jak fruit plants, 8238 Lime plants and 1800 grafted Rambuttan plants.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Awareness & Planning	Number of training programmes	50	40	0.250	0.118
Productivity enhancement programme	Units (number) supplied planting materials	50	40	3.550	1.161
	Establishment of model unit	01	01	0.150	0.067
	Distribution of one month old chicks	1000	590	0.200	0.148
	Empowerment of farmer organizations	50		0.150	
	Soil conservation plant distribution (Savendara plants)	200000		0.150	
	Bee Development activities (Units)	100	100	0.150	0.081
Administrative cost	Name boards	50		0.250	
	Other administrative cost			0.150	0.058
Total				5.000	1.635

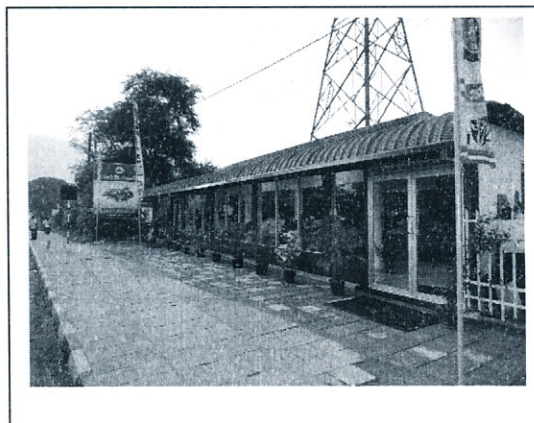
Special Project 13; Rain Water Management

This special project was implemented with Rs. 3.580 million granted by the Natural Resources Division of the Ministry of Agriculture to solve the massive problem of supplying drinking water as well as for the small scale cultivation faced by the farmer community in the upper areas in the central hills. The cost of construction of the rain water tank is given below.

Activity	Sub activity	Physical (Number)		Financial (Rs. Mn)	
		Target	Progress	Target	Progress
Operational cost	Transport	125	120	0.100	0.100
	Building materials			3.125	2.466
Administrative cost	Name boards			0.125	
	Transport			0.123	0.058
	Other administrative cost			0.107	0.021
Total				3.580	2.645

Development of proper marketing network for agricultural products.

Due to an unavailability of a good marketing network, producers as well as consumers have to face several problems in their day today life. Constant Price fluctuation, involvement and effect of middlemen, post harvest losses and lesser the farm gate price and exorbitant price are some of them.



When conducting development programmes of Hadabima we considered that as a major constraint for the successfulness and also to maintain them as sustainable. Hence measures were

taken to develop the marketing network of Hadabima by strengthening the “Haritha” farmers organization. Strengthen the supply chain from the farmers to hadabima sales outlet in development & progressive manner to achieve or maximize following objectives.

1. A fair prices and a readily available market for the farmers.
2. To minimize the post harvest losses of the agricultural products.
3. Provide the fruits and vegetables from the farmers’ field to the consumer as early as possible.
4. Optimize the value addition for the agricultural goods and also to strengthen the rural entrepreneurship.
5. Supply fresh agricultural products to the consumers in urban and suburban areas as early as possible.
6. Promote the production and usage of the traditional foods which have the nutritional & medicinal value and encourage to change food habits.
7. Increase employment opportunities for the young generation living in rural & urban areas.
8. Encourage the youth to engage in the agricultural sector for the development of the country.

The following figures show the involvement of Hadabima, during the year 2011 when achieving the above objectives through market promotion activities.

Item	Value (Rs. Mn) of Payment for producers/ suppliers	Income received from sales (Rs.)
Fresh vegetables	58.8	73.3
Fresh fruits	02.5	03.8
Quality plants	15.9	19.0
Total	77.3	96.1

As such Hadabim sales outlet established in Gannoruwa, has achieved a remarkable progress during the year 2011 and provided 30 employments directly. Hence at present this has been implemented as a supportive and independent unit of Hadabima Authority. About 25 farmer organizations are involved and 6000 members in 1250 farmer families are benefited from this outlet. It also provides services to about 180,000 consumers annually.

HADABIMA AUTHORITY OF SRI LANKA

BALANCE SHEET AS AT 31-12-2011

	Annexure				Annexure			
	Hadabima		Hadabima		Hadabima Sale center		Hadabima Sale center	
	2010	2010	2011	2011	2010	2010	2011	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS								
NON CURRENT ASSETS								
Property, Plant & Equipment (Net Value of Fixed Assets)		7,718,993.44		20,787,337.97	i	197,508.80	4,520,737.34	i
								25,308,075.31
CURRENT ASSETS								
Stocks as at 31.12.2011		20,511,214.44		16,625,693.69	ii	1,693,803.46	1,415,841.30	iii
Trade & Other receivable	7,747,256.15		7,184,663.27		iii	218,540.97	1,225,523.47	iv
Deposits & Pre payment	363,339.02		1,281,347.55		iv	737,674.00	3,595,610.01	ii,v
Cash & Bank Balance	12,069,549.95	20,180,145.12	15,580,101.66	24,046,112.48	v	1,862,013.43	2,341,192.02	
Total Assets		48,410,353.00		61,459,144.14		4,709,540.66	13,098,904.14	
EQUITY AND LIABILITIES								
Capital & Reserves								
Accumulated Profits/ (Lo	28,382,050.87		24,186,149.03		vi	3,630,465.70	8,754,267.11	32,940,416.14
Reserve Account	992,091.51		992,091.51					992,091.51
Capital Reserve	1,087,229.82	30,461,372.20	1,087,229.82	26,265,470.36				1,087,229.82
Government Contribution		-	12,508,172.46					
GTZ Grant		2,091.97	2,091.97	12,510,264.43				12,510,264.43
Donation		2,429,275.00		6,970,600.00				6,970,600.00
LIABILITIES								
NON CURRENT LIABILITIES								
Provision for Gratuity	9,525,110.00		11,198,837.38		vii		330,742.50	
Vehicle Loan (F.T.F.)	702,010.01		405,345.84		viii		2,566,000.00	
Security Deposits	144,793.00	10,371,913.01	156,171.63	11,760,354.85	ix	35,000.00	2,931,742.50	14,692,097.35
CURRENT LIABILITIES								
Creditors	2,768,061.43		2,878,224.80		x	1,028,641.50	1,296,309.50	4,174,534.30
Accrued Expenses	2,377,639.39	5,145,700.82	1,074,229.70	3,952,454.50	xi	1,044,074.96	116,585.53	1,190,815.23
Total Equity and Liabilities		48,410,353.00		61,459,144.14		4,709,540.66	13,098,904.64	74,558,048.78

Note :-

- 1 Depreciation Provided in the straight line method at the following rates according to the SLAS 18

Vehicle - 25% Per annum

Office Equipment - 10% per annum

Building - 2.5% per annum

Furniture & Fittings - 7.5% per annum

Depreciation is not provided in the year of purchase

- 2 Provision for Doubtful Debts - Gampola Housing Loan

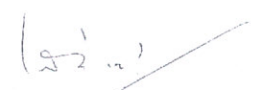
- 3 "Accounting for government Grant & Disclosure of government Assistance"

Under SLAS 24, All the government grant & government assistance of the Authority have been recognized when there is reasonable assurance. That the Authority will comply with the conditions attached and that the grant will posted under the capital approach. Also the government grant & assistance are not use to earn Income, as a result of that grant will not be depreciated.

- 4 Stocks are valued at the cost according to the SLAS 05

- 5 The Totale Expenditure incurred for development Activities were Charged against to income & Expenditure Account according to SLAS 37


R.P.L. Wijenayake,
Deputy Director(Finance)


D.M.R.B. Dissanayake
Director


H.M. Nandasena Herath
Chairman.

HADABIMA AUTHORITY OF SRI LANKA
Treasury & Ministry Funds - During the Year 2011

<u>Treasury Funds</u>		(Rs.)
RECURRENT		26,267,000.00
CAPITAL		53,896,450.00
		80,163,450.00
<u>Ministry Funds</u>		(Rs.)
Agricultural Production youth force programme Development yodaala part of Mahaellupallama Farm	5,766,489.12	
Expeditious programme of vegetable cultivation	2,394,465.75	
Community Base Seed Production villages programme monaragala	1,502,322.05	
Establishment of model villages	1,635,227.30	
Organic Manure Production Programme Panatiyana	4,648,403.25	
Sustainable Soil conservation & land development project hambanthota	4,099,717.39	
Sustainable Soil conservation & land development project Mathara	6,967,229.03	
Ranaviru Participatory soil conservation & indigenous crop production programme	7,445,489.95	
The project of uplift living condition of the farmers in the north province	815,310.00	
Sustainable Soil conservation & land development project Nuwara Eliya	3,969,836.55	
Sustainable Soil conservation & land development project Badulla	4,736,885.89	
Rain Water Harvesting & Management Programme	2,644,889.94	
Fruit Cultivation Programme Mahaellupallama	398,697.44	
Kothmale Fruit Cultivation Projects	217,443.97	
Dayatakirula National Development Exhibition Special Development Programme	1,252,235.20	
Apiwawamu Ratanagamu Indigenous Food Logistic Programme	1,119,490.13	
Semi Incentive Poultry Programme	4,500,000.00	54,114,132.96
Jathika Govijana Sathiya		399,808.54
Deyata Kirula		75,000.00
TOTAL		54,588,941.50

HADABIMA AUTHORITY OF SRI LANKA
INCOME AND EXPENDITURE ACCOUNT
For The Year Ended 31st December 2011

Annexture vi

	2010	2011
Treasury Grant - Recurrent	25,030,000.00	26,267,000.00
- Capital	37,600,000.00	53,896,450.00
Ministry Grant - Special	31,274,833.27	54,114,132.96
Jathika Govisathiya	344,910.18	399,808.54
Dayata kirula (Ministry)		75,000.00
Internal Income	<u>4,339,270.97</u>	<u>1,587,693.52</u>
	98,589,014.42	136,340,085.02
<u>Less</u>		
Recurrent Expenditure	32,819,489.23	36,944,582.25
Capital Expenditure	34,251,453.03	38,459,682.44
Special Expenditure	20,989,369.29	44,728,601.84
Jathika Govisathiya	344,910.18	399,808.54
Dayata kirula		75,000.00
Project Expenditure 2010		14,279,369.00
Domestic Poultry Programme		92,450.00
Maintenance of Palkelele Montessori	39,775.00	
Repairs to Vehicles 27/5929	<u>167,080.00</u>	<u>47,895.00</u>
Excess of Expenditure over Income	<u>9,976,937.69</u>	<u>1,312,695.95</u>
Accumulated Profit/ (Loss)	18,405,113.18	22,224,953.08
Disposable		648,500.00
B / F Profit Losses	<u>9,976,937.69</u>	<u>1,312,695.95</u>
	<u>28,382,050.87</u>	<u>24,186,149.03</u>

<u>INCOME</u>		<u>2010</u>	<u>2011</u>
1	Interest on Loans	147,903.39	184,193.33
2	Miscellaneous Income	170,829.36	248,910.86
3	Non refundable Tender deposits	11,000.00	155,500.00
4	House Rent	9,000.00	9,000.00
5	Registration fees	49,800.00	95,100.00
6	Amount Received from Use of Vehicles	8,800.00	15,100.00
7	Interest - Saving Account (Sale Center)	31,250.60	24,830.24
8	Integrated Farm		
1	Kothmale	(8,564.35)	(643,709.78)
2	Pallekelle	3,022,069.97	161,390.37
9	Sale of Newspapers	3,682.00	3,920.00
10	Pallekale Montessori & Day Care Centre	41,000.00	-
11	Daily Allowances	852,500.00	862,500.00
12	Rent - Pallekale Sales Centre		54,000.00
13	Panatiyana Income		56,710.00
14	Pallakale Organic Income		192,620.00
15	Mahaeluppalama Income		148,329.50
16	Recoveries		19,299.00
Total		4,339,270.97	1,587,693.52

Hadabima Authority of Sri Lanka - Pallekale Farm Profit & Loss Account as at 31 st December 2011

Description	Total	Description	Total
Stock as at 01-01-2011		Sales	4,350,499.95
Add : Purchase			
Eggs	369,105.00		
Animal Food	2,320,444.00		
Mushroom Cultivation	25,117.00		
Less : Stock as at 31-12-2011			
Cost of Sales			
	4,442,061.00		
	1,996,540.00		
	2,445,521.00		
Gross Profit	1,904,978.95		
			4,350,499.95
<u>Administrative Expenses</u>		Gross Profit B/F	1,904,978.95
Electricity	234,822.32		
Telecommunication	19,790.56		
Water Bill	26,843.58		
Allowances for vetnari sergon	500.00		
Labour Wages	1,084,145.02		
Allowances of Field Assistance	162,078.00		
			1,528,179.48
<u>Saling & Distribution Expenses</u>			
Transport Expenses	16,874.60		
Other Expenses			16,874.60
Construction of cow sheds	4,793.80		
Medical Treatments	26,827.20		
Farm Management	26,656.00		
Sexualize	140,257.50		
			198,534.50
			1,743,588.58
			161,390.37
Net Profit			1,904,978.95

Hadabima Authority of Sri Lanka - Kothmale Farm
Profit & Loss Account as at 31 st December 2011

Description	Total	Description	Total
Stock as at 01-01-2011		Sales	576,123.65
Add : Purchase			
Seeds & Plants	280,950.00		
Animal Food	87,959.40		368,909.40
			945,033.05
Less : Stock as at 31-12-2011			703,580.20
Cost of Sales			241,452.85
Gross Profit	1,281,668.90		1,281,668.90
			1,523,121.75
		Gross Profit B/F	1,281,668.90
<u>Administrative Expenses</u>			
Administrative Expenses	65,494.83		
Labour Wages	1,465,775.99		
Allowances for farm manager	194,922.00		
Electricity	18,415.50		
Telecommunication	16,328.84		1,760,937.16
<u>Other Expenses</u>			
Polythene	118,175.00		
Plant potting	19,625.52		
Plant Grafting	4,725.00		
Fertilizer	20,166.00		
Horticulture	1,750.00		164,441.52
			1,925,378.68
			(643,709.78)
Net Profit/Loss			1,281,668.90

HADABIMA AUTHORITY OF SRI LANKA**FIXED ASSETS**As at 31st December 2011**BUILDINGS, VEHICLES, OFFICE EQUIPMENTS & FURNITURE**

	Opening Balance 01.01. 2011	Additions During the Year	Sales / Deduction During the Year	Balance as at 31-12-2011
Buildings	4,017,279.23	3,296,124.94		7,313,404.17
Vehicles	11,593,662.83	5,725,000.00	(1,047,500.00)	16,271,162.83
Furniture & Fittings	1,640,896.66	649,001.55	(11,175.00)	2,278,723.21
Office Equipment	5,620,484.39	870,353.00		6,490,837.39
Agriculture Implements	726,282.50	2,931,700.00		3,657,982.50
	23,598,605.61	13,472,179.49	(1,058,675.00)	36,012,110.10

BUILDINGS, VEHICLES, OFFICE EQUIPMENTS & FURNITURE**As at 31st December 2011**

Annexure i - 2

	Accumulated Depreciation up to 01-01-2011	Prior Year Adjustment (Vehicle)	Depreciation for the year	Accumulated Depreciation up to 31-12-2011
Buildings	729,294.96		100,431.98	829,726.94
Vehicles	10,581,674.83	(1,563,750.00)	349,473.00	9,367,397.83
Furniture & Fittings	1,253,688.00		27,365.94	1,281,053.94
Office Equipments	3,159,960.38		359,010.79	3,518,971.17
Agriculture Implements	154,994.00		72,628.25	227,622.25
	15,879,612.17	(1,563,750.00)	908,909.96	15,224,772.13

Annexure i - 3

	Cost	Accumulated Depreciation	Written Down Value	Annexure
Buildings	7,313,404.17	829,726.94	6,483,677.23	i-3-i
Vehicles	16,271,162.83	9,367,397.83	6,903,765.00	i-3-ii
Furniture & Fittings	2,278,723.21	1,281,053.94	997,669.27	i-3-iii
Office Equipments	6,490,837.39	3,518,971.17	2,971,866.22	i-3-iv
Agriculture Implements	3,657,982.50	227,622.25	3,430,360.25	i-3-v
	36,012,110.10	15,224,772.13	20,787,337.97	

HADABIMA AUTHORITY OF SRI LANKA
BALANCE SHEET AS AT 31-12-2011

TRADE AND OTHER CREDITORS

	<u>2010 Rs.</u>	<u>2011 Rs.</u>	<u>Amount</u>	<u>Annexure</u>
1 Security Deposits	144,793.00	<u>156,171.63</u>	156,171.63	ix
2 Soil Conservation Deposits	1,216,493.50	738,993.50		x
3 Kandy Security Services	5,000.00	5,000.00		x
4 Miscellaneous Deposits	1,543,942.93	<u>2,134,231.30</u>	2,878,224.80	x
5 Creditor's Account (Festival Advance)	2,625.00	-		x
6 Accrued Expenses	2,377,639.39	<u>1,074,229.70</u>	1,074,229.70	xi
	<u>2,768,061.43</u>		<u>4,108,626.13</u>	
Noncurrent Liabilities				
Bicycle Loan	<u>702,010.01</u>		<u>405,345.84</u>	viii

Investment For Farmer Community as at 31.12.2011

Object code	Object	Amount Rs.	Total Rs.
TREASURY ALLOCATION (CAPITAL EXPENDITURE)			
2201.con	Continuation - 2010	1,711,838.00	
2201.01	SOIL CONSERVATION & WATERSHED MANAGEMENT		
2201.01.a	Planning of Rural Agriculture Development	276,745.90	
2201.01.b	Community Leadership Training Programme	552,927.85	
2201.01.c	Community Leadership Development Programme	765,622.16	
2201.01.d	Field Training For Soil Conservation	376,959.60	
2201.01.e	Supplying of agri equipments for soil Conservation Activities	1,041,271.90	
2201.01.f	Seed Cultivation Programme	818,100.00	
2201.01.g	Payments for soil conservation Activities	18,728,125.00	
2201.02	HOME GARDENING MANAGEMENT AND CROPS DIVERSIFICATION PROGRAME		
2201.02.a	Technical Training Programme for Home Gardening Management	257,293.60	
2201.02.b	Community Participatory plant production Training programme	154,689.20	
2201.02.c	Community participatory plant production programme	842,780.20	
2201.02.d	Distribution of Seeds & Planting Materials	5,001,700.00	
2201.2.e	Integrated home Gardening Management Programme	547,500.00	
2201.02.f	Home gardening competition	11,151.00	
2201.03	PORGRAMME TO STRENGTHEN THE ECONOMY OF FARMER'S COMMUNITY		
2201.03.a	Programme to Empower Community base Societies	203,086.64	
2201.3.b	Agri entrepreneur Training Programme	37,960.00	
2201.03.d	Establishment & maintenance of collecting & selling units of new agri products	1,223,889.12	

42			
2201.04	HUMAN / PHYSICAL / INSTITUTIONAL DEVELOPMENT		
2201.04.a		Organizing the planing & progress review programme	199,485.00
2201.04.b		Organizing the institutional Training Programme for field officers	234,634.61
2201.04.c		Job related skills development programme	228,700.00
2201.04.d		Development of Physical Resources	1,001,899.50
2201.04.e		Improvement of capital Assets	909,657.65
2201.05	PROGRAME OF MEDIA AND PROPAGANDA		
2201.05.a		National Exhibition "Deyata Kirula"	491,548.38
2201.05.b		Programme of National Farmers' Week	256,034.00
2201.05.c		Electronic Printed & Current Media Programme	1,104,881.71
2201.07	Administrative Cost		1,481,201.42
			38,459,682.44

20.2502.03	Agricultural Production Youth Force Programme - MAHAILUPPALLAMA PROJECT		
20.2502.03.01.i	Technical Training For the Agricultural Production Youth Force	3,000.00	
20.2502.03.02.i	Construction & Maintenance of Agro wells irrigation systems ect	203,470.00	
20.2502.03.02.ii	Improvement of capital Assets & infrastructure facilities	369,959.80	
20.2502.03.03.i	Purchasing Equipments	765,549.50	
20.2502.03.03.ii	Maintenance	158,153.95	
20.2502.03.04.i	Provide Youth Skills	2,666,600.00	
20.2502.03.04.ii	Field Inspection	5,787.00	
20.2502.03.06.i	Basic Land Clearing	376,000.04	
20.2502.03.06.ii	Land Preperation	1,487.00	
20.2502.03.06.iii	Provide Seeds & Planting Materials	92,265.00	
20.2502.03.06.iv	Provide Basic Agro Inputs	586,705.50	
20.2502.03.07.i	Farm Allowances	30,000.00	
20.2502.03.10	Administrative Cost	166,252.45	
20.2502.4	Fruit Cultivation Programe - MAHAILUPPALLAMA		
20.2502.04.1.i	Building a net Hous	206,751.44	
20.2502.04.02.i	Labour Force	32,046.00	
20.2502.01 Sustainable Soil Conservation and Land Development Project - BADULLA DISTRICT			
20.2502.01.i	Planning Agriculture Developments	54,438.00	
20.2502.01.2	Community Leadership Development Programme	76,630.00	
20.2502.01.03.i	Soil Conservation field training	36,834.40	
20.2502.01.3.ii	Provide Agriculture inputs	951,422.81	
20.2502.01.03.iii	Payment of Soil Conservation Activities	3,246,875.00	
20.2502.01.v	Field Inspection	295,596.00	
20.2502.01.07	Administrative Cost	73,839.68	

20.2502.02 Sustainable Soil Conservation and Land Development Project - MATARA DISTRICT			
20.2502.02.i	Planning Agriculture Developments	148,188.64	
20.2502.02.02	Community Leadership Development Programme	139,120.00	
20.2502.02.03.i	Soil Conservation field training	120,611.05	
20.2502.02.03.ii	Provide Agricultural inputs	1,637,874.00	
20.2502.02.03.3	Payment of Soil Conservation Activities	3,724,375.00	
20.2502.02.iv	Crop Cultivation Programme	647,512.00	
20.2502.02.V	Field Inspection	262,752.00	
20.2502.02.vii	Administrative Cost	292,308.04	
20.2502.05 Sustainable Soil Conservation and Land Development Project - HAMBANTOTA DISTRICT			
20.2502.05.i	Planning Agriculture Developments	73,708.51	
20.2502.05.02	Community Leadership Development Programme	94,389.00	
20.2502.05.03.i	Soil Conservation field training	36,243.00	
20.2502.05.03.ii	Provide Agricultural inputs	616,386.58	
20.2502.05.03.iii	Payment of Soil Conservation Activities	2,490,625.00	
20.2502.05.4	Crop Cultivation Programme	41,213.50	
20.2502.05.05	Field Inspection	306,390.00	
20.2502.05.vii	Administrative Cost	140,034.55	

21.2502.01 Organic Manure Production - Panatiyana			
21.2502.01.i	Training Community Leaders	191,856.00	
21.2502.01.ii	Organization Field Training Programme	233,707.00	
21.2502.02.i	Provide Agriculture Equipments	77,520.00	
21.2502.03.i	Purchasing equipments and infrastructure Development	20,650.00	
21.2502.03.ii	Labour Wages	364,011.07	
21.2502.04.i	Purchasing equipments and infrastructure Development	24,500.00	
21.2502.04.ii	Labour Wages	538,240.00	
21.2502.04.iii	Accepting the Service of an Assistant	119,400.00	
21.2502.04.vi	Transport Cost	12,444.00	
21.2502.06.i	Connection of three phase line	7,000.00	
21.2502.07.i	Administrative Cost	7,405.00	
21.2502.07.ii	Fuel Cost	48,895.10	
4.2502.01 Sustainable Soil Conservation and Land Development Project - NUWARAELIYA DISTRICT			
4.2502.01.i	Community Participated rural Agricultural Development	56,786.60	
4.2502.01.ii	Training of Traners	95,257.38	
4.2502.01.iii	Field training Programme	49,435.80	
4.2502.2.i	Provide Agricultural Equipments for soil conservation	543,774.17	
4.2502.02.ii	Incentive Payment for soil conservation programme	2,403,125.00	
4.2502.3	Provide Vegetable & other crops	628,027.20	
4.2502.5	Administrative Cost	69,895.40	

22.2502.01 Kotmale Fruit Cultivation Project			
22.2502.01.02.i	Labour Wages	36,329.25	
22.2502.02 Establishment of Model Villages			
22.2502.01.01.i	Construction of a Net House	181,115.22	
22.2502.02.i	Organizing Training Programme	117,842.50	
22.2502.02.02	Distributing Seeds & Planting Materials	932,607.50	
22.2502.02.03	Establishing Modules	67,100.00	
22.2502.2.4	Poultry programme	147,500.00	
22.2502.02.08	Administrative Cost	57,767.80	
22.2502.2.9	Bee Keeping Programme	84,000.00	
22.2502.03 Community Base Seed Production Villages Programme - Monaragala District			
22.2502.03.i	Subject Matter Training	28,808.00	
22.2502.03.02	Provide Basic Seeds & Planting Materials	1,168,825.00	
22.2502.03.iii	Field Inspection	262,752.00	
22.2502.03.06	Administrative Cost	41,937.05	
5.2502 Rain Water Harvesting & Management Programme			
5.2502.1.i	Providing Building materials	2,465,896.90	
5.2502.03	Transport Cost -2011	57,714.40	
5.2502.04	Administrative Cost	21,278.64	
5.2502.05	Transport Cost 2010	100,000.00	

22.2502.04 Expeditious Programme of Vegetable Cultivation			
22.2502.04.i	Vegetable Cultivating Programme under 50% Community contribution	2,309,617.30	
22.2502.04.02	Administrative Cost	80,733.40	
22.2502.05 Ranaviru Participatory Soil Conservation and Indigenous Crop Production Programme			
22.2502.05.01.i	Supplying of water facilities	723,218.93	
22.2502.05.01.ii	Fencing	283,718.40	
22.2502.05.02.i	Supplying of agricultural equipments	923,456.00	
22.2502.05.03.i	Supplying of Agri machinery services	1,254,882.45	
22.2502.05.04.i	Supplying of seeds & Planting Materials	2,061,235.00	
22.2502.05.04.ii	Supplying of agricultural inputs	144,002.50	
22.2502.05.05.i	Establishment of semi intensive poultry rearing units	162,815.00	
22.2502.05.05.ii	Bee Keeping	6,300.00	
22.2502.05.06	Making of name boards	39,600.00	
22.2502.05.07.i	Organizing of technical training programme	88,634.35	
22.2502.05.08	Administrative Cost	294,692.32	
20.2502.04.02	Indigenous Crop Cultivation Development Projects	669,480.00	
20.2502.04.03	Transport & Administration Expenses	19,310.00	
6.2502 Poultry Programme			
6.2502.1	Construct a Building	471,719.44	
6.2502.01.ii	Purchasing Equipments	195,000.00	
6.2502.3	Construct a Poultry shed	236,163.00	

7.2502 Dayata Kirula Programme			
7.2502.01.01	Organizing Training Programme	5,660.00	
7.2502.1.iii	Provide Basic Agri inputs	181,986.00	
7.2502.01.v	Provide Seeds & Planting Materials	611,750.00	
7.2502.1.viii	Development of Community public facilities	29,625.00	
7.2502.3.2	Provide Agri Equipments	58,095.80	
7.2502.4.1	Provide Seeds & Planting Materials	55,000.00	
7.2502.3.7	Provide Technical Services	4,000.00	
7.2502.4.2.i	Organizing Technical Training	7,071.00	
7.2502.4.3.ii	Provide Agriculture Equipments	181,986.00	
	Apiwawamu Ratanagamu Indigenous food logistic programme	1,119,490.13	
7.2502.5	Administrative Cost	74,561.40	44,728,601.84
	Deyata Kirula	75,000.00	75,000.00
	Govisathiya	399,808.54	399,808.54
	Vehicle Repairs	47,895.00	47,895.00
p-i	Kothmale Integrated Farm Poultry	92,450.00	92,450.00
TOTAL			45,343,755.38

Object code	Object	Amount Rs.
RECURRENT EXPENDITURE		
1001	PERSONAL EMOLUMENTS	
	i Salaries and Wages	19,214,813.83
	ii E.P.F.	1,684,617.58
	iii E.T.F.	421,154.36
1002	Overtime and Holiday Pay	787,582.57
1003	i Chairman's Allowances	520,000.00
	ii Deputy Chairman's Allowances	400,000.00
	iii Gratuity	1,723,377.38
1101	i Traveling Domestic	1,377,096.43
1201	SUPPLIES	
	i Stationeries and Office requisites	745,530.44
1202	i Fuel and Lubricants	2,084,956.70
	ii Books Periodicals and Newspapers	11,140.00
	MAINTENANCE EXPENDITURE	
1301	Vehicles	3,151,111.48
1302	Office Equipments	86,125.00
1303	Buildings	777,999.84
1402	Telecommunication	600,982.52
1403	Postal Charges	139,028.30
1404	i Electricity	106,982.26
	ii Water	78,242.10
1407	i Licensing & Insurance	493,617.90
	ii Advertisement	4,800.00
	iii Legal Expenses	74,934.00
	iv Security	600,000.00
	v Insurance in Cash in Transit	19,266.80
	vi Welfare	38,916.20
	vii Cleaning Service	192,000.00
	viii Taxes	11,705.59
1905	OTHER	
	i Financial Charges	234,094.33
	ii Audit Fees	225,000.00
	iii Allowances to Board of Directors	190,000.00
	iv Entertainment Expenses	40,596.68
	Depreciation	908,909.96
TOTAL		36,944,582.25

Hadabima Authority of Sri Lanka

Audit Commity Metting - 2011

Board				
	2011-04-28	2011-08-30	2011-11-25	2011-11-23
1 Mr. Nandasena Harath Chairman" Hadabima Authority Of Sri Lanka, Gannoruwa, Peradeniya.	√	√	√	√
2 Mr. Lalith Rohana Nanayakkara, wise Chairman, Hadabima Authority of Sri Lanka	X	√	√	X
3 Mr. Buddi Ramaeicrama - Board Member, Hadabima Authority Of Sri Lanka	√	√	√	X
4 Mr. Ranjan Dramawardena, Board Member, Hadabima Authority Of Sri Lanka	X	√	√	√
5 Mis. Anoja Munasinghe - Board Member, Hadabima Authority Of Sri Lanka	√	X	√	√
6 Atony At low M.G. Jayasinghe - Board Member, Hadabima Authority Of Sri Lanka	√	√	X	X
7 Mr. K.A. Samantha Board Member, Hadabima Authority Of Sri Lanka	√	√	√	√



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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } CL/KD/H/HA/2012-
 எனது இல } FA/2011/12
 MyNo. }

ඔබේ අංකය }
 உமது இல }
 No. }

දිනය } 8 November 2012
 திகதி }
 Date }

The Chairman
 Sri Lanka Hadabima Authority

Report of the Auditor General on the Financial Statements of the Sri Lanka Hadabima Authority (Sri Lanka Haritha Danaw Bim Sanwardana Madyama Adikariya) for the year ended 31 December 2011 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of Financial Statements of the Sri Lanka Hadabima Authority for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 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 23 of the State Agricultural Corporations Act No.11 of 1972. My comments and observations which I consider should be published with the annual report of the Authority in terms of Section 14 (2) (c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Authority on 12 July 2012.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka 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 or error.

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. 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 the financial statements. Sub-sections (3) and (4) of the 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 qualified 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 Sri Lanka Hadabima Authority as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Although the gross residual value of the non- current assets which were written off but still being used continuously should be disclosed in the financial statements according to the Sri Lanka Accounting Standard No.18, action had not been taken accordingly in respect of 15 vehicles costing Rs. 9,284,912, 100 units of furniture and fitting costing Rs. 1,913,843 and 72 units office equipment of costing Rs. 2,900,727.

2.2.2 Accounting Deficiencies

The following deficiencies were observed.

- (a) Although the expenditure amounting to Rs. 63,941 pertaining to the year under review but paid during the subsequent year in 06 instances had not been brought to accounts on accrual basis, as such the expenditure for the year had been understated by similar amount.
- (b) Vehicle disposal income of Rs. 648,500 payable to the Ministry of Agriculture had been included in the cumulative profit and loss account instead of showing as current liability and therefore the balance of the cumulative profit and loss account had been overstated by similar amount.
- (c) Hundred and seven items of equipment valued at Rs. 918,550 taken for use had been accounted for as miscellaneous stock instead of showing under equipment account.
- (d) Although the income and expenditure of the nursery and day-care centre of Pallekale had been shown in the financial statements of the Authority during the previous years, the revenue amounting to Rs. 182,850 and expenditure amounting to Rs. 182,890 in respect of the year under review had not been taken in to account at the time of preparation of financial statements.

2.2.3 Accounts Receivable and Payable

Following matters were observed.

- (a) Action had not been taken to get settled the loan balances amounting to Rs.2,217,511 remaining unrecovered for over 05 years.
- (b) Action had not been taken to recover Rs. 40,000 receivable from Pallekale pre-school carried forward from several years.

2.2.4 Lack of evidence for Audit

The evidence indicated against the following each item had not been rendered for audit.

<u>Item</u>	<u>Value Rs.</u>	<u>Evidence not made available</u>
Project expenditure for 2010	14,279,369	} Subsidiary registers
Donations	6,970,600	
Land Development	2,094,281	} Confirmation of balance
Commission		
Open Prison	5,451	

2.2.5 Non compliance with Laws, Rules, Regulations and Management Decisions

Action had not been taken in terms of Financial Regulations 396(d) in respect of 423 lapsed cheques amounting to Rs. 544, 914 in 02 current accounts.

3. Financial Review

3.1. Financial Results

According to the financial statements submitted, the financial results from the operation of the Authority for the year ended 31 December 2011 amounted to a surplus of Rs. 6,419,554 compared to the corresponding surplus of Rs.11,769,650 for the preceding year thus resulting in decrease in the financial results in the year under review by Rs. 5,350,096. The increase of expenditure in 9 items over the increase in revenue had mainly contributed for this decrease.

4. Operating Review

4.1. Performance

Following matters were observed.

- (a) The sales centres run by the Authority at Ganetanne and Mawathagama had been closed as they were continuously running at a loss. Similarly, action had been taken to close the Maha Ilupallama Agriculture Firmly May 2012 as it has also experienced loss and the expenditure made in respect of that Agriculture Farm during the year under review amounted to Rs. 6,016,868.
- (b) Only 18 animals were in the cattle section at Pallekale Agriculture Farm containing the area of 12½ acres and the way to get the maximum yield from the land had not been found. Cultivation of lemon, pomegranate, mango, curry leaves etc. which was properly cultivated at the time of planning this Agriculture Farm also being destroying.

4.2. Management Inefficiencies

Action had not been taken to obtain the ownership of the lands being utilised by the Authority and include the proper value in the accounts as fixed assets .

4.3. Underutilisation of Funds

Following matters were observed.

- (a) Provision amounting to Rs. 14,003,900 allocated in respect of 19 expenditure items in the annual budget for the year under review had not been utilised for any activities.
- (b) During the year the sums amounting from Rs. 5,798,471 to Rs. 10,204,868 and from Rs. 213,987 to Rs. 10,035,955 had been lying in 02 current accounts of the Authority and action had not been taken to invest them in useful investments.

4.4. Identified Losses

Following matters were observed.

- (a) Hundred and fifty coconut plants purchased to be distributed among the beneficiaries in Matale Divisional Secretary Division under Home Garden Management and Crop Diversification Project had been damaged as they were not handed over to the Unit Manager and as such the Authority had incurred a loss of Rs. 18,750.

- (b) Seven hundred and sixty six kilograms of rice costing Rs. 41,390 in the store of the sales centre of the Authority had been damaged by rats and sold to Palkelele and Kotmale Agriculture Farms and received Rs.22,977. Accordingly, the Authority had incurred a loss of Rs.18,413.

4.5. Staff Administration

Four vacancies in tertiary level, 03 vacancies in secondary level and 03 vacancies in primary level totalling 10 vacancies had existed in the Staff of the Authority as at 31 December 2011.

4.6. Establishment of a Fund as Provision for the Employees Gratuity

A sum of Rs. 12,872,564 had been provided for the payment of employees gratuity as at the end of the year under review and a fund for this purpose had not been established.

5. Accountability and Good Governance

5.1. Corporate Plan

Although the Corporate Plan should be prepared so as the activities of the Authority includes 05 Districts named to cover up the Upcountry, it had been implemented in 03 Districts only.

5.2. Action Plan

To achieve the targets intended by the Performance Plan a sum of Rs. 155,449,000 had been provided and only Rs. 103,441,403 had been utilized. Accordingly, the percentage of achievement was around 67%.

5.3. Internal Audit

Although an Internal Audit Unit had been established in terms of Financial Regulations 133 to accomplish the duties and responsibilities of the Authority, the post of Internal Auditor had been vacant.

5.4. Procurement Plan

As the procurement had not been taken place during the year under review according to the procurement plan prepared by the Authority, for the programmes intended to be implemented under 06 Projects by procurement on 15 March 2011, it was observed that the objectives had not been achieved as intended.

5.5. Budgetary Control

Following matters were revealed.

- (a) In terms of the provisions in Section 8(1) of the Finance Act No. 38 of 1971, although a State Corporation had to submit a draft budget approved by the Board of Directors before three months of the commencement of the relevant financial year, approval had been obtained only on 11 January 2011 for the budget prepared by the Authority in respect of the year under review.
- (b) Provision amounting to Rs. 4,280,050 had been transferred between Recurrent and Capital Expenditure items during the year under review and there were savings aggregating Rs. 26,198,211 in 21 expenditure items which were within the range of 26% to 99% in relation to the total provision. Due to this, it was observed that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

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

- (a) Budgetary control
- (b) Utilization of provisions
- (c) Procurement process
- (d) Accounting of revenue and expenditure

Sgd: **H.A.S Samaraweera**

Auditor General

Assistant Auditor General,
 Assistant Auditor General's Office,
 Kachcheri Building
 Kandy.

THE AUDITOR GENERAL'S REPORT AS PER SECTION 14 (2) (C) (A) OF THE FINANCIAL ACT NO 38 OF 1971 REGARDING THE FINANCIAL STATEMENT ENDING 31ST DECEMBER 2011 OF THE HADABIMA AUTHORITY OF SRI LANKA. (SRI LANKA GREENERY LAND DEVELOPMENT CENTRAL AUTHORITY)

The answers relevant to the draft of the Auditor General's Report as per 14 (2) (C) of the Financial Act No. 38 of 1971 forwarded to me pertaining to the year ending 31st December 2011 are submitted as follows.

1:2 The responsibility of the management reg. financial statement.

A paragraph with details

1:3 Responsibility of the Auditor

A paragraph with details

2. Financial Statement

2:1 Basis for comments.

A paragraph with details

2:2 comments on financial statement

A paragraph with details

2:3 Reasons for the financial statement.

2:3:1 Sri Lanka Accounting policies

Arrangements have been made to revalue and account all the assets utilized by the Authority as per accounting policies no 18 in future.

2:3:2 Accounting Policies

(a) Admitted

The Authority is using the lands belonged the various departments at present. Lands are not transferred to this Authority as it is not a government department.

(b) Action has been taken to enter the value of the equipment separately as revealed in the mixed stock account at present.

(c) The sales centre at Mawathagama was opened as a collecting centre for the agricultural productions of the farmer societies under the marketing promotional programme. However, the expected income was not received as the sufficient stock of agricultural produce was not supplied by the farmer societies at the commencement of it. Accordingly the sales centre at Mawathagama was closed down within a short period of time because it was a loss.

The profit and loss account of the Mahailuppallama farm was not prepared as the farm was closed down as stated in paragraph 4.1 of the audit query.

(d) The preschool and the day care centre at Palkele were established as a social service. It was functioned under the Authority at the commencement but later the income was reduced as very few children attended the preschool. As such it was difficult to manage the administrative expenses and the management has decided to handover it to the teacher who is in charge of it to continue the class by covering the expenses of the centre. Necessary action has been taken to handover this building to the Nalanda Buddhist University at present.

2:3:3 Deficiencies in Accounting

- (a) The particulars of the expenses amounting to Rs. 148,757.00 accounted on accrued basis at 06 stages during the year in review are given below as stated in the audit query.

Date	Voucher No.	Particulars	Total Expenditure	2011	2012	Reason
30-01-2012	18	Telephone Bills	2,210.84	1,105.42	1,105.42	An error. The bill was valid from 16.12.2011 to 18.01.2012. As such it was not entered in the accrued expenditure account.
30-01-2012	18	-do-	1,163.28	-	-	Accounted on the accrued basis.
30-01-2012	16	Electricity bill of the Head Office	8,527.50	2,274.00	6,253.50	An error. Not entered in the accrued expenditure account as the period given in the bill was from 24.12.2011 to 20.01.2012.
30-01-2012	16	Electricity bill of the stores at Gannoruwa	2,034.00	542.40	1,491.60	An error. Not accrued as the period given in the electricity bill was from 24.12.2011 to 20.01.2012.
30-01-2012	16	Electricity bill of the chummy.	317.30	190.37	126.93	An error. Not accrued as the period given in the bill was from 14.12.2011 to 16.01.2012.
30-01-2012	09	Salaries of the Palkelele Farm	55,218.99	-	-	An error.
30-01-2012	13	Monthly allowance of Mr. L. R. Nanayakkara	40,000.00	-	-	An error. It was written as December in the voucher instead of January 2012.
	19	Water bill of the chummy.	137.43	87.04	50.39	An error. It was not entered in the accrued expenditure account as it was relevant to the period from 13.12.2011 to 11.01.2012.
18-01-2012	16	Overtime – Mrs. J. K. Attanayake	927.97	-	-	Entered in the accrued account.

16	Mr. E. D. M. Senanayake – vulcanizing the tube of the cab tyre bearing no. 253-6799.	100.00	-	-	Not under the accrued category as this was borne on 11.01.2012
16	For the vehicle no: PC-2378	800.00	-	-	Not under the accrued category as it was relevant to 16.01.2012
16	Repairs – 41-6337	910.00	-	-	Not under the accrued category as it was relevant to 04.01.2012 in the bill.
16	Payment for translations.	2,550.00	-	-	Not under the accrued category as it was relevant to 2012
16	Mobitel (Pvt) Ltd	5,899.08	-	-	An error. The bills were valid from 08.12.2011 to 07.01.2012. As such it was not entered in the accrued account.
16	Repairs – 253-6799	960.00	-	-	Unable to enter as an accrued expenditure as the bill was relevant to 07.01.2012
16	Board of survey was relevant to 27.28 and 29.01.2012	13,977.20	-	-	Not entered in the accrued category as the payments have been made for 28, 29, and 30.01.2012.
16	Fuel allowance for vehicle no 253-6801	6,904.40	-	-	Not under the accrued category as it was relevant to January 2012
16	Reimbursement of the fuel imprest.	6,119.40	-	-	It was not an accrued expenditure as all the fuel bills were relevant to January.

Instructions have been given to account the expenditure on accrued basis accurately in future.

16	Mr. E. D. M. Senanayake – vulcanizing the tube of the cab tyre bearing no. 253-6799.	100.00	-	-	Not under the accrued category as this was borne on 11.01.2012
16	For the vehicle no: PC-2378	800.00	-	-	Not under the accrued category as it was relevant to 16.01.2012
16	Repairs – 41-6337	910.00	-	-	Not under the accrued category as it was relevant to 04.01.2012 in the bill.
16	Payment for translations.	2,550.00	-	-	Not under the accrued category as it was relevant to 2012
16	Mobitel (Pvt) Ltd	5,899.08	-	-	An error. The bills were valid from 08.12.2011 to 07.01.2012. As such it was not entered in the accrued account.
16	Repairs – 253-6799	960.00	-	-	Unable to enter as an accrued expenditure as the bill was relevant to 07.01.2012
16	Board of survey was relevant to 27.28 and 29.01.2012	13,977.20	-	-	Not entered in the accrued category as the payments have been made for 28, 29, and 30.01.2012.
16	Fuel allowance for vehicle no 253-6801	6,904.40	-	-	Not under the accrued category as it was relevant to January 2012
16	Reimbursement of the fuel imprest.	6,119.40	-	-	It was not an accrued expenditure as all the fuel bills were relevant to January.

Instructions have been given to account the expenditure on accrued basis accurately in future.

- (b) Rs. 38,362.00 was paid for the air ticket of Mr. B. T. S. W. Kumara Agriculture Development Officer of the Authority for his passage to Thailand for a training programme which was organized by the National Productivity Secretariat. However, Rs. 2,000/- was deducted from that amount due to the delay of the plane and the taxes relevant to the passage too were deducted when that sum was reimbursed. Accordingly it is informed that as per letter dated 12th July 2012 Rs. 30,966.52 was reimbursed by cheque no 395832. The relevant letters are submitted as annexure 01, 02 and 03.
- (c) It is admitted that Rs. 648,500/- was received from the sale of the unserviceable vehicles of the Authority and the sale was held as per the procurementary guidelines in 2011. This was revealed in the accounts as the income in December 2011 but a cheque for Rs 648,500/- under voucher no. 07 was forwarded to the Treasury on 09.03.2012 and it was prepared accurately.

2:3:4 Outstanding and unsettled loans.

(a) **01. Rs. 13,501/- the loan granted under Gampola Housing Scheme.**

Action has been taken to recover the housing loan of Rs. 13,501/- from the under mentioned persons by filing a legal action against them.

1. Mr. K. H. Karunasinghe	-	Rs. 8,080.83
2. S. A. Sumedha Jayalath	-	<u>Rs. 5,420.08</u>
		<u>Rs 13,500.91</u>

(b) **Rs. 2,094,281/- the outstanding balances from the Land Reform Commission.**

The Authority had to take over the 10993 acres belonged to the Land Reform Commission and the laboures who were there when lands were taken over in 1978.

The above mentioned amount was paid to those laboures who were residing in those lands as their gratuity by the former employer the National Agricultural Diversification and Settlement Authority.

Although the Land Reform Commission has agreed to settle this amount it was not done yet and a cabinet memorandum was submitted to get the approval to write off this sum from the books.

Secondary Allowances

It was unable to recover outstanding balances as stated below from the secondment allowances paid to those for the period they served in the Authority.

1. Mr. W. A. M. Bandara	-	Rs. 6,853.75
2. Mr. P. Wanasinghe	-	<u>Rs. 18,198.12</u>
		<u>Rs 25,051.87</u>

Further action will be taken to recover the above mentioned amount.

Loss – plantain plants Rs. 27,862/-.

Case no: 382/08 was heard before the High Court Monaragala and ordered to pay this amount to the Authority.

Accordingly action has taken to recover this amount.

Rs. 54,515/- outstanding balance from the Camp, Pallekele.

The shading nets worth Rs. 75,215/- were supplied as material assistance to the inmates of the Open Air Camp Pallekele for them to grow coffee/pepper creepers required to the home garden management programme launched by the Authority in 2001 and it was agreed to deduct Rs. 1/- for each plant supplied to them in order to cover the value of the shading net. Although Rs. 54,515/- has to be recovered from the camp it was informed that this amount cannot be settled as they are not engaged in the plant production activities at present and unable to settle this amount. Accordingly action has been taken to write off this transaction as it is unable to get the shading nets back.

Unsettled advances Rs. 2,300.00

Action has been taken to write off the above as it was unable to recover the balance.

(b) It was proved that Rs.40,000 stated as balance of the receipts to the Authority from the preschool and the daycare centre at Pallekele cannot be recovered and formal action will be taken to write off it.

2:3:5 No evidence for Auditing

Admitted

A note has been made to submit a schedule regarding the project expenditure of the previous year in future.

Donations Rs. 6,970,600.00

You are kindly informed that the schedule pertaining to the assets received as donations had been included in page 108 of the statement of accounts dated 31.12.2011.

Land Reform Commission Rs. 2,094,281.00

2:2:4

As per (b)

Open Air Camp, Pallekele Rs. 54,515.00

2:3:4

As per (b)

2:3:6 Non Compliance with Laws, Rules, Regulations and Management Decisions.

Reference to Laws, Rules, Regulations and Management Decisions.

i. Financial Regulations 396 (d).

It is informed that action has been taken to settle the 423 cheques as per F. R. 396 (c) totaled Rs. 544,914.00 according to the Bank reconciliation statements prepared relevant to the two current accounts maintained by the Authority before the end of September 2012.

ii. Financial Regulations 751.

It is informed that the register (goods) issued to Pallekele farm had been already updated

iii. Financial Regulations 880.

The duties were assigned to another female officer as the cashier who was incharged of the payments in the Sales unit has left the Authority to accept the post of Development Assistant w. e. f. May 2012 in the state sector and that officer has already deposited the security .

3. **Financial Review**

3:1 **Financial Results**

A paragraph with details.

4. **Monitoring Review**

4:1 **Performance**

Action has been taken to close down the two sales centre's at Ganetenne and Mawathagama which were established as collecting centres to collect agricultural produce under the sales project functioned under the supervision of the Hadabima Authority as the objectives were not fulfilled.

It was a problem to get water supply and labour to the Mahailuppallama farm as expected which was commenced in parallel to the "Api Vavamu Rata Nagamu" programme of the Ministry of Agriculture in 2010.

It was unable to reach the expected targets as the crops planned to cultivate by rain water were affected badly due to the drought prevailed at that time. As such proposals were submitted to the Ministry to build agricultural wells or to obtain water under the Mahawali water supply scheme as an alternative. However, necessary action has been taken to wind up the farm as no allocations were made for the proposals.

4:2 **Management inefficiencies.**

(a) Admitted.

It is stated that the cultivations in Palkekele farm are maintained at present and the income of the other projects too has been increased satisfactorily.

The primary objective of maintaining the farm is based on the semi backyard poultry rearing programme and in addition to it dairy farming and crop cultivation are done as the other income generating activities. However, it was unable to maintain the cultivation properly as there was a dearth of labourers for the farming activities. It is informed that those problems have been solved at this stage and all the maintenance activities are being done properly.

(b) The organic manure production in the Palkekele farm relevant to the special projects programme which was planned to implement on the allocations of the Ministry in 2011 was commenced in May 2011. Four months were elapsed for the basic preparations such as supply of machinery and three phase electricity required for the commencement of this project.

The organic manure production of this project was started after the completion of the basic activities. It was able to produce organic manure after dumping the raw materials required for the production of organic manure in a place for about three months. Accordingly the income received in November and December 2011 was Rs. 182,380/- and Rs. 215,080/- respectively from it. The necessary action has been taken to maintain this project successfully in 2012.

(c) Quotations were not called but an estimate for Rs. 577,000/- was obtained from the Motor Body and misc. Industries co-operative society, Kundasale, Kandy to replace the lorry body and repairs of the lorry by letter no: HA/PA/3-27-5929 dated 07.12.2009 as the lorry body no: 27-5929 was in a corroded condition.

The approval of the Board of Directors was obtained to cover the expenses from Rs. 599,708.86 the amount received by the sale of vehicles after the quotations were being called in 2008

Accordingly the body of the vehicle was repaired by obtaining the services of the labourers under the supervision of the Asst. Director (Engineer) of the Agriculture Department and the following expenses were borne at several instances.

		Rs.
06-09-2010	Purchasing the necessary iron	147,480.00
21-09-2010	Repairs	10,600.00
09-12-2010	Remove the lorry body	<u>9,000.00</u>
		<u>167,080.00</u>
31-01-2011	Cutting wheel 14" and the canvas belt	3,800.00
31-01-2011	Welding wires gage 12-20 kgs	7,425.00
06-09-2011	Purchasing the planks	<u>36,670.00</u>
	Total Expenditure	<u>214,975.00</u>

Although it was stated that above total expenditure of the mentioned Rs. 91,150/- was spent for the repairs of the vehicle it was not spent for the chassy of the lorry but the expenditure was borne for the repairs of the front cabin and procurement guidelines were followed properly for the work.

The approval of the line Ministry was not required as the limitation granted for the repairs of motor vehicles and the parts as per the 9.31 (b) of the procurementation guidelines No. ADAS/p2/වි/පොදු(ii) of 13.10.2010 was amended from Rs. 100,000/- to Rs. 200,000/-.

Further, 30,000 coconut seedlings were distributed among 23 D. S. divisions (villages situated in remote areas in Aranayake, Hanguranketha and Walapane) within a month relevant to the development programmes 2011. This lorry used for this purpose was not in a good condition to transport the plants on narrow roads leading to very difficult areas as it's a 05 ton fuso lorry and the fuel wastage is 1 liter per 4 kms. As such procurement guidelines were followed in order to obtain a mini lorry from the outside. The expenditure for this purpose was in a higher level as the number of plants that can be transported in a mini lorry.were about 300 -350 .As such one vehicle should be used for 02 days for each division. Further it is informed that the lorry will be used for the official works of the Authority after the completion of its repairs.

4:3 Funds – under utilized

Although expenditure was borne as per the annual estimates for the year in review, it was unable to spend the allocations due to various other reasons.

2201-06-a Purchasing motorcycles 5,000,000.00

Purchasing will be done in this year after the introduction of the procedure which has to be followed for the purchase of motorcycles by the National Budget Department in 2012 and no purchasing was done in the year in review as the Treasury has not prepared a suitable procedure to purchase the motorcycles earlier.

2201-05-08-ii Increasing the Fixed Assets 50,000.00

Funds were not spent as the road leading to the farm belongs to the Pradeshiya Sabhawa and the Pradeshiya Sabhawa has proposed to develop the road.

<u>2202-03-08</u>	<u>Name Boards</u>	<u>25,000.00 – Mahailuppallama</u>
<u>2502-01-06</u>	<u>Name Boards</u>	<u>52,500.00 - Matara</u>
<u>2502-02-06</u>	<u>Name Boards</u>	<u>52,500.00 - Hambanthota</u>
<u>2502-02-04</u>	<u>Name Boards</u>	<u>50,000.00</u>

There was no necessity to make those name boards when special projects were maintained and nothing was spent for it.

<u>2502-04</u>	<u>Using Labour</u>	<u>320,000.00</u> – It was difficult to identify these projects as stated in the audit query.
<u>2502-02-06</u>	<u>Soil Conservation Project</u>	<u>2,202,500.00</u> – do –
<u>2502-03</u>	<u>Organic manure project, Pallekele</u>	160,020.00

There was a balance in the allocations and nothing was spent due to the dearth of labourers.

2502-04-iv

Organic Manure Project – Penetiyana.

The allocated sum was not spent as it was unable to supply the necessary basic raw material (dung).

2502-02-iii

Soil Conservation

There was a balance in the allocations as it was difficult to find Sevendara plants for the special projects launched in Nuwaraeliya district.

2502-01

Fruits Cultivation Project Kotmale

521,200.00

Balance in the allocations. It was not necessary to spend under the special projects and the objectives were fulfilled under the general development programme.

2502-02

Establishment of model villages

675,000.00

Balance in the allocations as the expenditure was borne under special project and the expected activities were performed from the allocations under the general development programme.

2502-04-01

Technical Training Project

100,000.00

The expected amount was not spent as the Provincial Agricultural Department has conducted the intended technical training programmes in order to upgrade the living conditions of the farmers in the Northern Province.

2502-02

Purchasing the machinery

715,000.00

There was a balance in the allocations as the machinery was not bought until the constructions of the buildings required for the poultry rearing programme planned on the allocations of the Ministry of Economic Development were completed. Those machinery were purchased in 2012.

<u>6-2502-04</u>	<u>Poultry Farm Project</u>	<u>1,100,000.00</u>
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Balance in the allocations. When this project was performing its development activities with the allocations of the Ministry of Economic Development. The District Secretary Kandy has made arrangements to acquire a portion of the land belongs to the farm and the proposed development activities got delayed until it is settled.

<u>2502-01</u>	<u>'Deyata Kirula' Programme</u>	<u>1,495,000.00</u>
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The expenditure was settled in 2011 with the funds allocated for the 'Deyata Kirula' programme in 2012. There was a balance in the allocations as the approval of the Ministry was not received to obtain funds and for the expenditure to the proposed programmes for the year 2012.

<u>2502-03</u>	<u>'Deyata Kirula' Programme</u>	<u>270,000.00</u> - as above
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Balance in the funds after the expenditure was borne from the estimated allocations for the year 2011.

<u>2502-03</u>	<u>Organising the Field Project</u>	<u>1,015,000.00</u>
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It is informed that the expenditure number given is and it is unable to answer as it was difficult to identify the relevant project.

4:4 **Idle under utilized assets.**

It is informed that the daily transactions maintained by the Authority are deposited in the current account no: 057-100-131-3388046. Farm income, purchasing / deposits for constructions, the balances of the payments not withdrawn by the farmers for their soil conservation activities and mise. deposits including all the balances of loans too are deposited in this account.

A sum of Rs. 8,537,500.00 from the balance of the income was used for the recurrent expenditure.

The daily payments are made from the recurrent and the capital allocations received from Treasury and the Ministry and are deposited in the current account no: 057-1-001-1-1358028. The allocations and balance of the receipts are in this account throughout the year.

Further there was a balance of Rs. 3,597,117.50 when deducted Rs. 902,882.44 which had to spend in 2011 from the Rs. 4.5 million granted to the semi back yard poultry rearing project by the Ministry of Economic Development as at 31.12.2011 and it is informed that as the approval has been received to spend that amount for the relevant project in 2012, Rs. 2,310,115.49 has spent up to date.

It is also informed that the balance was brought forward as the capital expenditure and had already spent that amount.

4:5 **The Identified Losses.**

- (a) The officer incharge of the relevant Division has informed that 150 coconut seedlings out of the 5354 coconut seedlings which have to obtain from the Daisy Valley model coconut nursery to distribute among the beneficiaries in the Divisional Secretary's area Matale under the Home Garden Management and Diversification of Crops programme in 2010 were not in a good condition and he has not taken them.

It is in formed that the discussions are being held regarding the loss of Rs. 18,750.00 the value of 150 coconut seedlings as mentioned in the audit query at present.

- (b) It is admitted that a stock of rice was not suitable for the consumption as the stock was destroyed by rats. A safe place with facilities for stores was not available at that time for the sales project. As such the sales management committee has decided to release the stock of rice for animal feed on the recommendation of the Agricultural Development Officer.

4:6 **Staff Administration.**

The number of vacancies in the approval cadre of the Authority at present is given below.

	Approval Cadre	Actual Cadre	No of Vacancies	
Executive Level	01	01	-	} Allocations were sought to fill all the vacancies in 2013 present.
Tertiary Level	15	11	04	
Secondary Level	43	40	03	
Primary Level	28	25	03	

4:7 **Establishment of a fund**

Although the allocations for the gratuity to the staff of the Authority is shown as a fund in the accounts of the Authority. The allocations are not received for this purpose from the Treasury. A payment is made from the allocations allocated for gratuity payments from the recurrent estimated sum in the relevant year when employees are leaving the Authority.

5. **Accounting Systems and Good Governance.**

5:1 **Corporate Plan.**

Implementing the programmes in selected Divisional Secretaries divisions in 3 additional districts on the recommendations of the Natural Resources Management Centres of the Agriculture Department.

5:2 **Work Plan**

Admitted.

It is informed that there was a balance in the allocations as the development activities which were planned with some special projects were not implemented due to various reasons stated below.

5:3 Internal Auditing

There is a vacancy in the post of Audit Officer as the Audit Officer who was attached to the Internal Audit unit of the Authority has left the office in order to take up an appointment. Another officer is performing the relevant duties until another person is recruited for the post.

5:4 Procurement Plan

The reasons for the delay in purchasing as mentioned in the audit query in to the procurement plan prepared by the Authority for the year 2011 are given below.

Sustainable Soil Conservation and Land (development) Project – Badulla / Matara / Hambanthota / Nuwara Eliya.

- | | | |
|----------------------------------|---|---|
| 1. Mammoties 9"x9" nos. 2250 | - | The purchasing of mammoties got delayed as it was proposed to supply the mammoties for the farmers who need them after completing the Soil Conservation Activities. |
| 2. Digital name boards nos. 04 | - | As per 4:3. |
| 3. Seeds and planting Materials | - | It was unable to purchase plants as the plants were not in the required standard of the Agriculture Department. Although quotations have been called from the registered suppliers, no purchasing was done as the plants were not in the required standard. |
| 4. Rain water management project | - | Supply of building materials as per the |

formal procurement process – Rs. 3,125,000/.
When purchasing. The expenditure was less
than the estimated sum.

5:5 Controlling the budget.

(a) Admitted.

It is informed that the necessary action will be taken to prepare the budget documents as per the provisions in the Financial Act No. 38 of 1971 and obtain the approval in future.

(b) There was a balance in the estimated sum allocated for Postal, electricity and water supply relevant to recurrent expenditure of the Authority as the allocations were used economically.

6. Systems and the Administration.

Admitted

There was a balance in the allocations as there was a delay in implementing the approved projects and some were stopped too due to various other reasons stated in the Audit report.

(a) Budget Control.

Necessary action has been taken to control the annual budget in future by following the formal procedure.

(b) Utilising the Allocations

Necessary plans have been made to utilize the estimates prepared according to the work plan within the year itself in future.

(c) Procurement Process.

Prepared in 2012. Procurement plan has been prepared according to the work plan and all the purchasing is being done properly as per the service procurement guidelines.

(d) Income and Expenditure Accounts.

Action has been taken to enter the income and expenditure accounts relevant to the projects maintained by the Authority as per 2:2:2 of the Audit query separately.

Sgd/.....

M. B. R. Pushpakumara
Executive Director.

CC:	1. Audit Supdt	-	For information and necessary action
	Govt. Audit Branch		
	2. Secretary	-	For information.
	Ministry of Agriculture		

කම්කරු සබඳතා සහ ඵලදායීතා ප්‍රවර්ධන අමාත්‍යාංශය
தொழில் உறவுகள், உற்பத்தித்திறன் மேம்பாட்டு அமைச்சு
Ministry of Labour Relations and Productivity Promotion

ජාතික ඵලදායීතා ලේකම් කාර්යාලය
தேசிய உற்பத்தித் திறன் செயலகம்
NATIONAL PRODUCTIVITY SECRETARIAT



මගේ අංකය
எனது இல
My No.

NPO/SL/03/01/690

ඔබේ අංකය
உமது இல
Your No.

03 August 2010

Chairman
Hadabima Authority of Sri Lanka

Payment for Air fare of Mr. B.T.S.W. Kumara, participant from Sri Lanka for Workshop on Best Practices of Logistics Management for Agribusiness: Consolidations and Distribution System for Agriculture Products : 16-20 August 2010 : Bangkok, Thailand

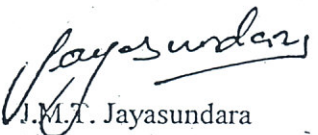
I am glad to inform you that, Mr. B.T.S.W. Kumara, Agriculture Development Officer of Hadabima Authority your Ministry have been selected to participate for the above workshop.

The preliminary arrangements have already been made to purchase the air ticket from B.O.C. Travels, which is a subsidiary of Bank of Ceylon at the cost of Rs.36,362.00. According to the instruction given by the APO, respective agency, which the participant belongs, has to pay the airfare and it will be reimbursed by the APO later. Hence, please be good enough to pay the airfare directly to B.O.C. Travels (Pvt.) Ltd, and submit the following documents to me in order to make necessary arrangements to reimburse it to you/your organization.

1. Photocopy of the Air ticket (Clear copy).
2. Used Air ticket.
3. Official receipt issued by the travel agent.
4. Bank account No. Name of the bank and address of the bank, that the reimbursement to be made.

Please note that the airport taxes and other taxes mentioned in the quotation will not be reimbursed by either APO or NPS and it has to be borne by the respective organization which the participant belongs.

I would appreciate if you could make the payment as soon as possible and collect the air ticket from B.O.C. Travels (Pvt.) Ltd. The cheque should be written in favour of B.O.C. Travels (Pvt.) Ltd.


J.M.T. Jayasundara
Director, National Productivity Secretariat
Ministry of Labour Relations and Manpower

Copy 01: Mr. B.T.S.W. Kumara, Agriculture Development Officer,
Hadabima Authority of Sri Lanka

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Ministry of Productivity Promotion
உற்பத்தித்திறன் மேம்பாட்டு அமைச்சு

R. NO. 2291



ජාතික පළායනා ලේකම් කාර්යාලය
தேசிய உற்பத்தித்திறன் செயலகம்
NATIONAL PRODUCTIVITY SECRETARIAT



මගේ අංකය
எனது இல
My No.

ඔබේ අංකය
உமது இல
Your No.

NPO/SL/03/690

D.D. finance

Registered Post

12 July 2012

Deputy Director - Finance
Hadabima Authority of Sri Lanka
No.09
Gannoruwa
Peradeniya



Dear Sir

Reimbursement of Air Fare of the Workshop on Best Practices of Logistics Management for Agribusiness: Consolidation and Distribution System for Agricultural Products : 10-AG-41-GE-WSP-B : 17-21 May 2010 : Bangkok, Thailand

I am sending the cheque bearing No. 395832 dated 06 July 2012 for Rs.30,966.52 which is due to be reimbursed to Mr. S. M. S. D. Gunasinghe, in relation to the above seminar.

Please acknowledge the receipt.

Thanking You

Yours faithfully

F.O.
PL issue a receipt
9/19

W. M. D. S. Gunaratne
Deputy Director