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(I වැනි කොටස)

**Report of the Tea Research Institute of Ceylon  
for the year 1966**

(PART I)

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**1968 සැප්තැම්බර්  
September, 1968**

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SECRETARIAT, COLOMBO

**THE**  
**TEA RESEARCH INSTITUTE**  
**OF**  
**CEYLON**

**Report for the Year 1966**

**Part I**

*Edited by*

**E. M. CHENERY, BSc, PhD (Lond), ARCS, DIC**

*and*

**R. L. De SILVA, BSc (Cey), PhD (Lond), DIC**



**Published by**  
**THE TEA RESEARCH INSTITUTE OF CEYLON**  
**ST COOMBS, TALAWAKELE, CEYLON**  
**1968**

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# The Tea Research Institute of Ceylon

The Board as at 31st December 1966

---

**Chairman:** Mr F. Amarasuriya

## **Ex-officio Members**

*The Director of Agriculture:*

Mr D. C. L. Amerasinghe

*The Honourable the Minister of Finance:*

represented by Mr G. D. L. Os

*The Chairman, Planters' Association of Ceylon:*

Mr B. Warusavitarnne

*The Chairman, Agency Section, Planters' Association of Ceylon:*

Mr A. G. Sharp Paul

*The Chairman, Low-Country Products Association of Ceylon:*

Mr D. B. Ellepola, CBE

*The Tea Controller:*

Mr C. P. Chanmugam

*The Director, Tea Research Institute of Ceylon:*

Dr E. M. Chenery

## **Nominated Members**

*Appointed by the Planters' Association of Ceylon:*

Mr S. P. Vytlingam

Mr G. B. Middleton

Mr A. P. Fincher

*Appointed by the Agency Section, Planters' Association of Ceylon:*

Mr D. A. Neale

Mr P. J. C. Durrant

Mr T. A. Moy

*Appointed by the Low-Country Products Association of Ceylon:*

Mr F. Amarasuriya

Mr S. Pathmanathan

Mr J. L. D. Peiris

*Appointed by the Honourable the Minister of Agriculture to represent the small-holders:*

Mr D. E. Hettiarachchi

Mr M. Rajendram, MBE

*Appointed by the Honourable the Minister of Agriculture to represent the House of Representatives:*

Mr D. J. Ranaweera, MP

**Secretary:** Mr A. C. Perera

# The Tea Research Institute of Ceylon

## + THE STAFF

(on 31st December 1966)

### DIRECTORATE

Director	...	...	E. M. Chenery, BSc PhD (Lond), ARCS, DIC
Deputy Director	...	...	J. A. H. Tolhurst, BSc (Reading)
Assistant Director	...	...	L. H. Fernando, BSc, PhD (Lond)

### RESEARCH DIVISIONS

#### *Agricultural Chemistry*

Agricultural Chemist	...	...	J. A. H. Tolhurst, BSc (Reading)
Research Assistants	...	...	*W. M. W. B. Manipura, BSc (Cey) *S. Sivasubramaniam, BSc (Cey)
Technical Assistants	...	...	V. Fernando S. G. Jayasuriya *T. C. Z. Jayman T. Kularatna, BSc (Cey) S. J. Mohideen C. C. Rajasingham A. Somaratne, BSc (Cey) S. Sunderalingam, BSc (Poona)

#### *Biochemistry*

Biochemist	...	...	R. L. Wickremasinghe, BSc (Cey), BSc (Lond), PhD (Sheff), FRIC
Research Officer	...	...	A. S. L. Tirimanna, BSc, PhD (Lond)
Research Assistants	...	...	*G. R. Roberts, BSc (Cey), ARIC *R. R. Selvendran, BSc (Cey)
Technical Assistants	...	...	U. L. L. de Silva, BSc (Lond) B. P. M. Perera K. P. W. C. Perera, BSc (Cey) V. H. Perera, BSc (Cey) *K. Sivapalan, BSc (Cey)

#### *Entomology*

Entomologist	...	...	W. Danthanarayana, BSc (Cey), PhD (Lond), DIC
Research Assistant	...	...	D. J. W. Ranaweera
Technical Assistants	...	...	E. F. W. Fernando, BSc (Cey) S. N. Fernando, BSc (Cey) A. Kathiravetpillai, BSc (Cey) C. Shanmugam

#### *Plant Pathology & Nematology*

Plant Pathologist	...	...	N. Shanmuganthan, BSc (Cey), PhD (Lond)
Research Officer (Plant Pathology)	...	...	R. L. de Silva, BSc (Cey), PhD (Lond), DIC
Research Officer (Nematology)	...	...	P. Sivapalan, BSc (Cey), PhD (Rutgers)
Technical Assistants	...	...	P. V. Arulpragasam, BSc (Madras) S. R. A. Fernando, BSc (Cey) A. R. M. Hassim H. B. Herat, BAgSc (Massey, NZ) P. A. John T. Manivasagar S. Murugiah W. R. F. Rodrigo, BSc (Cey) S. Samarajeewa T. V. Saravanaravan, BSc (Cey)

#### *Plant Physiology*

Plant Physiologist	...	...	U. Pethiyagoda, BSc (Cey), PhD (Lond), DIC
Research Assistants	...	...	*S. Kandiah, BSc (Cey) S. Nagarajah, BSc (Cey), MS (Calif)
Technical Assistants	...	...	S. Krishnapillai, BSc (Cey) G. M. H. B. Wijethunga S. Wimaladharna

+ When more than one officer is listed under a designation, the names appear in alphabetical order

\*Working overseas

<i>Plant Propagation</i>			
Adviser	...	...	A. V. Richards, BSc (Lond), MSc (Calif), Dip Agric (Cantab), AITCA (Trinidad)
Research Officer	...	...	V. S. Kulasegaram, BSc (Cey), PhD (Lond)
Research Assistant	...	...	*A. R. Sebastianpillai, BSc (Cey)
Technical Assistants	...	...	A. M. Abeysinghe A. S. B. Gomez, BSc (Cey) *D. Janakiram, BSc (Madras) A. Nanayakkara, BSc (Cey) H. R. Solomon
<i>Statistics</i>			
Statistician	...	...	P. Kanapathipillai, BSc (Lond), FSS
Technical Assistant	...	...	K. Seevaratnam
<i>Technology</i>			
Technologist	...	...	D. Kiritisinghe, BSc (Cey), PhD (Lond), DIC
Tea Taster	...	...	C. H. Wickremesinghe
Research Assistants	...	...	*W. C. A. de Silva, BSc (Cey) *W. Joseph, BSc (Cey)
Technical Assistants	...	...	W. A. C. de Silva C. Kandappah, BSc (Cey) S. Samarasingham A. Thevathasan, BSc (Cey)

### OUTSTATION SERVICES

<i>Low-Country Service</i>			
Assistant Director	...	...	L. H. Fernando, BSc, PhD (Lond)
<i>The Low-Country Station, Ratnapura</i>			
Research Officer	...	...	D. T. Wettasinghe, BSc (Cey), PhD (Reading)
District Advisory Officer	...	...	*J. V. Sabanayagam, BSA (Toronto)
Technical Assistants	...	...	E. J. B. de Silva, BSc (Cey) A. A. C. Karunaratne, BSc (Cey) D. D. Kroon N. S. Rajendram, BSc (Madras) T. F. Saldin, BSc (Cey) H. H. Samarakoon U. P. de S. Waidyanatha, BSc (Cey) N. Yogaratnam, BSc (Alahabad)
Chief Clerk	...	...	R. I. Pereira
Stenographer	...	...	S. K. P. Thambimuttu
Accounts Clerk	...	...	K. D. B. H. Abeygunawardena
Electrician	...	...	B. T. Ranasinghe
Works Clerk	...	...	T. D. V. Cooray
<i>The Kottawa Substation, Talgampola</i>			
Officer-in-Charge	...	...	K. H. G. Gunapala
Technical Assistant	...	...	H. D. Jayasinghe
<i>Deniyaya</i>			
Technical Assistant	...	...	J. I. H. Bandaranayake
<i>Mid-Country Service</i>			
Mid-Country Scientific Officer	...	...	D. Calnaido, BSc (Cey), PhD (Lond)
District Advisory Officer	...	...	M. K. Vythilingam
Technical Assistants	...	...	T. A. Munasinghe H. B. Ratnayake K. Thirugnanasuntheran, BSc (Cey)

### ADVISORY SERVICE

Chief Advisory Officer	...	...	C. B. Foster Barham, MA (Cantab)
Research Assistants	...	...	R. K. Nathaniel, BSc (Poona) S. Sandanam, BSc (Cey)
District Advisory Officers			
<i>Uva</i>	...	...	L. M. de W. Tillekeratne, BSc (Cey), MEd (Calif)
<i>Low Country</i>	...	...	*J. V. Sabanayagam, BSA (Toronto)
<i>Mid Country</i>	...	...	M. K. Vythilingam
Technical Assistants	...	...	N. L. C. Fernando, BSc (Cey) M. Sikurajapathy, BSc (Cey) D. N. R. Wijewardena
Photographer	...	...	D. J. M. Hettiarachchi
Filing Clerk	...	...	K. L. de Alwis
Clerk (Uva)	...	...	A. C. Perera

\*Working overseas

## ANNUAL REPORT FOR 1966

## LIBRARY AND PUBLICATIONS

Editors of Publications	...	...	E. M. Chenery, BSc, PhD (Lond), ARCS, DIC R. L. de Silva, BSc (Cey), PhD (Lond), DIC
Librarian	...	...	D. J. S. de Silva, BSc (Punjab)

## ESTATES

*St Coombs*

Agriculturist	...	...	L. A. Seevaratnam, BSc (Dunelm)
Head Factory Officer	...	...	V. A. Fernandez
Head Clerk	...	...	P. E. de Silva
Apothecary	...	...	S. P. de Silva

*St Joachim*

Superintendent	...	...	G. S. Muttettuwegama
Head Factory Officer	...	...	M. S. W. Wijeratne
Head Clerk	...	...	G. L. A. Thomas

## ADMINISTRATION

Chief Administrative Officer	...	...	A. C. Perera
Secretary to the Director...	...	...	G. A. S. Gunasinghe
Translator/Instructor	...	...	C. M. Fernando, BA (Cey)

*Accounts Section*

Accounting Assistant	...	...	A. H. B. Dias
Assistant Secretary	...	...	C. Kirthiratne, FCCS
Senior Accounts Clerk	...	...	W. J. Samuel
Accounts Clerks	...	...	H. Attanayake G. A. K. P. de Silva K. P. Gunawardena N. M. Jayatilleke S. Kulasabanathan M. B. Palies T. R. B. Sally N. Satchithanathan C. B. Warawita H. C. Wickremasinghe

*Typing Section*

Stenographers	...	...	E. C. C. Brohier S. A. L. H. Fernando T. J. Hallaldeen B. P. Jones P. W. Uduwawala S. D. J. J. Vitharnepathirana
Clerk Typists	...	...	J. N. Apasinha D. W. Bartholomeusz C. V. R. D. Fonseka V. Kodagoda S. B. Wettewe
Postage Clerk	...	...	H. W. Perera

*Maintenance Section*

Electrical Foreman	...	...	W. R. Solomon
Clerk of Works	...	...	R. A. Daniel
Storekeeper	...	...	I. P. Dissanayake
Mechanics	...	...	D. A. S. Opatha K. S. Vadivelu
Electrician	...	...	K. A. Bowie
Clerk (Works)	...	...	K. H. T. Dassanayake

# The Tea Research Institute of Ceylon

## FORTY FIRST ANNUAL REPORT OF THE BOARD OF THE TEA RESEARCH INSTITUTE OF CEYLON FOR THE YEAR 1966

### Foundation

The Tea Research Institute of Ceylon was established by Ordinance No. 12 of 1925 dated 27th October 1925.

### Constitution

The Constitution of the Board is laid down in the Legislative Enactments of Ceylon (1956 revision) Cap. 438 and in the following Tea Research (Amendment) Acts:

- No. 8 of 1957 dated 18th March 1957
- No. 2 of 1959 dated 21st January 1959
- No. 3 of 1959 dated 21st January 1959
- No. 57 of 1961 dated 19th June 1961.

A consolidation is now necessary as the numbering of the sections in the amending Acts does not agree with the 1956 revision of the Legislative Enactments of Ceylon.

## MEMBERSHIP OF THE BOARD AND COMMITTEES

### THE BOARD

The members of the Board on 1st January 1966 were:

**Chairman** Mr F. Amarasuriya

### Ex-officio Members

*The Director of Agriculture:*

Mr D. C. L. Amerasinghe

*The Honourable the Minister of Finance:*

represented by Mr G. D. Loos

*The Chairman, Planters' Association of Ceylon:*

Mr W. J. Childerstone

*The Chairman, Agency Section, Planters' Association of Ceylon:*

Mr J. L. Capper

*The Chairman, Low-Country Products Association of Ceylon:*

Mr D. B. Ellepola, CBE

*The Tea Controller:*

Mr C. P. Chanmugam

*The Director, Tea Research Institute of Ceylon:*

Dr E. M. Chenery

**Nominated Members***Appointed by the Planters' Association of Ceylon:*

Mr S. P. Vytilingam  
 Mr G. B. Middleton  
 Mr A. P. Fincher

*Appointed by the Agency Section, Planters' Association of Ceylon:*

Mr P. J. C. Durrant  
 Mr H. A. Whittall  
 Mr D. A. Neale

*Appointed by the Low-Country Products Association of Ceylon:*

Mr F. Amarasuriya  
 Mr S. Pathmanathan  
 Mr J. L. D. Peiris

*Appointed by the Honourable the Minister of Agriculture to represent the small-holders:*

Mr D. E. Hettiarachchi, JP, UM  
 Mr M. Rajendram, MBE, JP

*Appointed by the Honourable the Minister of Agriculture to represent the House of Representatives*

Mr D. J. Ranaweera, MP

<b>Secretary</b>	Mr A. C. Perera
<b>Solicitors</b>	Messrs Julius & Creasy
<b>Auditors</b>	Messrs Ford, Rhodes, Thornton & Co. Ltd.

The following changes in the membership of the Board were recorded during the year:

Mr T. A. Moy succeeded Mr H. A. Whittall from 10. 3. 66.  
 Mr B. Warusavitarnne succeeded Mr W. J. Childerstone from 21. 4. 66.  
 Mr A. G. Sharp Paul succeeded Mr J. L. Capper from 1. 11. 66.  
 Mr J. A. H. Tolhurst acted for Dr E. M. Chenery from 1. 4. 66 to 30. 6. 66.

The following members were renominated for a further period of three years:

Mr G. B. Middleton from 18. 2. 66.  
 Mr F. Amarasuriya from 26. 3. 66.  
 Mr S. Pathmanathan from 19. 12. 66.  
 Mr J. L. D. Peiris from 19. 12. 66.  
 Mr F. Amarasuriya was re-elected Chairman on 26. 3. 66.

**Meetings**

Five meetings of the Board were held on 10th January, 25th March, 18th July, 20th September and 12th December.

**THE ADMINISTRATIVE COMMITTEE**

The members of the Administrative Committee on 1st January 1966 were:

**Chairman**     *The Chairman, Board of the Tea Research Institute of Ceylon:*  
 Mr F. Amarasuriya



*Representing the District Planters' Associations:*

Badulla	...	Mr R. L. Harvey
Bandarawela	...	Mr P. G. Uglow
Dickoya	...	Mr A. Mackie
Dimbula	...	Mr P. C. Innes
Kandy	...	Mr C. Wijenaik
Kelani Valley	...	Mr R. C. H. Price
Nuwara Eliya	...	Mr R. K. Christie
Sabaragamuwa	...	Mr H. D. Ross
Southern Province	...	Mr D. E. Hettiarachchi

*Representing the Agency Section, Planters' Association of Ceylon:*  
Mr P. J. C. Durrant*Representing the Tea Traders' Association:*  
Mr A. D. Neale*The Officer over-looking St Coombs Estate:*  
Mr C. W. C. Mossop**Convener/Secretary** Dr N. Shanmuganathan

The following changes in membership occurred during the year:

- Mr T. A. Moy succeeded Mr H. A. Whittall from 25. 3. 66.  
 Mr B. Warusavitarnne succeeded Mr. W. J. Childerstone from 21. 4. 66.  
 Mr A. I. E. de Kretser succeeded Mr R. C. H. Price from 18. 10. 66.  
 Mr A. D. Scott succeeded Mr P. G. Uglow from 26. 10. 66.  
 Mr C. S. Illangakoon succeeded Mr H. D. Ross from 27. 10. 66.  
 Mr A. G. Sharp-Paul succeeded Mr J. L. Capper from 1. 11. 66.

**Meetings**

The Committee held two meetings during the year on 5th February and 27th October.

**THE APPOINTMENTS COMMITTEE**

The members of the Appointments Committee on 1st January 1966 were:

<b>Chairman</b>	<i>The Chairman, Board of the Tea Research Institute of Ceylon:</i> Mr F. Amarasuriya	
<b>Members</b>	<i>The Director, Tea Research Institute of Ceylon:</i> Dr E. M. Chenery	
	Mr C. P. Chanmugam	Mr D. B. Ellepola
	Mr D. E. Hettiarachchi	Mr D. A. Neale
<b>Secretary</b>	<i>The Secretary, Board of the Tea Research Institute of Ceylon:</i> Mr A. C. Perera	

**Meetings**

No meetings were held during the year.

**THE BUILDINGS COMMITTEE**

The members of the Committee on 1st January 1966 were:

- Chairman** Mr S. P. Vytilingam
- Members** *The Chairman, Board of the Tea Research Institute of Ceylon:*  
Mr F. Amarasuriya
- The Director, Tea Research Institute of Ceylon*  
Dr E. M. Chenery
- Mr G. B. Middleton Mr J. L. D. Peiris
- Secretary** *The Secretary, Board of the Tea Research Institute of Ceylon:*  
Mr A. C. Perera

The following change occurred during the year:

Mr J. A. H. Tolhurst acted for Dr E. M. Chenery from 1. 4. 66 to 30. 6. 66.

**Meetings**

Five meetings of the Committee were held during the year on 25th February, 16th April, 16th May, 21st June and 30th September.

**THE LOW-COUNTRY STATION COMMITTEE**

The members of the Committee on 1st January 1966 were:

- Chairman** *The Chairman, Board of the Tea Research Institute of Ceylon:*  
Mr F. Amarasuriya
- Members** *The Director, Tea Research Institute of Ceylon:*  
Dr E. M. Chenery
- The Assistant Director, Tea Research Institute of Ceylon:*  
Dr L. H. Fernando
- The Visiting Agent, St Joachim Estate:*  
Mr J. W. Craig
- Mr D. E. Hettiarachchi Mr J. L. D. Peiris  
Mr S. P. Vytilingam
- Co-opted Members** Mr D. B. Ellepola  
Mr R. A. G. McMichen Mr M. Rajendram  
Mr V. G. W. Ratnayaka Mr H. D. Ross
- Secretary** *The Secretary, Board of the Tea Research Institute of Ceylon:*  
Mr A. C. Perera

**Meetings**

Two meetings of the Committee were held during the year on 9th January and 2nd March. The Committee was discontinued from 2nd March because the Station had then been established.

### THE SCIENTIFIC ADVISORY COMMITTEE IN THE UNITED KINGDOM

The members of the Committee on 1st January 1966 were:

- Chairman** F. R. Tubbs, CBE, MA, PhD, ARCS, DIC  
*(Director, East Malling Research Station, Maidstone)*
- Members** Sir Frederick Bawden, KT, MA, FRS  
*(Director, Rothamsted Experimental Station, Harpenden)*
- T. A. Bennet-Clark, MA, PhD, FRS  
*(Professor of Biology and Dean of the School of Biological Sciences, University of East Anglia, Norwich)*
- G. E. Blackman, MA, FRS  
*(Sibthorpe Professor of Rural Economy, University of Oxford, Oxford)*  
*and a representative of the Ceylon Association in London*
- Convener** F. R. Tubbs, CBE, MA, PhD, ARCS, DIC

There were no changes.

### THE BOARD OF TRUSTEES OF THE TEA RESEARCH INSTITUTE JUNIOR STAFF MEDICAL FUND

The members of the Board of Trustees on 1st January 1966 were:

The Chairman, TRI (Mr F. Amarasuriya), Mr W. J. Samuel and the Director, TRI (Dr E. M. Chenery).

#### Meetings

One meeting was held during the year on 11th August.

### THE BOARD OF TRUSTEES OF THE TEA RESEARCH INSTITUTE STAFF PROVIDENT FUND

The Trustees were the Chairman, TRI (Mr F. Amarasuriya), Mr D. E. Hettiarachchi, Mr J. L. Capper, Mr M. K. Vythilingam and the Director, TRI (Dr E. M. Chenery).

The following change in membership occurred during the year:

Mr S. P. Vythilingam succeeded Mr J. L. Capper from 12. 12. 66.

#### Meetings

One meeting of the Committee was held during the year on 11th August.

### VISITING AGENTS

Mr P. R. U. Eastal visited St Coombs on 8th May and 26th August. Mr J. W. Craig visited St Joachim on 20th May and 9th September. The engagement of visiting agents to TRI estates was discontinued from 31st December.

**FINANCES**

Income for the year totalled Rs 4,562,683. This was less than the income for the previous year by Rs 921,977. The tea cess decreased by Rs. 515,806 as compared with an increase of Rs 362,363 in the previous year. The profit from St Coombs Estate was Rs 189,302 as against Rs 287,862 in the previous year. The loss on St Joachim Estate was Rs 118,651 as against a profit of Rs 77,381 in the previous year. Other sources of income accounted for Rs 89,231 as against Rs 200,810 in 1965, viz interest Rs 33,035, rent of cadday and beef stall Rs 2,832, sale of green leaf Rs 30,246, sale of clonal cuttings Rs 10,308 and miscellaneous receipts Rs 12,810.

Revenue expenditure (excluding depreciation and depreciation on investments) decreased to Rs 3,625,385 as compared with Rs 3,783,177 in the previous year.

The liquid assets of the Institute totalled Rs 2,686,309 and the liabilities, including the outstanding balance of Rs 1,666,666 on the Government loan totalled Rs 2,419,217.

Capital Expenditure totalled Rs 1,838,668 against Rs 1,587,580 in the previous year. The main heads of expenditure being:

Land	Rs	111,607.00
Water supply	"	13,813.00
Buildings	"	1,185,620.00
Furniture & equipment	"	164,202.00
Laboratory equipment	"	179,481.00
Machinery	"	92,157.00
Vehicles	"	91,782.00

Increases of expenditure were chiefly recorded in the following items:

Miscellaneous emoluments	Rs	18,200.00
Administration	"	12,987.00
Maintenance of buildings & equipment	"	19,715.00
Travelling of staff	"	33,594.00
Low-Country Station, Ratnapura	"	89,442.00

**ACKNOWLEDGEMENTS**

The Board records its thanks to the Ceylon Association in London, The Planters' Association of Ceylon, The Agency Section of the Planters' Association of Ceylon, The Low-Country Products Association and other institutions for their continued support and co-operation in matters concerning the Institute and the Tea Industry in Ceylon.

**SOLICITORS**

Messrs Julius & Creasy

**AUDITORS**

Messrs Ford, Rhodes, Thornton & Co., continued to act as the Institute's Auditors. The Audited Statement of Accounts and Balance Sheet for the year ending 31st December 1966 are attached to this report.

A. C. PERERA

*Secretary*

Board of the Tea Research Institute of Ceylon

**SUMMARY MINUTES OF THE MEETING OF THE BOARD  
OF THE TEA RESEARCH INSTITUTE OF CEYLON  
HELD ON FRIDAY 25th MARCH 1966, AT 9.00 A.M.  
IN COLOMBO**

**Present**—Mr F. Amarasuriya (Chairman), Messrs J. L. Capper, C. P. Channugam, W. J. Childerstone, D. B. Ellepola, A. P. Fincher, D. E. Hettiarachchi, G. B. Middleton, T. A. Moy, S. Pathmanathan, M. Rajendram, S. P. Vytilingam, Dr E. M. Chenery (Director, TRI) and Mr A. C. Perera (Secretary)

Dr L. H. Fernando (Assistant Director, TRI) was also present.

Messrs P. J. C. Durrant, J. L. D. Peiris and D. J. Ranaweera intimated their inability to be present.

**1—Minutes of the Board Meeting held on 13th December 1965**

The Chairman said that the amendments to the minutes of the meeting held on 13th December 1965, were circulated by Paper 1966/5-B2 dated 7th January, 1966.

The minutes of both meetings were confirmed.

**2—Matters arising from the minutes**

(a) *Minutes of meeting of 13. 12. 65.*

*Professor G. E. Blackman*

The Director said that Professor G. E. Blackman would be arriving in Ceylon in September 1966.

**3—Membership of the Board and Committees**

*The Board*

It was reported that:

(a) Mr F. Amarasuriya had been renominated by the Low-Country Products Association of Ceylon for a further period of three years from 26th March 1966.

(b) Mr G. B. Middleton had been renominated by the Planters' Association of Ceylon for a further period of three years from 18th February 1966.

(c) Mr D. A. Neale on return from leave, resumed his seat on the Board on 2nd March 1966, relieving Mr A. G. Sharp-Paul.

(d) Mr H. A. Whittall had resigned and Mr T. A. Moy had been nominated by the Agency Section of the Planters' Association of Ceylon to take his place as from 10th March 1966.

The Chairman thanked Messrs Whittall and Sharp-Paul for their services and welcomed Mr Moy.

*Chairmanship of the Board*

Mr Amarasuriya said that a Chairman has to be elected on the expiry of his term of office on midnight of the 25th March. On the proposal of Mr Capper, seconded by Mr Ellepola, Mr Amarasuriya was unanimously re-elected

**Chairman.** Mr Amarasuriya thanked the Board for re-electing him as Chairman. He had completed ten years as Chairman of the Board on the 25th March and said that he would be glad to carry on with the continued co-operation of the members.

*Experimental & Estates Committee*

Mr T. A. Moy was nominated to take the place of Mr H. A. Whittall.

**4—Finance**

(a) *Auditors' Report & Accounts for 1964*

The Chairman said that the recommendations made in the Auditors' Report would be carried out in the course of this year. The Fixed Assets Register would also be prepared but it would take some time because of the large volume of work involved. Mr Pathmanathan said that the Administrative Committee was the appropriate Committee to scrutinize the reports and accounts as this procedure would save the valuable time of the Board. Mr Chanmugam said that the Board's comments on the Auditors' report should also be sent to the Hon. the Minister of Agriculture & Food. Meanwhile, the Annual Report of the Board and Audited Statement of Accounts, etc, could be printed as a Sessional Paper for tabling in Parliament.

The Board considered the Auditors' Report and the Statement of Accounts and the comments on them by the Secretary and noted the following:

(i) *Rules of the Board*

The revised rules of the Board were in preparation and would be presented to the Board for approval after the return of the Director from leave.

(ii) *Bonus to the staff of St Joachim Estate*

The payment of Rs 1,863.33 as bonus to the staff of St Joachim Estate for 1963 was approved.

(iii) *Sundry suppliers*

It was noted that liabilities in 1964 amounting to Rs 164,355.76 were not included in the statement of accounts for 1964 as the bills were received after the draft accounts were prepared.

(iv) *The Ceylon Petroleum Corporation*

It was hoped to settle this matter at an early date.

(v) *Main suppliers*

The suppliers were being requested to forward certified statements of balances as at 31.12.65 direct to the auditors with a copy to the Institute.

(vi) *Retention money*

Action would be taken in 1966 to make provision in the books for retention money.

(vii) *Brown & Co. Ltd.*

This matter would be settled in consultation with the Auditors.

(viii) *Fixed Assets*

Action was being taken to prepare the Fixed Assets Registers as required by the Auditors. Completion of these registers was likely to take some time because of the volume of work involved.

(ix) *Low-Country Station—Fixed Assets*

Capital items relating to the Low-Country Station since its inception had been capitalized under one main heading—Low-Country Capital—and taken into the Fixed Assets Schedule under the item Buildings St Joachim. It would not be possible to analyse this account for the 1965 audit owing to the volume of work involved as these additions had been spread over a period of almost ten years.

(x) *Estimates*

The suggestion of the Auditors would be carried out when preparing the 1967 estimates.

(xi) *Work in progress*

The Auditors' suggestion would be carried out in respect of all buildings constructed in 1966.

(xii) *Low-Country Station—Buildings*

Board approval for the extra work carried out on the buildings was obtained at the Board meeting held on 4th September 1964 and 5th March 1965.

(xiii) *Investments*

The Board approved that investments should be shown at cost as recommended by the Auditors.

(xiv) *Other debtors*

Action would be taken to recover the amounts due to the Institute in 1966. Any items which could not be recovered would be reported on, at the next meeting of the Administrative Committee.

(xv) *Staff debtors (a) & (b)*

This matter was being looked into and the position would be reported on, to the Administrative Committee.

(xvi) *Recovery account*

It has not been possible to reconcile this account. The Board approved that the sum of Rs 1,808.17 be credited to the surplus account.

(xvii) *Petty Cash*

The balance as at 31.12.65 has been reconciled.

(xviii) *Batta—Mr S. J. Lazarus.*

This money has been recovered.

The Audited accounts and report on the Staff Provident Fund and the Junior Staff Medical Fund were referred to the Trustees of the Funds.

The Administrative Committee was requested to scrutinize the audited statement of accounts and report of the St Coombs and St Joachim Estates.

On the proposal of Mr Pathmanathan, seconded by Mr Capper, the Board accepted the Institute's audited statement of accounts and Report for 1964 subject to the comments made.

In terms of the Tea Research (Amendment) Act No 57 of 1961 Section 13 (8) a copy of the Auditors' Report and the Audited Statement of Accounts signed by the Chairman and a member of the Board has to be sent to the Hon. the Minister of Agriculture & Food. The Board accordingly authorized the Director or the Secretary to the Board to sign the audited Statement of Accounts.

**5—Minutes of the meeting of the Administrative Committee held on 2.3.66.**

(a) *The Agratenne Substation*

It was agreed to employ the 11 families numbering 46 souls with a working strength of 24 who were occupying 14 line rooms on Agratenne when the land was taken over by the Institute.

A supplementary vote of Rs 11,500 for stamp and lawyers fees was approved.

(b) *Minutes of the meeting held on 5th February 1966 of the Subcommittee appointed by the Board to consider the salaries and conditions of service of the staff of St Coombs and St Joachim Estates*

The minutes were approved.

(c) *Dr A. S. L. Tirimanna, Research Officer, Biochemistry Division*

Dr Tirimanna's promotion to the Senior Staff Grade as from 15.1.66 was approved.

(d) *Intermediate Staff—Distress loans*

Distress loans to Intermediate staff were approved.

(e) *Mr W. A. C. de Silva, Electrician, Junior Staff Grade II*

Mr de Silva's appointment as Technical Assistant to the Technologist as from 1.4.66 was approved

(f) *Mr A. C. Perera, Temporary Clerk to the District Advisory Officer, Uva*

Mr Perera's appointment as clerk to the District Advisory Officer, Uva as from 1.4.66. was approved.

(g) *Loans for the purchase of refrigerators*

The Board approved the Director granting loans to Junior Staff for the purchase of refrigerators. The Director said that in the rules he was drafting, he would include a clause that only officers who had sufficient money in the provident fund would be eligible for such loans which would not be granted if the total recoveries exceeded 60% of an officer's gross salary.

- (h) *Visit of Dr F. R. Tubbs, Chairman, Scientific Advisory Committee in UK in January-February 1967*

Dr Tubbs' visit to the Institute in 1967 was approved. The Director said that Dr Tubbs would arrive at the time the tea centennial celebrations were held in 1967.

- (i) *Overlooking St Coombs Estate by Mr C. W. C. Mossop*

It was approved that St Coombs Estate would continue to be overlooked by Mr C. W. C. Mossop until the end of 1966.

On the proposal of Mr Capper, seconded by Mr Childerstone, the minutes of the meeting of the Administrative Committee were approved.

#### **6—Minutes of the meeting of the Buildings Committee held on 25.2.66**

- (a) *Minor Staff Quarters (1966)*

The Board noted that Mr W. M. Appuhamy was awarded the following contracts:

*St Coombs, Talawakele*—2×4 blocks (8 quarters) of minor staff quarters at Rs 19,607.30 per block of 2 quarters.

*Hantane Substation, Kandy*—one block of two quarters for Rs 19,631.70.

- (b) *St Coombs Estate Labour Lines*

It was noted that Mr W. M. Appuhamy was awarded the construction of 2×2 sets of labour lines, *ie*, 4 lines, at Rs 8,592 per block of two lines.

On the proposal of Mr Pathmanathan, seconded by Mr Childerstone, the minutes of the meeting of the Buildings Committee were approved.

#### **7—Minutes of the meeting of the Low-Country Station Committee held on 2nd March, 1966**

- (a) *Acquisition of land adjacent to the TRI Buildings*

In reply to Mr Chanmugam and Mr Capper, Dr L. H. Fernando said that the Government Agent, Ratnapura, was handling this matter and had persuaded the people residing in Lots 41, 55, & 57 to vacate their land. Payments to these people would only be made by the Government Agent after they have vacated their property. The Board approved the action taken by the Government Agent, and they agreed to pay for the 7½ acres of land 6A-3R 11P in extent belonging to one Nanayakkara of Colombo, which was to be acquired by the TRI and allotted to the owners of Lots 41, 55, 56 and 57.

- (b) *Crown reservation around TRI buildings*

The Board approved the payment of compensation, if necessary, to the peasants who were occupying crown reservations which have been handed to the Institute by the Government Agent.

- (c) *Tenders for gemming*

In reply to Mr Pathmanathan, the Secretary said that the period for gemming was two years and the agreement was drawn up by Messrs Julius & Creasy. The Board accepted the tender of Mr A. D. S. Karunaratne for Rs 27,101.55.

A vote of thanks, on the proposal of Mr Vytilingam, seconded by Mr Capper, was passed for the services rendered by the Low-Country Station Committee which now ceased to function.

On the proposal of Mr Rajendram, seconded by Mr Hettiarachchi, the minutes of the meeting of the Low-Country Station Committee were approved.

**8—Minutes of the meeting of the Experimental & Estates Committee held on 5th February 1966**

(a) *Bonus to St Joachim Estate Staff*

Payment of bonus to the staff of St Joachim Estate staff for 1965 was deferred till the accounts were finalized.

On the proposal of Mr Vytilingam, seconded by Mr Pathmanathan, the minutes of the meeting of the Experimental & Estates Committee were approved.

**9—Senior staff salaries**

Reported that the interview with the Hon. the Minister of Agriculture & Food fixed for the 24th instant had been postponed for the 26th March.

**10—Any other business**

(a) *Annual Report of the Board for 1964*

The Annual Report of the Board for 1964 was approved.

(b) *Intermediate & Junior staff*

The Director said that due to a misunderstanding, provision for the following staff were omitted from the estimates and asked for a supplementary estimate:

Two Junior Technical Assistants for the Agricultural Chemistry Division for extension experiments for ten months	Rs	11,400
One Research Assistant for the Agricultural Chemistry Division for ten months	Rs	6,700

The Board approved.

(c) *The Board's Seal*

Reported that the Board's Seal was affixed on the following documents:

(i) Deed of Assignment of Mr J. E. Cranham's Overseas Scientists Superannuation Scheme Policies.

(ii) 1965 Junior Staff Quarters Contract with Messrs M. Y. Hemachandra & Co. Ltd.

(iii) 1965 New Engineering Stores Contract with Messrs M. Y. Hemachandra & Co. Ltd.

(iv) St Coombs Factory Extension Contract with Mr W. M. Appuhamy.

**(v) Field Recorder's Room Contract with Mr W. M. Appuhamy.**

On the proposal of Mr Childerstone, seconded by Mr Pathmanathan, approval was granted to affix the Board's Seal on the following documents:

(i) Gemming Tender Agreement with Mr A. D. S. Karunaratne, 23/3 Bandaranayake Mawatha, Ratnapura.

(ii) St Coombs Labour Lines 1965 agreement with Mr W. M. Appuhamy.

(iii) Minor Staff Quarters, St Coombs, 1966 agreement with Mr W. M. Appuhamy.

(iv) Minor Staff Quarters 1966 Hantane agreement with Mr W. M. Appuhamy.

**(d) Staff changes**

The Board noted the following:

**(i) Appointments**

1. Mr T. J. Hallaldeen, Stenographer/Typist/Clerk as from 17.1.66.
2. Mr B. P. Jones, Stenographer/Typist/Clerk from 21.1.66.
3. Mr C. V. R. D. Fonseka, Clerk/Typist from 1.2.66.
4. Mr E. C. C. Brohier, Stenographer/Typist/Clerk from 1.3.66.
5. Mr S. J. Mohideen, Junior Technical Assistant, Agricultural Chemistry Division, from 21.1.66.
6. Mr S. G. Jayasuriya, Junior Technical Assistant, Agricultural Chemistry Division, from 23.1.66.
7. Mr W. C. A. de Silva, Research Assistant, Technology Division from 1.1.66.
8. Mr C. B. Warawita, Accounts Clerk, from 15.3.66.
9. Mr C. C. Rajasingham, Junior Technical Assistant, Agricultural Chemistry Division, from 1.3.66.
10. Mr H. W. Perera, Postage Clerk, from 1.3.66.

**(ii) Resignations**

1. Mr W. W. Perera, Driver, from 28.2.66.
2. Mr J. E. Cranham, Entomologist, from 15.3.66.
3. Mr W. W. Redlich, Senior Technical Assistant, from 31.3.66.
4. Mr O. J. Fernando, Factor, from 31.3.66.
5. Dr G. W. Sanderson, Biochemist, from 7.4.66.

**(iii) Overseas training**

1. Mr T. C. Z. Jayman, Junior Technical Assistant, Agricultural Chemistry Division, proceeded to the University of Sydney, Australia, on 24.1.66.

**(iv) Acting appointments**

1. Mr J. A. H. Tolhurst, Acting Director, from 31.3.66.
2. Dr. W. Danthanarayana, Acting Entomologist, from 15.3.66.

**(v) Overseas leave**

1. Dr E. M. Chenery, Director, from 1st April to 30th June, 1966.

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(e) *Date of next Board Meeting*

The next meeting of the Board was fixed for July 18th 1966, to be held at St Coombs, Talawakele.

(f) *Mr W. J. Childerstone*

The Chairman said that Mr Childerstone's term of office as Chairman of the Planters' Association of Ceylon would come to an end by the time the Board next meets. On behalf of the Board he thanked Mr Childerstone for his valuable services to the Board during his period of office. The Board applauded.

The meeting terminated at 12.30 p.m.

A. C. PERERA  
*Secretary*

**SUMMARY MINUTES OF THE MEETING OF THE BOARD  
OF THE TEA RESEARCH INSTITUTE OF CEYLON  
HELD ON MONDAY 18th JULY 1966 AT 9.30 A.M  
IN TALAWAKELE**

**Present**—Mr F. Amarasuriya (Chairman), Messrs D. B. Ellepola, A. P. Fincher, D. E. Hettiarachchi, I. M. Mackenzie, T. A. Moy, S. Pathmanathan, J. L. D. Peiris, S. P. Vytilingam, B. Warusavitarné, Dr E. M. Chenery (Director, TRI) and Mr A. C. Perera (Secretary).

Dr I. H. Fernando (Assistant Director, TRI) and Mr S. Thiyagarajah (Assistant Administrative Officer, TRI) were also present.

Messrs J. L. Capper, C. F. Chanmugam, P. J. C. Durrant, D. A. Neale and D. J. Ranaweera intimated their inability to be present.

The following buildings, *etc.*, were inspected:

- (a) Museum show cases
- (b) Field recorders' room, scientific stores and plant house
- (c) Plant-growth chamber
- (d) Engineering stores
- (e) Factory extension (Technology Division)
- (f) Trough-withering unit
- (g) Minor staff community centre
- (h) New minor staff quarters
- (i) New clearings in Field No. 1
- (j) Junior staff quarters built in 1965
- (k) Club house.

**1.—Minutes of the meeting of the Board held on 25.3.66.**

The Chairman said that the amendments to minutes were circulated on 25th April 1966. On the proposal of Mr D. B. Ellepola, seconded by Mr S. P. Vytilingam, the minutes were confirmed.

**2.—Matters arising from the minutes**

- (a) *Minutes of the meeting of the Administrative Committee held on 2.3.66 United States grant for Nematology work.*

Reported that the US Department of Agriculture, New Delhi, had terminated the grant at the end of the two-year period on 19th March 1966. The Director said that the work in connexion with the Nematology project was being continued, the expenses being met by the Institute.

- (b) *Low-Country Station—Hidellena/Kahengama PWD road*

Reported that a sum of Rs 75,000 was paid in advance to the Director of Public Works at his request, being the Institute's contribution towards the expenditure of Rs 176,000 which the PWD would incur on improvements to the road. Dr Fernando said that the work on the road would be completed before the tea centennial celebrations commence in July 1967.

(c) *District Advisory Officer, Mid Country*

Reported that Mr M. K. Vytilingam, Research Assistant, Nematology Division, has been appointed District Advisory Officer, Mid Country, and that he would be assuming duties in a month's time. Mr S. P. Vytilingam, on behalf of the Mid-Country District Planters' Associations, thanked the Director and the Board for making this appointment.

In reply to Mr Vytilingam, the Director said that the advisory pamphlets were being printed. Mr Cranham's monograph on insect pests and one of the pamphlets would be issued within the next few months.

**3—Membership of the Board and Committees**(a) *The Board*

Reported that:

(i) Mr B. Warusavitarne has taken the place of Mr W. J. Childerstone on his election as Chairman of the Planters' Association of Ceylon as from 21st April 1966.

(ii) Mr I. M. Mackenzie has been nominated by the Planters' Association of Ceylon to act for Mr G. B. Middleton during his absence on leave from 28th April 1966. The Chairman welcomed Mr Warusavitarne and Mr Mackenzie and congratulated Mr Warusavitarne on his election as Chairman of the Planters' Association of Ceylon.

(b) *Committees*(i) *Administrative Committee*

Mr B. Warusavitarne had taken the place of Mr W. J. Childerstone as from 21.4.66.

(ii) *Buildings Committee*

Mr I. M. Mackenzie, who was residing at Talawakele, has been nominated by the Chairman to act for Mr Middleton.

**4—Minutes of the meeting of the Administrative Committee held on 11.7.66.**(a) *Audit Report & Accounts for 1964*

The Chairman reported that the recommendations made in the Auditor's Report on the accounts for 1964 have been carried out.

(b) *Internal Audit*

The recruitment of an experienced Internal Audit Officer on Junior Staff Grade I salary scale was approved.

(c) *Statement of Expenditure up to 30th April 1966*

The expenditure to 30th April 1966 was noted.

(d) *Supplementary Votes & Revotes for 1965*

The supplementary votes and revotes for 1965 given in the statement were approved.

(e) *Supplementary Votes & Revotes for 1966*

The supplementary votes and revotes for 1966 given in the statement were approved.

(f) *Bonus payment (1965) to Estate Staff*

Bonus payments to estate staff given were approved.

(g) *Statement of loans to staff up to 31.5.66*

The statement of loans to staff to 31.5.66 was noted. It was mentioned that this statement was circulated on the directions of the Auditor General.

(h) *Senior Staff salaries*

The Chairman said that the Minister of Agriculture had advised him that he had decided not to increase salaries of the senior staff. The Minister had, however, approved the payment of an entertainment allowance of Rs 100 per month. It was agreed to pay this allowance to the Ceylonese senior staff as from 1st January 1965.

(i) *Car loans*

The increase of the maximum car loan from Rs 9,000 to Rs 14,000 or two years' basic salary, whichever was less, at 4½ per cent interest per annum was approved.

(j) *UPASI Conference, August 1966*

The Board nominated Mr B. Warusavitarne, Drs W. Danthanarayana and P. Sivapalan to attend the UPASI Conference as delegates from the Tea Research Institute.

(k) *7th International Congress of Biochemistry, 19th to 25th August 1967, to be held in Tokyo*

The Board approved that Dr R. L. Wickremasinghe and Dr A. S. L. Tirimanna attend the above Congress as the Institute's delegates.

On the proposal of Mr J. L. D. Peiris, seconded by Mr S. Pathmanathan the minutes of the meeting of the Administrative Committee were approved.

**5—Minutes of the meeting of the Trustees of the TRI Staff Provident Fund held on 11.7.66.**

On the proposal of Mr S. P. Vytilingam, seconded by Mr D. E. Hettiarachchi, the following resolutions passed by the trustees were approved.

- (a) "The trustees after discussion resolved that a minimum of 3.5% should be declared on the gross balances of members. Should the interest earned on investments be insufficient to pay a dividend of 3.5% monies could be drawn from the capital reserve to make up the shortfall. No transfer should be made when the income would itself be sufficient to declare a dividend of 3.5%.
- (b) The trustees under Rule 5(ii) resolved that the monies of the new staff lying as credit in other approved provident funds be transferred to the

TRI Staff Provident Fund and credited to the respective accounts of the members concerned. These monies, however, should not be taken into account for the apportionment of profits, for the year of transferring such monies. Staff of the Institute's estate are also permitted to join the TRI Staff Provident Fund and to transfer their monies from the Estates Staffs' Provident Fund to the TRI Provident Fund.

The following recommendation of the trustees was also approved: It was also agreed that the current bank account should not exceed Rs 5,000. Excess money should be invested to earn as much interest as possible. The trustees also recommend to the Board that should there be insufficient money in the current account to pay a member for a housing loan or on retirement, the Tea Research Institute advances to the Provident Fund such payments. The monthly contribution from members, which amounts approximately to Rs 25,000 could be paid to the Institute till the money advanced was repaid.

On the proposal of Mr D. B. Ellepola, seconded by Mr S. P. Vytilingam, the minutes of the meeting of the trustees were approved.

**6—Minutes of the meeting of the Committee of Management of the Junior Staff Medical Fund on 11.7.66.**

The revised rules of the medical fund were approved. On the proposal of Mr T. A. Moy, seconded by Mr S. P. Vytilingam, the minutes of the Committee of Management were approved.

**7 Minutes of the meetings of the Buildings Committee held on 16.11.66., 16.5.66. and 21.6.66.**

(a) *Tenders*

The Board noted that the following contracts were awarded:

(i) *Mid-Country Station*

1. Mr W. M. Appuhamy—One block of two minor staff quarters for Rs 19,631.70.

(ii) *Kottawa Substation*

1. Mr M. W. de Silva—One block of two minor staff quarters for Rs 18,726.60.
2. Mr M. W. de Silva—One set of labour lines (two households) for Rs 6,325.40.
3. Mr T. R. Rajavasan—One Junior staff house for Rs 29,953.

(iii) *Low-Country Station*

1. Mr M. W. de Silva—Minor staff quarters—One block of two quarters for Rs 18,726.60.
2. Mr T. R. Rajavasan—Two junior staff houses at Rs 29,953 each.
3. Mr T. R. Rajavasan—Club house conference hall for Rs 49,946.96.
4. Mr T. R. Rajavasan—Extension to senior staff house for Rs 9,474.50.
5. Mr D. M. Jayawardene—Six sets labour lines (two households each) at Rs 6,325.40 per set of two households.

(iv) *St Coombs*

1. Mr W. M. Appuhamy—Three junior staff houses at Rs 29,453.70 each.
2. Mr W. M. Appuhamy —Factory Assistant's quarters for Rs 16,433.35.
3. Mr W. M. Appuhamy—Senior Assistant Clerk's quarters for Rs 29,433.70.
4. Mr W. M. Appuhamy—Two sets of labour lines (four households) at Rs 8,986.70 for one set of two households.

(b) *Guest House*

Mr Pathmanathan thanked the Buildings Committee for providing a Guest House at St Coombs.

(c) *Food Production*

The Chairman expressed the Board's appreciation of the prizes offered by Mr J. L. D. Peiris for the food production competition.

On the proposal of Mr S. Pathmanathan, seconded by Mr D. E. Hettiarachchi, the minutes of the three meetings were approved.

**8 Any other business**(a) *Appointments, Resignations, etc*

The Board noted the following:

(i) *Appointments*

1. Mr W. A. C. de Silva, Junior Technical Assistant, Technology Division from 1.4.66.
2. Mr A. C. Perera, Clerk, Uva Station, from 1.4.66.
3. Mr H. C. Wickremasinghe, Accounts Clerk, from 18.4.66.
4. Mr N. L. C. Fernando, Junior Technical Assistant, Advisory Division, Uva Station from 2.5.66.
5. Mr U. L. L. de Silva, Junior Technical Assistant, Biochemistry Division, from 29.4.66.
6. Mr E. J. B. de Silva, Junior Technical Assistant, Low-Country Station from 2.5.66.
7. Mr A. C. C. Karunaratne, Junior Technical Assistant, Low-Country Station from 2.5.66.
8. Mr D. J. Wilson, Motor Car/Bus Driver, Low-Country Station from 10.5.66.
9. Mr A. Thevathasan, Junior Technical Assistant, Technology Division from 12.5.66.

10. Mr V. D. P. de Mel, Office Attendant, from 20.5.66.
11. Mr D. T. V. Cooray, Clerk of Works, Low-Country Station, from 1.6.66.
12. Mr S. W. Gunadasa, Field Attendant, Plant Propagation Division from 20.6.66.
13. Mr W. S. S. Mendis, Office Attendant, from 26.6.66.
14. Mr S. N. Fernando, Junior Technical Assistant, Entomology Division from 1.7.66.
15. Mr A. Nanayakkara, Junior Technical Assistant, Plant Propagation Division, from 1.7.66.
16. Mr K. A. Bowie, Electrician from 8.7.66.

(ii) *Resignations*

1. Mr T. D. Suwardis, Office Attendant, from 25.6.66.

(iii) *Returned from overseas leave*

1. Dr E. M. Chenery, Director, returned from overseas leave on 30.6.66.

(iv) *Deaths*

1. Mr P. Sunil Santha, Driver, Low Country Station, died on 14.6.66, under tragic circumstances.

(b) *The Board's Seal*

Reported that the Board's Seal was affixed on the following agreements:

1. Minor staff quarters (Ratnapura) 1966—Mr M. W. de Silva
2. Minor staff quarters (Kottawa) 1966—Mr M. W. de Silva
3. Minor staff quarters (St Coombs) 1966—Mr W. M. Appuhamy
4. Minor staff quarters (St Coombs) 1965—Mr W. M. Appuhamy
5. Factory extension (St Coombs) 1965—Mr W. M. Appuhamy
6. Labour lines (St Coombs) 1965—Mr W. M. Appuhamy

On the proposal of Mr S. P. Vytilingam, seconded by Mr D. E. Hettiarachchi, the Board approved the Board's Seal being affixed on the following documents:

1. Junior staff quarters (Hantane) 1966—Shelton Brothers
2. Junior staff quarters (St Coombs) 1966—Mr W. M. Appuhamy
3. Junior staff quarters (St. Joachim) 1966—Mr T. R. Rajavasan

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4. Junior staff quarters (Kottawa) 1966—Mr T. R. Rajavasan
5. Senior Factory Assistant's quarters (St Coombs) 1966—Mr W. M. Appuhamy
6. Labour lines (Ratnapura) 1966—Mr D. W. Jayawardene
7. Labour lines (Kottawa) 1966—Mr M. W. de Silva
8. Club House/Conference hall (Ratnapura)—Mr T. R. Rajavasan
9. Extension to senior staff bungalow (Ratnapura) 1966—Mr T. R. Rajavasan
10. Garage & workshop (Hantane) 1966—Walker, Sons & Co. Ltd.
11. General stores (Hantane) 1966—Walker, Sons & Co. Ltd.

(c) *Next meeting*

The next meeting was fixed for Tuesday, 20th September 1966 at 9.00 a.m. at the office of the Planters' Association of Ceylon, Colombo.

The meeting terminated at 1.15 p.m.

A. C. PERERA  
*Secretary*

**SUMMARY MINUTES OF THE MEETING OF THE BOARD  
OF THE TEA RESEARCH INSTITUTE OF CEYLON  
HELD ON TUESDAY 20th SEPTEMBER 1966 AT 9.30 A.M.  
IN COLOMBO**

**Present**—Mr F. Amarasuriya (Chairman), Messrs J. L. Capper, P. J. C. Durrant, D. B. Ellepola, G. D. Loos, I. M. Mackenzie, T. A. Moy, D. A. Neale, S. Pathmanathan, J. L. D. Peiris, S. P. Vytilingam, B. Warusavitarné, Dr E. M. Chenery (Director, TRI) and Mr A. C. Perera (Secretary).

Dr L. H. Fernando (Assistant Director, TRI), Messrs A. H. B. Dias (Acting Assistant Administrative Officer, TRI) and G. A. S. Gunasinghe (Secretary to the Director, TRI) were also present.

Messrs D. C. L. Amarasinghe, C. P. Chanmugam, A. P. Fincher, D. E. Hettiarachchi, M. Rajendram and D. J. Ranaweera intimated their inability to be present.

**1—Minutes of the meeting of the Board held on 18.7.66.**

On the proposal of Mr S. P. Vytilingam, seconded by Mr B. Warusavitarné, the minutes were confirmed.

**2—Matters arising from the minutes**

(a) *The Director's visit to Japan*

Reported that the Director's report on his visit to Japan and Britain was circulated.

In reply to Mr Pathmanathan, the Director said that statistical experiments had been laid down for plucking with the tea plucking machine but that it would take some time to make a firm recommendation. The new machine he hoped to receive was a light weight, battery-operated model.

**3—Finance**

(a) *Accounts up to 30th June 1966*

In reply to Mr Loos, the Secretary said that the accounts circulated were those entered in the books up to 30th June 1966, and the expenditure was for about 4½ to 5 months of the year. Mr Pathmanathan suggested that, in view of the present crisis in the tea market and the possibility of the Institute's income from the cess being reduced, every effort should be made to make savings, particularly on the capital items. The Secretary said that he would bring to the notice of the Buildings Committee, which is meeting on 30th September 1966, the suggestion made by Mr Pathmanathan.

In reply to Mr Pathmanathan, Dr Fernando said that the acquisition proceedings in respect of the land adjoining St Joachim were in the final stages. The accounts upto 30th June 1966, were accepted.

(b) *Transfer of votes*

(i) *Revenue*

The Board noted that the transfer of votes within each head were made with the approval of the Director.

(ii) *Capital*

The following transfer of votes from revenue to capital were approved:

*From Head 10 Revenue*

Vote 131	Estimate	Balance up to 30.6.66
Maintenance of buildings etc Outstation buildings Passara	Rs 10,200	Rs 9,442.75

*To Head E Capital*

Vote 43E Furniture for Passara Bungalow	Transfer of Rs 3,000 required
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It was noted that through an oversight, funds for the furniture were included under Head 10 (Revenue) Vote 131.

*Agratenne*

Head O, Item 60, page 33 of estimates—Vote Rs 291,500

Approval was given to utilize money from the vote for the purchase and development of Agratenne.

(c) *Supplementary votes**Kottawa Substation*

A supplementary vote of Rs 5,500 was approved (Revenue Rs 900—Subhead 13, Vote 67, page 17 of estimates; Capital Rs 4,650—Subhead J, Item 16, subitem 2 of page 38 of estimates) for a telephone connexion to the Kottawa Substation in 1967. The payment had to be made in advance.

**5—Staff matters**(a) *Visit of Dr D. Kirtisinghe, Technologist to East Africa*

Reported that Dr Kirtisinghe would be leaving for East Africa on the 23rd September 1966, for a period of one month. A supplementary vote of Rs 6,000 for his passage and travelling expenses was approved.

(b) *Mr A. H. B. Dias, Acting Assistant Administrative Officer*

On the proposal of Mr S. Pathmanathan, seconded by Mr J. L. Capper it was unanimously resolved that Mr A. H. B. Dias, Acting Assistant Administrative Officer, be authorised to sign cheques and other documents in respect of the following accounts:

1. Tea Research Institute of Ceylon
2. TRI Staff Provident Fund
3. TRI Junior Staff Medical Fund
4. St Coombs Estate Ordinary Account
5. St Coombs Estate Special Account

(d) *Colombo Plan Scholarships*

Reported that the following officers have been sponsored for Colombo-Plan Scholarships for 1967.

1. Mr R. K. Nathaniel, Research Assistant, Advisory Division.
2. Mr E. F. W. Fernando, Technical Assistant, Entomology Division
3. Mr P. V. Arulpragasam, Technical Assistant, Plant Pathology Division.
4. Mr T. F. Saldin, Technical Assistant, Technology Division.

## 6. Any other business

### (a) *Planters' Week and Conference*

The Director said that at a meeting of the senior staff held on 1st August 1966, it was unanimously agreed that the Planters' Week and Conference should be held in the first week in May, 1967, as part of the tea centennial celebrations. The proposal was to hold a field day at St Coombs and the conference at the Radella Club. This would also be held at St Joachim, Ratnapura, if possible.

### (b) *Consultants for designing of factory machinery and automated factories*

The Director said that the Institute has not made much progress for the last ten years in tea technology and that progress would still be slow in the next five years because of staff problems. He was of the view that a firm of consultants should be employed. He had discussed this matter with Professor G. E. Blackman who arrived in Ceylon on 15th September 1966, and he had suggested to the Director that they get in touch with the National Research Development Council of London, which would advise the Institute on this project.

Mr Ellepola thought that the expenditure for the project could be obtained from a foreign aid agency. Mr Loos said that it would be possible for a foreign agency to finance this project but full information should be made available to the Ministry in the first instance.

The Board agreed that the Director should proceed with his investigations in regard to this matter and, when the information was available, to submit a memorandum for consideration.

### (c) *Mr J. L. Capper*

The Chairman said that this was the last meeting at which Mr Capper would be present as he was leaving Ceylon in a few months time. Mr Capper had made a large contribution to the tea industry and as a member of the Board had always given him as Chairman very valuable advice which the Board has always accepted. On behalf of the Board, he thanked Mr Capper for his services to the Board and wished Mr and Mrs Capper all the best for the future.

Mr Capper thanked the Chairman for the sentiments he had expressed and said that it has been a great pleasure to have been a member of the TRI Board.

### (d) *Appointments, Resignations etc*

The following were reported:

#### (i) *Appointments*

1. Mr W. J. Samuel, Senior Accounts Clerk from 1.1.66.
2. Mr G. A. S. Gunasinghe, Secretary to the Director from 1.3.66.

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3. Mr H. N. de Silva, Senior Assistant Clerk, St Coombs Estate from 1.8.66.
4. Mr T. N. Muzamieer, Motor Mechanic from 9.8.66.
5. Mr K. H. T. Dassanayake, Works Clerk from 7.9.66.

(ii) *Resignations*

1. Mr W. S. S. Mendis, Office Attendant from 4.8.66.
2. Mr A. L. Fernando, Senior Assistant Factory Officer, St Coombs Estate, from 14.7.66.

(iii) *Overseas training*

1. Mr J. V. Sabanayagam, District Advisory Officer, Low-Country Station, left for Canada on a Colombo Plan Scholarship for 18 months for his MSc degree on 23.8.66.

(iv) *Overseas visits*

1. Mr B. Warusavitarne, Drs W. Danthanarayana and P. Sivapalan proceeded to South India on 26.8.66 to attend the 13th Annual Scientific Conference of the United Planters' Association of Southern India (UPASI) from 28th to 30th August 1966.

(e) *Meetings of the Board and Committees*

The following dates were fixed:

1. Buildings Committee meeting at St Coombs, Talawakele on 30.9.66 at 9.30 a.m.
2. Experimental and Estates Estimates Subcommittee meeting at St Coombs, Talawakele on 27.10.66 at 9.30 a.m.
3. Experimental and Estates Committee meeting at St Coombs, Talawakele on 27.10.66 at 9.00 a.m.
4. Administrative Committee meeting at St Coombs, Talawakele on 17.11.66 at 9.00 am.
5. Board meeting at Colombo on 12.12.66 at 9.00 a.m.

The meeting terminated at 11.30 am.

A. C. PERERA  
Secretary

**SUMMARY MINUTES OF THE MEETING OF THE BOARD  
OF THE TEA RESEARCH INSTITUTE OF CEYLON  
HELD ON MONDAY, 12th DECEMBER 1966, AT 9.30 A.M.  
IN COLOMBO**

**Present**—Mr F. Amarasuriya (Chairman), Messrs C. P. Chanmugam, P. J. C. Durrant, D. B. Ellepola, A. P. Fincher, G. B. Middleton, D. E. Hettiarachchi, T. A. Moy, D. A. Neale, S. Pathmanathan, D. J. Ranaweera, A. G. Sharp Paul, S. P. Vytilingam, B. Warusavitarnne, Dr E. M. Chenery (Director TRI) and Mr A. C. Perera (Secretary), Dr L. H. Fernando (Assistant Director, TRI) was also present.

Messrs A. H. B. Dias (Acting Assistant Administrative Officer, TRI), W. J. Samuel (Senior Accounts Clerk, TRI), G. S. Muttettuwegama (Superintendent, St Joachim Estate) and L. A. Seeveratnam (Agriculturist, TRI) were also present when the accounts and estimates were discussed.

Mr J. L. D. Peiris intimated his inability to be present.

**1—Minutes of the Board Meeting held on 20th September 1966**

The minutes were confirmed.

**2—Matters arising from the minutes**

*Planters' Week and Conference*

Reported that the tea centennial conference would be held at Radella and St Coombs on the 3rd, 4th, 6th and 7th May 1967.

The Hon. the Prime Minister had been invited to declare open the conference. Papers presented at this conference would emphasize economy in tea production and improving the quality of tea. In connexion with the Tea Centenary, there would also be field days at the Low-Country Station on the 13th, 14th and 15th May, primarily for planters in the low country.

**3—Membership of the Board and Committees**

(a) *The Board*

(i) Mr A. G. Sharp Paul had been nominated by the Agency Section of the Planters' Association of Ceylon to take the place of Mr J. L. Capper as Chairman of the Agency Section as from 1.11.66.

(ii) Mr G. B. Middleton had resumed his seat on the Board on his return from leave on 3rd October 1966, relieving Mr I. M. Mackenzie who was acting for him.

The Chairman welcomed Mr Sharp Paul and thanked Mr Mackenzie for his services.

(b) *The Administrative Committee*

(i) Mr A. G. Sharp Paul had taken the place of Mr J. L. Capper as from 1st November 1966.

(c) *The Experimental and Estates Committee*

(i) Mr A. D. Scott of Sarnia Group, Badulla, had taken the place of Mr P. G. Uglow who had resigned as from 10.10.66.

(ii) Mr C. S. Illangakoon of Hapugastenne Group, Ratnapura, had taken the place of Mr H. D. Ross, who had resigned as from 17.2.66.

(iii) Mr A. I. E. de Kretser had taken the place of Mr R. C. H. Price, who resigned as from 18.10.66.

(d) *Trustees of the TRI Staff Provident Fund*

Mr S. P. Vytilingam was nominated to take the place of Mr J. L. Capper.

**4—Minutes of the Special Meeting of the Administrative Committee held on 5.11.66 and of the meeting held on 16.11.66**(a) *Accounts up to 30th September 1966*

Reported that, with the assistance of Mr Ellepola, the Chief Accountant of Customs, had agreed to pay the monthly cess without delay. The cheques for the August and September cess had since been received. The Chairman thanked Mr Ellepola for his assistance.

The accounts up to 30th September 1966, statement of expenditure as at 30th September 1966 and the statement of loans outstanding as at 30th September 1966, were accepted.

(b) *Estimates of expenditure for 1967*(i) *Research*

The Director said that Dr F. J. Simmonds, Director of the Commonwealth Institute of Biological Control, had visited the TRI a few days ago and had offered to assist the TRI on the biological control of the Shot-hole Borer. He wished to take advantage of his offer as he felt that the Institute could not afford to neglect this aspect of the problem and asked for a vote of Rs 20,000 which the Board approved. This sum would cover the expenses of the many entomologists who were under Dr Simmonds' control all over the world.

The Director also said that he had to cut down the estimates of Divisions drastically owing to the present financial situation. It was, however, possible that expenditure on some urgent items might come up during the year. He asked the Board to approve a sum of Rs 50,000 which he would spend on these items without having to wait for Board approval. He would, however, report to the Board any expenditure incurred on this vote. The Board agreed.

(ii) *Staff cadre 1966/67*

In reply to Mr Chanmugam the Secretary said that the post of Senior Research Officer, Agricultural Chemistry Division, was advertised. Applications would close on the 12th December 1966 and one application was so far received. The qualifications asked for were that the appointee must possess a 1st Class or Upper 2nd Class Honours BSc degree together with a PhD degree and experience in this field of work.

Mr Pathmanathan said that in keeping with present conditions, the 1967 Budget was an austerity budget, and that the Administrative Committee had scrutinized the estimates carefully. On the proposal of Mr Pathmanathan seconded by Mr Hettiarachchi the estimates for 1967, including Low-Country,

Station revotes 1966 to 1967 and additional expenditure of Rs 14,325 for Agratenne Division of Ury Group were approved.

(iii) *St Coombs and St Joachim Estates estimates of income and expenditure*

The Chairman said that these estimates were scrutinized both by the Estates Estimates Subcommittee and the Experimental and Estates Committee. On the proposal of Mr Vytilingam, seconded by Mr Middleton, the estate estimates were approved.

(iv) *Promotion to senior staff*

The Board approved the following promotions to senior staff grade.

1. Dr W. Danthanarayana, Entomologist, from 13.9.66.
2. Dr P. Sivapalan, Research Officer, Plant Pathology and Nematology Division, from 1.1.67.
3. Mr L. M. de W. Tillekeratne, Uva Scientific Officer, from 1.1.67.

The following supplementary estimate was approved for payment of additional salaries on promotion:

1967 (a) Senior Staff Emoluments Rs 16,000 (Head I).

(v) *Promotions to Junior Staff*

*To Junior Staff Grade I*

Mr S. Murugiah, Technical Assistant, Plant Pathology and Nematology Division, from 1.1.67.

Mr H. B. Ratnayake, Technical Assistant, Plant Propagation Division, Mid-Country Station, from 1.1.67.

Mr J. I. H. Bandaranayake, Technical Assistant, Low-Country Station from 1.1.67.

*To Junior Staff Grade I (Special)*

Mr W. R. Solomon, Electrical Foreman, from 1.1.67.

On the proposal of Mr Moy, seconded by Mr Vytilingam, the minutes of meetings of the Administrative Committee held on 5th November and 16th November 1966, were approved.

**5—Minutes of the meeting of the Buildings Committee held on 30.9.66.**

(a) *Garage, Workshop and General Stores (Mid-Country Station)*

Reported that the contract had been offered to Messrs Shelton Brothers, their tender of Rs 25,490 being the lowest.

On the proposal of Mr Ellepola, seconded by Mr Moy, the Buildings Committee minutes of 30.9.66 were accepted.

**6 Minutes of the meeting of the Experimental and Estates Committee held 27.10.66.**

On the proposal of Mr Vytilingam seconded by Mr Durrant, the minutes of meeting of the Experimental and Estates Committee held on 27.10.66 were approved.

## 7 Staff matters

### (a) *Appointments, Resignations, etc*

The following were noted:

#### (i) *Appointments*

1. Mr T. A. Gunatilake, Office Attendant, from 15.9.66.
2. Mr H. B. Herath, Junior Technical Assistant, Plant Pathology and Nematology Division, from 1.10.66.
3. Mr H. L. Ekanayake, Motor Car/Bus driver from 10.10.66.
4. Mr P. Wickremasekera, Senior Assistant Factory Officer, from 15.10.66.
5. Mr T. V. Saravanapavan, Junior Technical Assistant, Plant Pathology and Nematology Division from 1.11.66.

#### (ii) *Resignations*

1. Mr V. D. P. de Mel, Office Attendant, from 30.11.66.
2. Mr K. Sivalingam, Technical Assistant, Agricultural Chemistry Division, from 30.11.66.
3. Dr A. Kerr, Adviser in Plant Pathology and Nematology left the Institute on 27.11.66 at the termination of his contract.

#### (iii) *Overseas training*

1. Mr G. R. Roberts, Research Assistant, Biochemistry Division, left for the UK on a Colombo Plan Scholarship for his post-graduate training for a period of 3 years on 27.9.66.
2. Mr W. C. A. de Silva, Research Assistant, Technology Division left for Hong Kong on a Commonwealth Scholarship sponsored by the Ministry of Education and Cultural Affairs for a period of 2 years for his MSc on 29.9.66.
3. Mr S. Kandiah, Research Assistant, Plant Physiology Division, left for the UK on a Colombo Plan Scholarship for his post-graduate training for a period of 3 years on 30.9.66.
4. Mr S. Sivasubramaniam, Research Assistant, Agricultural Chemistry Division left for the UK on a Colombo Plan Scholarship, for his post-graduate training for a period of 3 years on 30.9.66.
5. Mr K. Sivapalan, Junior Technical Assistant, Biochemistry Division, left for India on a Commonwealth Scholarship sponsored by the Ministry of Education and Cultural Affairs for a period of 2 years for his MSc on 10.10.66.

(iv) *Overseas visits*

Dr D. Kirtisinghe, Technologist, left for East Africa on 24.9.66 on a study tour to investigate recent development in tea manufacture and also to visit various engineering workshops and returned to Ceylon on 26.10.66.

(v) *Returned from overseas training*

Dr S. Kulasegaram returned from the UK after his post-graduate studies on 25.11.66.

**8—Any other business**(a) *Transfer of votes*

The transfer of votes within each head, which were approved by the Director, were noted.

(b) *Revotes 1966 to 1967—Low-Country Station*

Revotes given in statement were noted.

(c) *The Board's Seal*

Reported that the Board's Seal was affixed on the following documents:

1. Junior staff quarters (Mid-Country Station) 1966—Shelton Brothers
2. Junior staff quarters (St Coombs) 1966—Mr W. M. Appuhamy
3. Senior Factory Assistants quarters (St Coombs) 1966—Mr W. M. Appuhamy.
4. Water well-drilling contract (Low-Country Station)—Mr M. W. Wright.
5. Alterations to right wing of senior staff quarters, (Low-Country Station) 1966—Mr T. R. Rajavasan
6. Sports Pavilion (Low-Country Station) 1966—Mr T. R. Rajavasan
7. Labour lines (St Coombs) 1966—Mr W. M. Appuhamy
8. Junior staff quarters (Kottawa Substation) 1966—Mr T. R. Rajavasan
9. Junior staff quarters (Low-Country Station) 1966—Mr T.R. Rajavasan
10. Roads (Agratenne Substation) 1966—Mr S. D. Silva
11. Deed of Assignment of Instant Tea Patent by Dr R. L. Wickremasinghe to the TRI.

The Chairman wished the members a happy Christmas and a prosperous New Year.

The meeting terminated at 1.15 p.m.

A. C. PERERA  
*Secretary*

**PRIVATE AND CONFIDENTIAL**

Colombo.

8th December 1967

The Auditor General,  
COLOMBO.

Dear Sir,

**Tea Research Institute of Ceylon Accounts for the year ended 31st December, 1966**

We have completed our examination of the above accounts and attach to this report the following statements:

- (1) Balance Sheet as at 31st December 1966 containing our report thereon.
- (2) Estate Working Accounts for the year ended 31st December 1966 in respect of:
  - (a) St Coombs Estate
  - (b) St Joachim Estate
- (3) Income and Expenditure Account for the year ended 31st December 1966.
- (4) Summary of Creditors and Provisions at 31st December 1966.
- (5) Summary of Fixed Assets at 31st December 1966 showing cost, accumulated depreciation and written down value.
- (6) Summary of Investments at 31st December 1966.
- (7) Summary of Stock in Hand at 31st December 1966.
- (8) Summary of Debtors and Debit Balances at 31st December 1966.
- (9) Summary of Staff Debtors at 31st December 1966.
- (10) Statement of Deposits at 31st December 1966.
- (11) Summary of cash in hand and balances at banks at 31st December 1966.
- (12) Statement of Surplus on revaluation of Assets.

**I Results of the year**

The result of the year revealed a loss of Rs 17,245.18 after charging depreciation amounting to Rs 954,543.20. The loss was made up as follows:

	Rs cts
Institute—Excess of expenditure over income	— 87,896.61
St Coombs Estate—Surplus on working	189,302.48
St Joachim Estate—Loss on working	— 118,651.05
	Rs. 17,245.18

The surplus in the previous year amounted to Rs 837,439.03 and the provision for depreciation Rs 864,044.37.

## II Rules of the Board

The draft rules of the Institute have not been approved by the Board, up to the date of our audit. A special subcommittee has been appointed by the Board to look into this matter. We were informed that the subcommittee had met four times up to the date of our visit, but had not completed their work.

## III Balance Sheet as at 31st December 1966

We have done a comprehensive verification of the items appearing on the above Balance Sheet, and wish to make the following comments with regard to the undermentioned ledger accounts:

### (1) Accumulated Fund

The movements of the Fund during the year were as follows:

Balance as at 31st December 1965	Rs.	13,980,252.20
Less: Adjustments in respect of previous years		9,041.50
		<u>13,971,210.70</u>
Less: Excess of Expenditure over income for the year		17,245.18
	Rs	<u>13,953,965.52</u>

The adjustment in respect of previous years was made up as follows:

Balances written back as recommended in the previous audit report	Rs	15,319.00
Amounts recovered in 1966 in respect of goods supplied, and services rendered in 1965		891.59*
Overpayments recovered—mainly scholarship expenses		4,271.90
Other miscellaneous adjustments		236.83
Total Credits	Rs	<u>20,719.42</u>

\*(See note below on internal control)

Bonus to estate staff 1964 and 1965	14,487.50
Balances transferred as recommended in previous audit report	9,840.59
Underprovision in respect of auditors out of pocket expenses—1965	1,015.72
Refund of deposits credited previously to revenue	593.75
Expenses to be borne by Institute as per the rules of Medical Fund and Provident Fund	2,933.20
Miscellaneous adjustments	890.16
	<u>29,760.92</u>
Credit balance written back—details above	20,719.42
	<u>9,041.50</u>
	Rs

(ii) *Internal Control*

The fact that income was not credited in 1965, for goods supplied and services rendered in that year, appeared to indicate a weakness in the billing procedure. The sources from which the Institute derives income is by the sale of publications, advertisements in publications, and sales from the stores. We inquired into the internal system in force in respect of these sources of income and make the following comments thereon:

(a) *Sale of Publications*

We observe that proper records were not maintained to disclose the movements of the publications Monographs 4 and 5. Free issues were not clearly indicated and authorized; items sold were not cross-referred to the cash book folio on which the proceeds were entered; the book was not balanced periodically in order to show the number of publications in stock.

As regards the Tea Quarterly's and Annual Reports no records were maintained to disclose the movement of stocks.

We recommend that records be maintained in future to show the movements of the Tea Quarterly's and Annual Reports. As regards the publications Monographs 4 and 5 sales and free issues should be indicated and the stock book should be balanced at the end of each month.

(b) *Advertisements*

The control over revenue receivable from advertisements appeared to be satisfactory.

(c) *Sales from Stores*

Our comments on the internal system has been referred to in paragraph 6(d) of our report.

The bonus payable to the staff of St Joachim and St Coombs was approved by the Board on 18th July 1966. We think it preferable if provision is made for bonus payable in the year in respect of which it is due. This would reduce the number of adjusting entries in respect of the previous year's accounts, and minimize the distortion of the results of working the estates and the Institute.

(2) *Sundry Creditors*

We have the following comments to make on some of the balances included under Sundry Creditors:

(a) *W. M. Appuhamy*

This account is credited with the value of maintenance work done by the Contractor—W. M. Appuhamy, which totalled Rs 203,071.25 in the year under review. We have scrutinized all the bills rendered by the Contractor, which were passed for payment by the Clerk of Works. The Clerk of Works verifies the authenticity of the bill, and the accuracy of the charges levied. In view of the volume of work done by this Contractor, it may be desirable for the Building Committee to inspect the large repair jobs undertaken, and pass bills in respect of such jobs, for payment.

We observed that this Contractor's bills were settled without making deductions for cash advances, material supplied, Tipper mileage etc. We suggest that his account be settled exactly at the end of each month. Confirmation should be obtained of the correctness of the balance due to him at the end of each financial year, to minimize the possibility of disputes at a later date.

(b) *Sundry Suppliers*

- (i) Unlike the previous years, provision was made in the draft accounts submitted for audit, for almost all the outstanding liabilities. The omissions totalling Rs 7,352.33 were due to the very late submission of bills by certain suppliers. However, as a result of incorrect procedure being followed *ie.* provision being made for liabilities without reference to the goods received notes, we noted the following errors and omissions:

Liabilities amounting to Rs 4,449.43 should not have been provided for, as the goods referred to in those bills, were not received prior to the end of the financial year.

Liabilities totalling Rs 750/- should have been provided for, as goods to this value were included in stocks at 31st December 1966.

- (ii) The response from creditors who were requested to confirm the accuracy of their balances was very satisfactory. Differences between the balance confirmed and the balance according to the Institute's books were reconciled by the staff of the Institute.

(3) *Government Loan*

We have received a certificate from the Treasury, in confirmation of the balance due at the date of the Balance Sheet on the interest free loan of Rs 2,000,000 received from the Government in 1964.

(4) *Fixed Assets*

(a) *Verification*

We have verified the ownership of assets the written down value of which amounted to Rs 2,397,138.30, by the inspection of the title deeds of the two estates, and the examination of certificates of registration of the motor vehicles owned by the Institute. The existence of other assets owned by the Institute on 31st December 1965 has been verified by various officers of the Institute. A list of these assets has been prepared, and cards written out for each of them. Where the date of purchase and cost price was available the assets have been taken at written down value. In the instances where these particulars were not available the assets have been included at a valuation. The buildings were valued by M. Y. Hemachandra & Co. The equipment and sundry machinery were valued by the Director and furniture by the Chief Administrative Officer and the Clerk of Works. The Factory and machinery were valued by Walker Sons & Co. Ltd. We have seen certificates in confirmation of these valuations. The surplus of Rs 4,364,788.60 arising on revaluation has been credited to Capital Reserve.

Capital expenditure incurred in 1966 has not been entered in the inventory cards. This is presenting some difficulty due to the incorrect posting of entries to the various fixed assets accounts, and also due to the incorrect allocation between capital and revenue. The errors of this nature noted by us, have not been adjusted in these accounts as the internal audit section is at present reviewing the various accounts, and preparing a comprehensive list of adjustments to be made.

(b) *Purchase of Land*

Preliminary expenditure incurred in connexion with the acquisition of the Agratenne Division from Ury Group, and land from Hantane Estate has been capitalized. Capital commitments in this connection at the date of the balance sheet is estimated at:

Agratenne Division	Rs	226,775.32
Portion of Hantane Estate		286,000.00
	Rs	<u>512,775.32</u>

(c) *Work-in-Progress Capitalized*

Expenditure totalling Rs 251,899.30 incurred on building contracts which were not completed prior to 31st December 1966 has been charged to fixed assets. We have not adjusted the accounts as these contracts were completed in 1967.

(d) *Depreciation*

Depreciation written off during the year has been calculated on the old basis and not on the revalued figures. The writing up of the assets will increase the future charge for depreciation by Rs 250,000. This together with the existing levy of about Rs 950,000 would result in an annual levy of Rs 1.2 million. In order to reduce this large levy we suggest that the rate of depreciation of buildings be reduced from 4% to 2%. We consider this to be reasonable.

(5) *Investments*

We have inspected the scrips in respect of the Ceylon Government Securities which cost Rs 517,112.50. The National & Grindlays Bank Ltd, (UK) have not yet confirmed that UK Government securities are in their custody. The cost of these securities amounted to Rs 62,362.82. At 31st December 1966 the market value of all the investments totalled about Rs 548,000. The cost price shown on the balance sheet exceeded the market value by about Rs 31,000.

(6) *Stocks*

A summary of stocks held by the Institute is attached to this report.

(a) *Stock taking procedure*

We were informed that the physical existence of stocks were verified by clerks from the accounts department, and the internal audit section at the date of the Balance Sheet. These persons are said to have prepared a list of balances from the stock cards before commencing the check. The procedure adopted is not satisfactory. We suggest that in future, stocks should be checked under the supervision of a senior officer. The quantities checked should be noted in ink, and then compared with the balances in the stock cards, and differences investigated.

**(b) Office Stock Cards**

Office stock cards were introduced in order to exercise financial control over the stocks at the stores. However, this has not been achieved as the office stock cards were not accurately entered. We noted many errors in the recording of receipts and issues in these cards. In addition, differences noted at the time of stock taking were not adjusted in the Office Stock Cards.

In many instances, the balances appearing on the Office stock cards did not agree with the balances on the stock cards maintained at the stores. No attempt appeared to have been made to determine the reasons for the differences. We request that in future, the balances in the stores records and office records should be reconciled at least once a quarter.

**(c) Stores**

The stores records were maintained satisfactorily. We had a look at the new store which was completed in August 1967. The items of stock were labelled and neatly arranged. The value of stocks physically verified exceeded the balance on the Control Account by Rs 2,548.12. The difference amounts to less than 1½% of the value of the stocks. This is considered satisfactory.

A register is maintained to show the movement of motor spares. However, the value of the spares was not included in stocks at the end of the financial year. We suggest that this be done in order to strengthen control.

**(d) Internal System**

We reviewed the internal system in force at the stores and make the following observations thereon:

- (i) At present different books are in use simultaneously for the purpose of recording issues to the workshop, motor garage, building maintenance *etc.* This weakens control as due to the simultaneous use of so many issue requisition books, the accounts department is unable to ensure that all issue orders have been taken into consideration on preparing the financial entries. We suggest that only one issue book be used at a time. If this is implemented it will be necessary for the accounts department to analyse the issues applicable to the various departments. This could conveniently be done on an issue analysis statement.
- (ii) Each issue order should be posted to the office stock cards. It would facilitate postings if the store-keeper indicates the card to which the issue was posted at the stores. At present, issues are analysed item by item and posted in total to the Office Stock cards. As a result it is difficult to trace differences between the balances on the stores and the office stock records.
- (iii) Separate credit notes should be written to record return of goods from the departments. At present, returns are recorded on a goods received note.
- (iv) Goods received by the stores and transferred immediately to a department are entered on a goods received note. On transfer an issue order is entered. At the department receiving the goods another goods received note is written out. For financial purposes only the goods received note written by the department is taken

into consideration. In view of this, we suggest that the store-keeper be instructed not to write out a goods received note or an issue order. It appears that he wishes to retain some evidence that the goods have been delivered to the relevant department. This could be done by making a suitable endorsement on the purchase order which is retained in the stores.

(7) *Work-in-Progress*

The value of maintenance work-in-progress was not disclosed on the balance sheet. The amount involved was not material and we suggest that this be included as an asset on the balance sheet.

(8) *Debtors and Other Debit Balances*

A schedule of debtors and other debit balances is attached to this report. Our comments are as follows:

(a) *Goods in Transit—Rs 12,651.16*

Goods in transit was understated by Rs 28,792.82. Consequently profits were understated to the same extent. These errors were due to the register maintained for recording advance payments not indicating correctly, the date of receipt of the goods.

(b) *Internal Control*

Credit control is unsatisfactory. We recommend that the balances on the register maintained to record amounts due from debtors, should be reconciled at least once a quarter with the balance on the debtors control account. We also suggest that monthly statements be rendered to all the debtors having outstanding balances.

(9) *Staff Loans*

Members of the staff are granted loans to purchase motor vehicles. The Institute retains the certificate of registration as security. However, certificates of registration were not produced for our inspection in respect of the following loans outstanding at 31st December, 1966:

M. K. Vythilingam	Rs	2,199.78
A. S. L. Tirimanna	Rs	3,750.00
C. H. Wickremesinghe	Rs	6,750.00
L. M. de W. Tillekeratne	Rs	8,000.00

In the absence of these certificates we are unable to satisfy ourselves that the loans are properly secured.

**IV. Estate Working Account**

(1) *St Coombs Estate*

Tea manufactured on the estate during the year amounted to 431,697 lb and realized Rs 1,061,401.90. In the previous year the quantity manufactured was 419,338 lb and realized Rs 1,052,566.86. The average sale price during the year ended 31st December 1966 was Rs 2.46 per lb compared to Rs 2.51 per lb in the previous year. Sale of clonal cuttings realized Rs 23,311.95 compared to Rs 7,702.36 in the previous year. Cost of production including

brokerage, handling charges and ad valorem sales tax amounted to Rs 2.07 per lb, compared to Rs 1.95 per lb in the previous year. The result of working was a profit of Rs 189,302.48 compared to Rs 287,862/- in the previous year. In the year under review no part of the estate expenditure was borne by the Institute. In the previous year the share of estate expenditure borne by the Institute amounted to Rs 63,763.

(2) *St Joachim Estate*

Two hundred and fifty one thousand, four hundred and fifty seven lb of tea were manufactured on the estate during the year ended 31st December 1966 and realized Rs 369,165.41. The average sale price was Rs 1.47. The comparative figures for the previous year were 329,611 lb, Rs 572,989 and Rs 1.74 respectively. Cost of production including brokerage, handling charges and sales tax totalled Rs 487,941.96 and averaged Rs 1.94 per lb. In the previous year the cost of production totalled Rs 498,022.97 and averaged Rs 1.51 per lb. The working result revealed a loss of Rs 118,651.05 compared to a profit of Rs 77,381.47 in the previous year.

Replanting expenditure amounting to Rs 37,407.30 was added to cost of production. However, in the case of St Coombs Estate net replanting expenditure *ie* after taking credit for the subsidy received amounting to Rs 37,945.34 was charged to the capital account. We suggest that a uniform method of charging replanting expenditure be adopted on both estates.

### Income and Expenditure Account

(1) *Tea Cess*

The cess received by the Institute in the year under review totalled Rs 4,402,800.67. According to the Tea Controller's Administration Report for 1966 the exports of tea amounted to 441,415,844 lb. At the prescribed rate of -/01 ct. per lb the cess receivable amounts to Rs 4,414,158. The Principal Collector of Customs should be requested to furnish particulars of exports when remitting the cheque for the cess collected, so that the make up of this figure could be determined.

(2) *Senior Staff Emoluments*

We have verified that all increments granted to the Senior Staff were in accordance with their terms of contract or were authorized by the Board.

An employee's leave pay applicable to 1967, totalling Rs 6,013.68 has been charged to the period under review.

(3) *Insurance*

Consequential loss insurance premium amounting to Rs 2,181.88 and applicable to St Coombs Estate has been borne by the Institute, by error.

(4) *Scholarship Expenses*

The following scholarship holders were overpaid the amounts stated against their names during the period under review, as a result of a standing order given to the bank not being revoked:

D. T. Wettasinghe	Rs	2,325.59	
V. S. Kulasegaram		778.53	since recovered in February 1967
W. B. Manipura		918.93	
	Rs	<u>4,023.05</u>	

The error has not been rectified in the accounts for the year under review.

## VI. Internal Audit

Since our previous review up to September 1966 it appears that only six further reports were submitted.

The field of work covered was as follows:

- (1) Vouching petty cash payments—July 1966 to November 1966
- (2) Checking tea sales from factory to the Institute, and issues to the staff during 1966.
- (3) Checking stocks of motor spares.
- (4) Checking stocks of petrol.
- (5) Checking records at Passara.

The extent of the coverage does not appear to be sufficient. We stress that in addition to widening the scope of the routine checking, the internal audit section should review adequacy of internal controls in force; verify whether control procedures are being followed, and simplify existing accounting systems.

## VII. Internal Control

The system of internal control prevailing at the Institute appears to be satisfactory subject to our comments under paragraphs III(1), III(2) (a) and (b), III(6) (a), (c) and (d), III(8) (b).

## VIII Low-Country Station

### (a) *Work-in-Progress*

A total sum of Rs 385,258 expended up to 31st December 1966 on capital projects not completed, has been capitalized. We suggest that expenditure incurred should be transferred to fixed assets from a work-in-progress account only when the project is completed. This practice is now being adopted at St Coombs

The capital commitment in respect of uncompleted projects on 31st December 1966 amounted to Rs 848,540.

### (b) *Repairs to Vehicles*

We suggest that suitable registers be maintained to show an historical record of expenditure incurred on repairing each vehicle. Registers for this purpose are being maintained at St Coombs. A similar register may be used.

We shall be pleased to furnish you with any further information which you may require.

*Yours faithfully*

(Sgd.) FORD, RHODES, THORNTON & CO.

Copy to: The Permanent Secretary, Ministry of Agriculture and Food, with copy of audited accounts and Audit Report.

Messrs Ford, Rhodes, Thornton & Co., Auditors.

My No. T-1/24/7  
Audit Office,  
Colombo 7.  
February 29, 1968.

The Chairman,  
The Research Institute,  
Talawakele.

### Audit Report and Accounts for the Year ended December 31, 1966

The accounts of the Tea Research Institute for the year ended December 31, 1966 were audited by Messrs Ford, Rhodes, Thornton & Co., the auditor appointed by the Minister of Agriculture and Food in terms of Section 13(3) of the Tea Research Ordinance (Cap. 438) as amended by the Tea Research (Amendment) Act, No. 57 of 1961. The audited accounts and the auditor's report are attached.

#### 2. Outcome of Accounts

The working of the Institute for the year under review resulted in a deficit of Rs 17,245 as compared with a surplus of Rs 837,439 for the previous year. The deficit of Rs 17,245 for the year under review was made up as follows:

	Income	Expendi- ture	Difference (—Deficit +Surplus)
	Rs	Rs	
Institute	4,492,032	4,579,928	— 87,896
St Joachim Estate	369,291	487,942	— 118,651
St Coombs Estate	1,084,714	895,412	+ 206,547
			189,302
			<u>17,245</u>

According to the auditor, value of goods in transit of the Institute as at December 31, 1966 had been understated by Rs 28,793 as referred to in paragraph 8 below. Consequently, the deficit shown against the Institute was overstated by this amount. Had there been no understatement of the value of stock in transit, the final result would have been a surplus of Rs 11,548.

The income of Rs 4,492,032 for the year under review included Cess collections amounting to Rs 4,402,801. The auditor had stated that the Cess receivable for the year was Rs 4,414,158 based on the 441,415,844 lb of tea exported in 1966 (as indicated in the Administration Report of the Tea Controller for 1966).

#### 3. Accumulated Fund

The accumulated Fund of the Institute as at December 31, 1965 was Rs 13,980,252. This was reduced to Rs 13,953,966 as at December 31, 1966 as follows:

Balance on January 1, 1966		Rs	13,980,252
Less: i Adjustments in respect of previous year	Rs	9,041	
ii Deficit for the year		17,245	Rs 26,286
			<u>Rs 13,953,966</u>

4. *Government Loans—Rs 1,666,666*

This represented the balance as at December 31, 1966 of the interest-free loan of Rs 2,000,000 received from the Government in 1964. The loan is repayable in 12 annual instalments of Rs 166,667 each. The two instalments which fell due for repayment in 1965 and 1966 had been duly paid.

5. *Capital Reserve—Rs 4,364,789*

This amount represented the net surplus on revaluation of fixed assets carried out during the year under review, as referred to in paragraph 6 below:

6. *Fixed Assets Rs 18,008,991*

This amount which represented the balance as at December 31, 1966 was made up as follows:

Balance on January 1, 1966	Rs	12,760,077
Surplus on revaluation made during the year under review		4,364,789
		<u>17,124,866</u>
Additions during the year		1,838,668
		<u>18,963,534</u>
Less depreciation		954,543
		<u><u>18,008,991</u></u>

The auditor had stated that:

(i) the existence of assets valued at Rs 2,397,138 had been verified by him, as in the previous year, by reference to title deeds of two estates and the certificates of registration of motor vehicles.

(ii) the existence of the other assets as at December 31, 1965 had been verified by various officers of the Institute. A list of these assets had been prepared and inventory cards written out for each of them. Where the date of purchase and cost price were available, the assets were included in the inventory cards at written down value. The Institute had a revaluation done of the other assets in respect of which particulars of cost and dates of purchase were not available, by a Company, a firm and certain officers of the Institute. The total of the values assigned to the assets on revaluation exceeded their aggregate book value by Rs 4,364,789. This surplus which was credited to capital reserve as referred to in paragraph 5 above was made up as follows:

Surplus on revaluation of:

	Rs	Rs
(i) Hantane, Passara & Kottawa Substations	208,173	
(ii) Water Supply Scheme, Buildings, Factory, Machinery, Vehicles, Furniture <i>etc.</i> — St Coombs Estate	4,119,653	
(iii) Land, Water Supply Scheme, Buildings, Factory, Machinery, Furniture <i>etc.</i> — St Joachim Estate	1,963,727	6,291,553
	<u>          </u>	

Less, Deficit on revaluation of:

(i) Norris Memorial Club	10,466	
(ii) Fixtures, Laboratory Equipment, Sundry Machinery, <i>etc.</i>	112,410	
(iii) Old Estate buildings—St Joachim Estate	1,764,759	
(iv) Laboratory Equipment & Machinery St Joachim Estate	39,129	1,926,764
	<u>          </u>	<u>1,926,764</u>
		<u><u>4,364,789</u></u>

(iii) The additions to fixed assets during the year under review to the value of Rs 1,838,668 had not been entered in the inventory cards.

(iv) Rs 18,008,991 included works-in-progress valued at Rs 637,157 made up as follows:

Expenditure on building contracts not completed up to December 31, 1966	Rs	251,899
Expenditure on Capital projects in the Low-Country Station not completed up to December 31, 1966	Rs	385,258
	Rs	<u>637,157</u>

#### 7. Stocks—Rs 503,163

This represented the balance according to the main ledger as at December 31, 1966.

The auditor had, *inter alia*, observed the following defects in the internal control system in operation in relation to stores:

- (i) the simultaneous use of different books for recording issues of stores to Workshop, Motor Garage, Building maintenance, *etc*, did not ensure that all issue orders were taken into account for the preparation of the financial entries.
- (ii) Issues had been analysed item by item and posted in total to the office stock cards. Each issue order should have been posted separately to the office cards so that it would facilitate tracing of differences between balances of the stores and office stock records.

#### 8. Debtors —Rs 609,807

This represented the balance according to the main ledger.

According to the auditor—(1) Rs 12,651 being value of goods in transit included in the above sum of Rs 609,807 had been understated by Rs 28,793 and, consequently, the profit for the year had been understated by the same amount, and (2) the total of balances in the register maintained to record amounts due from debtors had not been periodically reconciled during the year with the balance of the main ledger.

#### 9. Staff Loans—Rs 124,486

This included Rs 20,700 being balance outstanding of loans granted to four employees of the Institute for the purchase of motor cars. The connected Registration Books had not been made available to the auditor for inspection.

#### 10. Estate Working Accounts—Replanting Expenditure:

The auditor had observed that a uniform procedure had not been adopted in dealing with replanting expenditure in that such expenditure amounting to Rs 37,407 relating to St Joachim Estate had been added to cost of production while the net replanting expenditure (after taking credit for subsidy received) amounting to Rs 37,945 relating to St Coombs Estate had been charged to Capital Account.

11. *Internal Audit*

The field of work covered during the year under review by the internal audit section was as follows:

- (1) Vouching of petty cash payments
- (2) Checking tea sales from factory to the Institute
- (3) Checking stocks of motor spares
- (4) Checking stocks of petrol
- (5) Checking records at Passara

The auditor had observed that while the scope of work in relation to routine checking should be enlarged, the internal auditors should also review the adequacy of the internal controls in force and verify whether control procedure had been followed.

12. *Capital Commitments*

According to the auditor, there were Capital Commitments amounting to Rs 1,361,315 as at December 31, 1966 made up as follows:

Purchase of land	Rs	512,775
Uncompleted projects, Low-Country Substation	Rs	848,540
		1,361,315

(Signed) D. R. SETTINAYAKE  
for Auditor General

# The Tea Research Institute of Ceylon

St Coombs,  
Talawakele.  
10th April, 1968.

The Honourable the Minister of Agriculture & Food,  
Ministry of Agriculture & Food,  
330, Union Place,  
Colombo 2.

Dear Sir,

## Audited Accounts for the year ended 31st December 1966

In terms of Section 13(3) of the Tea Research Ordinance (Cap. 438) as amended by Tea Research (Amendment) Act No. 57 of 1961, I forward herewith a signed copy of the audited accounts of the Tea Research Institute of Ceylon for 1966 and the Auditor's Report thereon, dated 8th December 1967, addressed to the Auditor General. The following are the comments of the Board on the Report of the Auditors :

### 1. Page 1—Results of the year

The following are the reasons which contributed to the deficit :

- (a) A reduction in the cess receipts by five lakhs of rupees.
- (b) Loss of Rs 118,651 from St Joachim Estate.
- (c) Drop in the miscellaneous receipts by Rs 113,000.
- (d) In 1965, aid received from the United States Department of Agriculture for nematology work (Rs 92,505) was charged to miscellaneous receipts. In 1966 no aid was received.

### 2. Page 2—II Rules of the Board

The Subcommittee of the Board has completed the rules of the Board, which are now being scrutinized by the Administrative Committee of the Board.

### 3. Pages 3/4—Internal control

- (a) *Sale of publications*: As there is no sale value in respect of the old publications (Tea Quarterly, Annual Report, Monographs, etc), it has been decided that :
  - (i) a small stock should be kept in hand and the balance publications kept separately in a store room,
  - (ii) excess publications would be sold at a reduced price fixed by the Director,
  - (iii) records are being maintained for new publications.

4. *Page 4 (c) Sales from stores*

Payment of bonus to staff of St Coombs and St Joachim is approved by the Board only after the particular year's accounts are closed and it is not possible to make provisions for this in the previous year's accounts.

5. *Page 5—Sundry creditors*

The estimates of Mr W. M. Appuhamy have been scrutinized by the Clerk of Works. Rates of various building and other works approved by the Consulting Engineer at Talawakele have been made available to the Clerk of Works. As from February 1966 the Buildings Committee has scrutinized and approved Mr W. M. Appuhamy's estimates which relate to major items of expenditure. Recoveries are usually received late and it is not possible to settle Mr Appuhamy's account exactly at the end of each month.

6. *Pages 6 and 7 (4) Fixed assets*

The Fixed Assets Register up to end of 1965 was completed at the end of 1966. Capital expenditure incurred in 1966 has now been entered in the inventory cards.

7. *Page 7 (d) Depreciation*

The rate of depreciation on buildings has been reduced from 4% to 2%

8. *Page 8 (6) (a) Stock-taking procedure*

Stock taking for 1967 was carried out under the personal supervision of the Accountant.

9. *Page 9 (b) Office stock cards*

Stricter control is now exercised on the maintenance of office stock cards and differences noted at stock taking will be adjusted in the office stock cards. Reconciliation of stores records and office records will be done half yearly.

10. *Page 9 (d) Internal system*

Auditors recommendations will be reviewed and implemented, where possible.

11. *Page 11 (8) (a) Goods in transit*

A register is now correctly maintained.

(b) *Internal control*—These proposals will be reviewed and implemented where possible.

12. *Page 11 (9) Staff loans*

At the time of the audit inspection these certificates were removed by the officers concerned for purchase of tyres.

13. *Pages 12-13 IV Estate Working Account*

It has been decided that expenditure on replanting and new planting should be charged to Capital Account.

14. *Page 14 (4) Scholarship expenses*

Overpayments are being recovered from the officers concerned as from 1st January 1968.

15. *Page 14 VI Internal audit*

An experienced internal audit was only recruited in March 1967 and the recommendations of the auditors will be carried out in 1968.

16. *Page 15, VIII Low-Country Station*

- (a) Work in progress
- (b) Repairs to vehicles

The recommendations of the auditors will be carried out in 1968.

17. *Auditor General's letter T-1/24/7 of 29th February 1968.*

A copy of the Auditor General's letter dated 29th February, regarding the Institute's audited accounts for 1966 has been forwarded direct to you by the Auditor General. This report is a review of the Report of the Institute's auditors on the Audited Accounts for 1966.

Yours faithfully,

(Signed) F. AMARASURIYA

*Chairman*

*Board of the Tea Research Institute of Ceylon.*

Copy to the Auditor General

## Schedule 1

## TEA RESEARCH INSTITUTE OF CEYLON

BALANCE SHEET AS AT 31st DECEMBER 1966

1965 Rs.		Rs.	Rs.	1965 Rs.		Rs.	Rs.	Rs.
	<b>ACCUMULATED FUND</b>				<b>FIXED ASSETS</b>			
	Balance at 31st December 1965	13,980,252			Written down value or valuation at 31st December, 1965		17,124,866	
	Less: Adjustments in respect of previous years	9,041		17,360,355	Additions during the year less subsidy received		1,838,668	18,963,534
		<u>13,971,211</u>		4,600,278	Depreciation written off during the year			954,543
13,980,252	Less: Excess of Expenditure over Income for the year	17,245	13,953,966	<u>12,760,077</u>				<u>18,008,991</u>
	<b>CAPITAL RESERVE</b>				<b>CAPITAL WORK IN PROGRESS</b>			42,671
	Surplus on revaluation of assets		4,364,788		<b>CEYLON GOVERNMENT AND U. K. GOVERNMENT</b>			
600,213	<b>CREDITORS AND PROVISIONS</b>		752,551	579,475	<b>SECURITIES AT COST</b>			579,475
1,833,333	<b>GOVERNMENT LOAN</b>		1,666,666		(Approximate market value Rs. 548,000)			
					<b>CURRENT ASSETS</b>			
					<i>Stocks</i>			
					Tea at prices since realised	227,964		
					General & Electrical Stocks	184,938		
					Estate Stocks	71,933		
					Stock at Low Country Station, Ratnapura	9,627		
					Stationery Stock	8,701	503,163	
					Debtors and other debit balances		609,807	
					Debtors—Staff		124,486	
					Deposits		38,218	
					Cash in hand and balances at Banks		831,160	2,106,834
				3,074,246				
<u>16,413,798</u>				<u>16,413,798</u>				<u>Rs. 20,737,971</u>
		Rs.	<u>20,737,971</u>					<u>Rs. 20,737,971</u>

We have examined the above Balance Sheet with the books of the Tea Research Institute of Ceylon and have obtained all the information and explanations we have required. Subject to our accompanying report dated 8th December 1967 in our opinion, the foregoing Balance Sheet is properly drawn up so as to exhibit a true and fair view of the financial affairs of the Institute as at 31st December 1966 according to the best of our information and the explanations given to us and as shown by the books.

Sgd. FORD, RHODES, THORNTON & CO.  
Chartered Accountants

Signed F. AMARASURIYA } On behalf of the Board of the Tea  
Signed E. M. CHENERY } Research Institute of Ceylon

Colombo, 8th December 1967.





## TEA RESEARCH INSTITUTE OF CEYLON

FIXED ASSETS SCHEDULE—31st DECEMBER 1966

	Written down value or valuation at 31st December 1965		Additions during the year less Subsidy Received	Total		Depreciation Written off during the year	Written down value at 31. 12. 66
St Coombs Estate	1,360,065.84		96,249.89	1,456,308.73	—	—	1,456,308.73
St Joachim Estate	837,098.83		15,365.33	852,464.16	—	—	852,464.16
Water Supply—St Coombs	247,745.00		13,681.37	261,426.37	10%	63,104.99	198,321.38
Water Supply—St Joachim	139,918.00		132.00	140,050.00	10%	3,544.54	136,505.46
Laboratory & Office—St Coombs—Buildings	1,016,000.00		65,769.33	1,081,769.33	4%	57,489.98	1,024,279.35
Laboratory & Office—St Joachim—Buildings	253,055.00	30,103.65	460,505.51	713,560.51	4%	89,111.54	624,448.97
Senior Staff Bungalows—St Coombs	2,342,970.00	35,665.68	—	2,342,970.00	4%	46,916.86	2,296,053.14
Senior Staff Bungalows—St Joachim	121,365.00		—	121,365.00	4%	—	121,365.00
Inter. Staff Bungalows—St Coombs	721,000.00		214.72	721,214.72	4%	15,547.06	705,667.66
Inter. Staff Bungalows—St Joachim	209,910.00		—	209,910.00	4%	—	209,910.00
Junior Staff Bungalows—St Coombs	1,894,978.00		241,075.94	2,136,053.94	4%	69,576.40	2,066,477.54
Junior Staff Bungalows—St Joachim	488,840.00		—	488,840.00	4%	—	488,840.00
Miscellaneous Buildings—St Coombs	893,900.00		200,161.47	1,094,061.47	4%	34,483.09	1,059,578.38
Miscellaneous Buildings—St Joachim	79,060.00		—	79,060.00	4%	—	79,060.00
Sundry Buildings—St Coombs	881,300.00		58,826.47	940,126.47	4%	30,854.78	909,271.69
Norris Memorial Club	42,000.00		—	42,000.00	4%	2,723.21	39,276.79
Factory—St Coombs	432,000.00		83,392.56	515,392.56	4%	19,790.43	495,602.13
Factory—St Joachim	1,226,380.00		50,445.77	1,276,825.77	4%	44,500.44	1,232,325.33
Sundry Buildings—St Joachim—Old Estate Buildings cost not available	353,532.00		—	353,532.00	4%	—	353,532.00
Hantane—Sub-station	229,328.00		19,329.91	248,657.91	10%	25,875.46	222,782.45
Passara—Sub-station	181,664.00		5,899.10	187,563.10	10%	11,182.17	176,380.93
Kottawa—Sub-station	130,227.00		—	130,227.00	10%	12,849.10	117,377.90
Furniture—St Coombs	543,704.00		130,798.53	674,502.53	10%	73,241.61	601,260.92
Furniture—St Joachim	116,637.00		10,887.98	127,524.98	10%	5,089.86	122,435.12
Fixture—St Coombs	—		—	—	—	—	—
Fixture—St Joachim	169,842.00		—	169,842.00	10%	1,466.50	168,375.50
Office Equipment—St Coombs	81,482.00		22,516.21	103,998.21	10%	14,971.61	89,026.60
Office Equipment—St Joachim	14,333.00		—	14,333.00	10%	1,991.61	12,341.39
Laboratory and Equipment—Sundry Machinery—St Coombs	635,409.00		179,481.89	814,890.89	10%	132,945.87	681,945.02
Laboratory and Equipment—Sundry Machinery—St Joachim	24,992.00		—	24,992.00	10%	957.95	24,034.05
Estate Machinery—St Coombs	213,319.00		2,387.50	215,706.50	10%	51,466.15	164,240.35
Estate Machinery—St Joachim	866,613.00		89,770.92	956,383.92	10%	96,724.62	859,659.30
Experimental Machinery—St Joachim	128,087.00		—	128,087.00	10%	—	128,087.00
Vehicles—St Coombs	236,861.00		71,502.76	308,363.76	25%	48,137.37	260,226.39
Vehicles—St Joachim	11,250.00		20,280.00	31,530.00	25%	—	31,530.00
<b>Rs.</b>	<b>17,124,865.67</b>		<b>1,838,668.16</b>	<b>18,963,533.83</b>		<b>954,543.20</b>	<b>18,008,990.63</b>