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(I වැනි කොටස)

Report of the Tea Research Institute of Ceylon
for the Year 1967

(PART I)

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Printed on the Orders of Government

1969

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THE
TEA RESEARCH INSTITUTE
OF
CEYLON

Report for the Year 1967

Part I

Edited by

L. H. FERNANDO, BSc, PhD (Lond)

and

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



Published by

THE TEA RESEARCH INSTITUTE OF CEYLON
ST COOMBS, TALAWAKELE, CEYLON

1969

CONTENTS

	Page
The Board	5
The Staff	6
The Forty Second Annual Report of the Board of the Tea Research Institute of Ceylon (1967)	9
Summary minutes of the meeting of the Board held on 23rd March 1967	15
Summary minutes of the meeting of the Board held on 30th July 1967	20
Summary minutes of the meeting of the Board held on 7th October 1967	22
Summary minutes of the meeting of the Board held on 4th December 1967	26
Report of Ford, Rhodes, Thornton & Co. Ltd	32
Report of the Auditor General	40
Report of the Chairman, Board of the Tea Research Institute of Ceylon	43
Balance Sheet as at 31st December 1967	45
Working Account for 1967 — St Coombs Estate	46
Working Account for 1967 — St Joachim Estate	46
Income and Expenditure Account for 1967	47
Fixed Assets Schedule for 1967	48

The Tea Research Institute of Ceylon

The Board as at 31st December 1967

Chairman : Mr. F. Amarasuriya

Ex-officio Members

The Director of Agriculture :

Mr M. S. Perera

The Honourable the Minister of Finance :

represented by Mr G. D. Loos

The Chairman, Planters' Association of Ceylon :

Mr B. Warusavitarne

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

Mr G. I. de Glanville

The Chairman, Low-Country Products Association of Ceylon :

Mr T. C. A. de Soyza

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 T. A. Moy

Mr M. B. Horsfall

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 1967)

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

Adviser	J. A. H. Tolhurst, BSc (Reading)
Agricultural Chemist	V. P. Bhavanandan, BSc, (Cey), PhD (Edin), ARIC
Research Officer	W. M. W. B. Manipura, BSc (Cey), PhD (Cantab)
Research Assistants	S. Sandanam, BSc (Cey)
Technical Assistants	*S. Sivasubramaniam, BSc (Cey)
	V. Fernando
	S. G. Jayasuriya
	T. C. Z. Jayman
	T. Kularatna, BSc (Cey)
	C. C. Rajasingham
	M. Sikurajapathy, BSc (Cey)
	A. Somaratne, BSc (Cey)
	S. Sunderalingam, BSc (Poona)

Biochemistry

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

Entomology

Entomologist	W. Danthanarayana, BSc (Cey), PhD (Lond) DIC
Research Assistant	D. J. W. Ranaweera
Technical Assistants	S. N. Fernando, BSc (Cey)
	H. B. Herath, BAgSc (Massey, NZ)
	A. Kathiravetpillai, BSc (Cey)
	C. Shanmugam

Plant Pathology & Nematology

Plant Pathologist	*N. Shanmuganathan, BSc (Cey), PhD (Lond)
Research Officer	R. L. de Silva, BSc (Cey), PhD (Lond), DIC
Nematologist	P. Sivapalan, BSc (Cey), PhD (Rutgers)
Technical Assistants	*P. V. Arulpragasam, BSc (Madras)
	S. R. A. Fernando, BSc (Cey)
	A. R. M. Hassim
	P. A. John
	T. Manivasagar
	S. Murugiah
	W. R. F. Rodrigo, BSc (Cey)
	S. Samarajeewa
	T. V. Saravanapavan, BSc (Cey)

Plant Physiology

Plant Physiologist	U. Pethiyagoda, BSc (Cey), PhD (Lond), DIC
Research Officer	V. S. Kulasegeram, BSc (Cey), PhD (Lond), MIBiol
Research Assistants	*S. Kandiah, BSc (Cey)
Technical Assistants	*S. Nagarajah, BSc (Cey), MS (Calif)
	*A. R. Sebastiampillai, BSc (Cey)
	A. S. B. Gomez, BSc (Cey)
	D. Janakiram, BSc (Madras), MSc (IARI, New Delhi)
	S. Krishnapillai, BSc (Cey)
	A. Nanayakkara, BSc (Cey)
	H. R. Solomon
	H. B. Wijetunge
	S. Wimaladharmma

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

*Working Overseas

Statistics

Statistician	P. Kanapathipillai, BSc (Lond), FSS
Technical Assistant	K. Seevaratnam

Technology

Technologist	D. Kirtisinghe, BSc (Cey), PhD (Lond) DIC, C Eng, AMIChemE
Tea Taster	C. H. Wickremesinghe
Development Engineer	W. Joseph, BSc Eng (Cey)
Research Assistants	N. M. Abdul Gaffar, BSc (Cey) *W. C. A. de Silva, BSc (Cey)
Technical Assistants	W. A. C. de Silva S. Samarasingham A. Thevathasan, BSc (Cey)

OUTSTATION SERVICES**Low-Country Service**

Assistant Director	L. H. Fernando, BSc, PhD (Lond)
---------------------------	---------------------------------

The Low-Country Station, Ratnapura

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) C. Kandappah, 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, MSc (Cey) N. Yogaratnam, BSc (Alahabad)
Administrative Officer	C. Kirthiratne, FCCS
Chief Clerk	R. I. Pereira
Stenographer	S. K. P. Tambimuttu
Accounts Clerk	K. D. B. H. Abeygunawardena
Electrician	B. T. Ranasinghe
Work Clerk	T. D. V. Cooray

The Kottawa Substation, Talagampola

Officer-in-charge	K. H. G. Gunapala
Technical Assistant	H. D. Jayasinghe

Deniyaya

Technical Assistant	J. I. H. Bandaranayake
----------------------------	------------------------

Mid-Country Service

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)

Uva Service

Uva Scientific Officer	L. M. de W. Tillekeratne, BSc (Cey), MEd (Calif)
Technical Assistants	A. M. Abeysinghe N. L. C. Fernando, BSc (Cey) M. T. Subramaniam, BSc (Cey)
Accounts Clerk	T. R. B. Sally
Clerk	A. C. Perera

ADVISORY SERVICE

Acting Chief Advisory Officer	L. M. de W. Tillekeratne, BSc (Cey), MEd (Caif)
Research Assistant	R. K. Nathaniel, BSc (Poona)
District Advisory Officers	
<i>Low-Country</i>	*J. V. Sabanayagam, BSA (Toronto)
<i>Mid-Country</i>	M. K. Vythilingam
Photographer	D. J. M. Hettiarachchi

ANNUAL REPORT FOR 1967

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)
<i>St Coombs</i>			
Agriculturist	...	...	L. A. Seevaratnam, BSc (Dunelm)
Head Factory Officer	...	...	V. A. Fernandez
Acting Head Clerk	...	...	H. N. de Silva
Field Officer	...	...	W. Ariyapala
Apothecary	...	...	S. P. de Silva
<i>St Joachim</i>			
Superintendent	...	...	G. S. Muttettuwegama
Head Factory Officer	...	...	M. S. W. Wijeratne
Head Clerk	...	...	G. L. A. Thomas
Field Officer	...	...	D. D. Pathinayake

ADMINISTRATION

Chief Administrative Officer	...	...	A. C. Perera
Accountant	...	...	H. S. Goonewardene, BA (Cey)
Accounting Assistant	...	...	A. H. B. Dias
Acting Chief Clerk	...	...	W. J. Samuel
Acting Senior Accounts Clerk	...	...	M. B. Palies
Internal Audit Officer	...	...	I. Rengaraj
Accounts Clerks	...	...	H. Attanayake G. A. K. P. de Silva K. P. Gunawardena N. M. Jayatilleke S. Kulasabanathan N. Satchithanathan U. C. Unamboowe C. B. Warawita D. W. Wickremaratne H. C. Wickremasinghe
Translator/Instructor	...	...	C. M. Fernando, BA (Cey)
Secretary to the Director	...	...	G. A. S. Gunasinghe
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
Record Clerk	...	...	K. L. de Alwis
Postage Clerk	...	...	H. W. Perera
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
Works Clerk	...	...	K. H. T. Dassanayake

The Tea Research Institute of Ceylon

FORTY SECOND ANNUAL REPORT OF THE BOARD OF THE TEA RESEARCH INSTITUTE OF CEYLON FOR THE YEAR 1967

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

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

Mr P. J. C. Durrant
 Mr T. A. Moy
 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 smallholders :

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

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

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

Mr G. I. de Glanville succeeded Mr A. G. Sharp-Paul from 1.11.67.
 Mr T. C. A. de Soysa succeeded Mr D. B. Ellepola from 29.3.67.
 Mr M. S. Perera succeeded Mr D. C. L. Amerasinghe from 31.4.67.
 Mr M. B. Horsfall succeeded Mr D. A. Neale from 13.10.67.
 Mr J. A. H. Tolhurst acted for Dr E. M. Chenery from 1.4.67 to 30.6.67.

Meetings

Five meetings of the Board were held during the year, on 23rd March, 30th July, 17th August, 7th October and 4th December.

THE ADMINISTRATIVE COMMITTEE

The members of the Administrative Committee on 1st January 1967 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

Mr C. P. Chanmugam Mr D. B. Ellepola
 Mr G. D. Loos Mr D. A. Neale
 Mr S. Pathmanathan Mr A. G. Sharp-Paul
 Mr B. Warusavitarne

Representing the Tea Traders' Association:

Mr D. A. Neale

The Officer over-looking St Coombs Estate:

Mr C. W. C. Mossop

Convener/Secretary Dr N. Shanmuganathan

The following changes in the membership of the Committee were recorded :

Mr P. Kanapathipillai succeeded Dr N. Shanmuganathan as Convener/Secretary from 1.9.67.

Meetings

Two meetings of the Committee were held during the year, on 21st March and 24th October.

THE APPOINTMENTS COMMITTEE

The members of the Appointments Committee on 1st January 1967 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

Mr C. P. Chanmugam Mr T. C. A. de Soyza
Mr D. E. Hettiarachchi Mr D. A. Neale

Secretary *The Secretary, Board of the Tea Research Institute of Ceylon:*
Mr A. C. Perera

Meetings

No meetings were held during the year.

THE BUILDINGS COMMITTEE

The members of the Committee on 1st January 1967 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

Meetings

Four meetings of the Committee were held on 13th February, 21st April, 19th June and 27th September.

**THE SCIENTIFIC ADVISORY COMMITTEE IN THE
UNITED KINGDOM**

The members of the Committee on 1st January 1967 were:

- Chairman** F. R. Tubbs, CBE, MA, PhD, ARCS, DIC
(Director, East Malling Research Station, Maidstone)
- Members** Sir Frederic Bawden, KT, MA, Hon. DSc, Hon. DTech, FRS
(Director, Rothamstead Experimental Station, Harpenden)
- T. A. Bennet-Clerk, 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)
- 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 Chairman, Board of the TRI
Mr F. Amarasuriya

The Director, TRI
Dr E. M. Chenery

The Chief Administrative Officer, TRI
Mr A. C. Perera

Representative of the Junior Staff of the TRI
Mr W. J. Samuel

Meetings

A meeting of the Board of Trustees was held on 19th February.

**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 S. P. Vytilingam, Mr M. K. Vythilingam, Mr P. Kanapthipillai and the Director, TRI (Dr E. M. Chenery).

Meetings

A meeting of the Board of Trustees was held on 19th February.

FINANCES

Income for the year totalled Rs 4,988,351. This was more than the previous year by Rs 425,668. The tea cess increased by Rs 366,138 as compared with the previous year. The profit from St Coombs Estate was Rs 90,401 as

against Rs. 189,302 in the previous year. The loss on St Joachim Estate was Rs 60,869 as against a loss of Rs 118,651 in the previous year. Other sources of income accounted for Rs 189,880 as against Rs 89,231 in 1966, viz interest Rs 39,582, rent of cadday and beef stall Rs 2,885, sale of green leaf Rs 59,120, sale of clonal cuttings Rs 9,954 and miscellaneous receipts Rs 78,339.

Revenue expenditure (excluding depreciation and depreciation on investments) increased to Rs 3,773,473 as compared with Rs 3,625,385 in the previous year.

The liquid assets of the Institute totalled Rs 2,382,539 and the liabilities including the outstanding balance of Rs 1,499,999 on the Government loan totalled Rs 2,643,364.

Capital expenditure totalled Rs 1,606,191 against Rs 1,838,668 in the previous year. The main heads of expenditure being :

Land	Rs	246,617.61
Water supply	"	45,469.00
Buildings	"	856,334.00
Furniture & equipment	"	72,894.00
Laboratory equipment	"	239,339.00
Machinery	"	15,016.00
Vehicles	"	140,472.00

Increase of expenditure were chiefly recorded in the following items :

Junior Staff emoluments	Rs	35,331.00
Miscellaneous emoluments	"	105,431.00
Daily paid labour	"	160,660.00
Library and Publications	"	67,058.00
Travelling of staff	"	11,011.00
Miscellaneous expenditure	"	14,946.00
Low-Country Station	"	91,009.00

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 of Ceylon 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 1967 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 AT ST COOMBS, TALAWAKELE ON
THURSDAY 23rd MARCH 1967, AT 10.30 A.M.**

Present—Mr F. Amarasuriya (Chairman), Messrs D. B. Ellepola, CBE, A. P. Fincher, D. E. Hettiarachchi, G. B. Middleton, T. A. Moy, S. Pathmanathan, M. Rajendram, A. G. Sharp Paul, Dr E. M. Chenery (Director, TRI) and Mr A. C. Perera (Secretary).

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

Messrs D. C. L. Amerasinghe, C. P. Channugam, P. J. C. Durrant, G. D. Loos, J. L. D. Peiris, S. P. Vythilingam and B. Warusavitarane intimated their inability to be present.

The following inspections were made before the meeting :

1. New junior staff houses
2. Potato plots
3. Fields Nos 1, 2 & 3 and reservoir
4. Technology Division and factory.

1—Minutes of the meeting of the Board held on 12th December 1966

The minutes were confirmed.

2—Membership of the Board and Committees

There were no changes to report.

3—Minutes of the meetings of the Administrative Committee held on 19th February 1967 and 5th March 1967

1—Meeting of 19th February 1967

(a) Audit Report & accounts of St Joachim and St Coombs Estates for 1965

The reports and accounts were accepted.

(b) Directors' Leave

The Board approved the Director taking his annual leave in May 1967.

(c) Acting Director

The Board approved that Mr J. A. H. Tolhurst (Deputy Director) act as Director during Dr Chenery's absence.

2—Meeting of 5th March 1967

(a) Post of Accountant

Reported that approval was obtained by circulation of papers to appoint Mr K. H. Ariyadasa as Accountant (12 members had approved and 7 had not replied). The Chairman tabled a letter received from Mr Ariyadasa

informing the Director that he was now unable to accept the appointment. After some discussion it was agreed to readvertise the post lowering the qualifications to the Intermediate Certificate of the Institute of Chartered Accounts with at least five years experience as an Accountant.

(b) (i) *Adviser in Agricultural Chemistry & Agronomy*

Mr J. A. H. Tolhurst's appointment as Adviser in Agricultural Chemistry and Agronomy as from 1.4.67 was approved.

(ii) *Agricultural Chemist*

Reported that Dr V. P. Bhavanandan's appointment as Agricultural Chemist and Head of the Division of Agricultural Chemistry was approved by circulation of papers. The Board ratified this decision.

(c) *Mr C. B. Foster-Barham, Chief Advisory Officer*

It was noted that Mr C. B. Foster-Barham would be terminating his contract when he proceeds on leave in June 1967. Mr L. M. de W. Tillekeratne will act as Chief Advisory Officer from this date.

(d) *Mr S. Nagarajah, Research Assistant, Plant Physiology Division*

Approval was granted for Mr Nagarajah to accept the scholarship offered to him on no-pay leave for a period of two years only.

(e) *Mr L. A. Seevaratnam, Agriculturist, St Coombs Estate*

Mr Seevaratnam's promotion to the Senior Staff Grade as from 5th April 1967, was approved.

(f) *Study leave for Scientific Staff*

The scheme of study leave recommended was approved.

On the proposal of Mr G. B. Middleton, seconded by Mr A. G. Sharp Paul, the minutes of the meetings of the Administrative Committee held on 19.2.67 and 5.3.67 were accepted.

4.—**Minutes of the Meeting of the Buildings Committee held on 13th February 1967**

Junior & minor staff houses, Agratenne Substation

It was noted that the lowest tenderer, Mr S. D. Silva of Passara, was given the contract for building the junior staff house (Rs 29,402.43) and minor staff quarters—one block of two houses (Rs 19,805.40).

On the proposal of Mr S. Pathmanathan, seconded by Mr D. E. Hettiarachchi, the minutes of the meeting of the Buildings Committee held on 13th February 1967, were accepted.

5. **Minutes of the Meeting of the Board of Trustees of the TRI Staff Provident Fund held on 19th February 1967**

(a) *Audit Report & Accounts for 1965*

The Audit Report and Accounts were accepted.

(b) Interest

A supplementary vote of Rs 4,148.69 to meet the shortfall in interest was approved.

On the proposal of Mr D. B. Ellepola, seconded by Mr S. Pathmanathan, the minutes of the Board of Trustees of the TRI Staff Provident Fund were accepted.

6. Minutes of the meeting of the Board of Trustees of the Junior Staff Medical Fund held on 19th February 1967**(a) Audit Report & Accounts for 1965**

The Audit Report and Accounts for 1965 were accepted.

On the proposal of Mr M. Rajendram, seconded by Mr A. P. Fincher, the minutes of the meeting of the Board of Trustees of the Junior Staff Medical Fund held on 19th February 1967, were approved.

7. Staff matters**(a) Dr D. Kirtisinghe, Technologist**

Reported that the Director has nominated Dr Kirtisinghe as the Institute's delegate for the World Group of the International Organization for Standardization (Standards for Tea) (ISO). The first meeting was held in Ankara in May 1966, and the second meeting would be held in Moscow in June 1967. The Director has asked Dr Kirtisinghe to visit England at the same time for two weeks in connexion with the new tea machinery project.

The Board approved two weeks duty leave in the UK and the payment of £5 per day for expenses for two weeks and £15 for travelling.

8. Other business**(a) Board Rules****(b) Manual of Procedure**

A Subcommittee consisting of the Chairman, Messrs S. Pathmanathan and D. E. Hettiarachchi was appointed to scrutinize the Board Rules and Manual of Procedure and make their recommendations to the Board for their consideration. Mr D. B. Ellepola, who would be relinquishing his membership on the Board shortly, was co-opted to this Committee.

(c) Students from UK

Reported that a party of sixth form students from Latymer Upper School, London, were visiting Ceylon on a study tour and wished to stay at the Guest House for three to four days. The Board agreed.

(d) TRI Sports Club Pavilion

Reported that the Buildings Committee by circulation of papers accepted the tender of Mr W. M. Appuhamy as per the details given below :

<i>Name of tenderer</i>	<i>Amount</i>
Mr T. R. Rajivasan	Rs 23,970.00
Messrs M. Y. Hemachandra & Co	Rs 17,068.10
Mr W. M. Appuhamy	Rs 12,943.95

(c) *Visit of Sir Fredrick Bawden, FRS, Member of SACUK*

Reported that Sir Fredrick Bawden would be visiting the Institute in July/August 1967, on his way to Australia. The Institute would not have to meet any expenses for his visit.

(f) *Board Seal*

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

1. Tool Store, General Stores & Manure Stores (Hantane)—Messrs Shelton Brothers.
2. Workshop & Garage (Hantane)—Messrs Shelton Brothers
3. Gemming Agreement (St Joachim)—Mr A. D. S. Karunaratne
4. Junior Staff house (Agratenne Substation)—Mr S. D. Silva
5. Minor Staff quarters (Agratenne Substation)—Mr S. D. Silva

On the proposal of Mr S. Pathmanathan, seconded by Mr D. E. Hettiarachchi, the Board approved the affixing of the Board Seal on the following documents :

1. Water Supply Scheme (Kottawa)—Messrs Walker Sons & Co. Ltd., Galle
2. TRI Sports Club Pavilion (St Coombs)—Mr W. M. Appuhamy.

(g) *Visit of the Hon the Minister of Agriculture & Food Mr M. D. Banda*

Reported that the Hon the Minister of Agriculture & Food, Mr M. D. Banda would be visiting St Coombs on 25th March, 1967, at 9.30 a.m.

(h) *St Joachim teas*

The Board approved the Director's proposal to sell St Joachim teas on the London Market. CTC/Rotorvane teas if sold on the London Market would fetch a higher price than if sold on the Colombo Market. The Board agreed.

(i) *Bank accounts*

On the proposal of Mr T. A. Moy, seconded by Mr D. B. Ellepola, the Board approved the following officers signing cheques, in respect of the following accounts :

1. *Bank of Ceylon, Badulla.*

TRI Uva Station, Debedde, Ordinary Account No. 3558

Two of the following to sign cheques :

- (a) Mr L. M. de W. Tillekeratne, Scientific Officer, (Uva)
- (b) Mr N. L. C. Fernando, Technical Assistant to the Scientific Officer (Uva)

- (c) Dr E. M. Chenery, Director, TRI
- (d) Mr A. C. Perera, Chief Administrative Officer, TRI.

2 *Bank of Ceylon, Ratnapura.*

- (i) TRI Low-Country Station Account
- (ii) St Joachim Estate Ordinary Account
- (iii) St Joachim Estate Special Account

Two of the following to sign cheques :

- (a) Dr. L. H. Fernando, Assistant Director, TRI
 - (b) Mr G. S. Muttettuwagama, Superintendent, St Joachim Estate
 - (c) Mr C. Kirthiratne, Administrative Officer, TRI Low-Country Station
 - (d) Dr E. M. Chenery, Director, TRI
 - (e) Mr A. C. Perera, Chief Administrative Officer, TRI.
- (j) *St Coombs Estate*

Reported that the Agency Section of the Planters' Association of Ceylon had informed the Institute that the contribution from Estates for 1967 to the District Club has been fixed at Rs 100. A supplementary vote of Rs 100 was approved.

(k) *Training of an Agricultural Engineer from Turkey in tea cultivation*

The Director said that he had received a copy of a letter dated 19th March, 1967 to the Ministry of External Affairs from the FAO Representative in Ceylon in regard to the training of an Agricultural Engineer from Turkey in tea cultivation *etc.*, for six months. He said that it was not possible to train him for six months but agreed to have him for a week to ten days. The Board agreed.

(l) *Mr D. B. Ellepola*

The Chairman informed members that this was the last meeting of the Board at which Mr D. B. Ellepola would be present, as he would be relinquishing his office as Chairman of the Low-Country Products Association in April. He thanked him for the valuable services he rendered to the Board during his period of office and expressed the Board's appreciation of the keen interest he had taken over the Institute's affairs.

Mr Ellepola thanked the Chairman for the kind sentiments he had expressed regarding him and said that it was a great pleasure for him to have served the TRI Board. He greatly appreciated the courtesy that had been so freely extended to him by the Chairman and other Members of the Board.

A. C. Perera
Secretary

**SUMMARY MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF THE TEA RESEARCH INSTITUTE
OF CEYLON HELD IN COLOMBO ON SUNDAY,
30th JULY, 1967, AT 9.00 A.M.**

Present—Mr F. Amarasuriya (Chairman), Messrs C. P. Chanmugam, T. C. A. de Soysa, P. J. C. Durrant, D. E. Hettiarachchi, G. D. Loos, T. A. Moy, D. A. Neale, S. Pathmanathan, M. Rajendran, S. P. Vythilingam, J. A. H. Tolhurst, Acting Director, TRI and Mr A. C. Perera (Secretary).

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

Messrs A. P. Fincher, J. L. D. Peiris, A. G. Sharp-Paul and B. Warusavitarane intimated their inability to be present.

1. Tea Commission

The Chairman said that the special meeting was convened to discuss the question of the submission of a memorandum to the Tea Commission on matters relating to the Tea Research Institute. As Dr Chenery was out of Ceylon it was considered to await his arrival to discuss this matter. It has now been considered that the Board should send a preliminary memorandum to the Tea Commission followed by a supplementary memorandum after Dr. Chenery returns. He had accordingly addressed a letter to the Tea Commission requesting an extension of time till the 31st August. The specific reference to the Tea Research Institute was :

“Whether the Tea Research Institute of Ceylon is satisfactorily fulfilling the objectives for which it was established, and, if not, what changes in its organisation and work are necessary.”

He said that a notice was published by the Tea Commission in the Ceylon Daily News of the 28th July, extending the time limit for submission of memoranda to the 21st August 1967. He was of the view that without the Director of the Institute they were not in a position to express any opinion on research activities and future work. The Chairman suggested that a Subcommittee of the Board be appointed to draft the memorandum. On the proposal of Mr Neale seconded by Mr Pathmanathan the following were appointed to the Subcommittee : Mr F. Amarasuriya (Chairman), Messrs C. P. Chanmugam, T. C. A. de Soysa, S. Pathmanathan, A. G. Sharp Paul, J. A. H. Tolhurst, B. Warusavitarane and Dr L. H. Fernando.

2. Post of Accountant

The Secretary reported that Mr H. S. Goonewardene has accepted the post of Accountant and would be assuming duties on the 4th August 1967. A circular letter was sent to the members asking for approval for Mr Goonewardene to sign cheques. On the proposal of Mr S. P. Vythilingam, seconded by Mr M. Rajendram, the following resolution was unanimously approved :

“Resolved that Mr H. S. Goonewardene, Accountant of the Tea Research Institute of Ceylon, be authorized to sign cheques and other Bank documents in respect of the under mentioned 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

3. United Planters' Association of Southern India Scientific Conference

The Board noted that Mr D. E. Hettiarachchi would represent the Board at the UPASI Conference on 1st September. Dr D. Calnaido, Mid-Country Scientific Officer and Mr L. M. de W. Tillekeratne, Acting Chief Advisory Officer, would represent the Institute.

A supplementary vote of Rs 4,000 was approved. Mr Loos said that the actual amount should be the expenses approved by the Exchange Controller. The meeting terminated at 10.30 a.m.

A. C. Perera
Secretary

**SUMMARY MINUTES OF THE MEETING OF THE BOARD
OF THE TEA RESEARCH INSTITUTE OF CEYLON
HELD IN COLOMBO ON 7th OCTOBER 1967 AT 9.00 A.M.**

Present—Mr F. Amarasuriya (Chairman), Messrs T. C. A. de Soysa, A. P. Fincher, D. E. Hettiarachchi, G. D. Loos, G. B. Middleton, S. Pathmanathan, J. L. D. Peiris, S. P. Vytilingam, B. Warusavitarane, Dr E. M. Chenery (Director, TRI) and Mr A. C. Perera (Secretary).

Also Present—Dr L. H. Fernando (Assistant Director, TRI), and Mr H. S. Goonewardene (Accountant, TRI).

Messrs C. P. Chanmugam, P. J. C. Durrant, T. A. Moy, M. S. Perera and A. G. Sharp Paul intimated their inability to be present.

1. Minutes of the meetings of the Board held on 23rd March 1967 and 30th July 1967

(a) Minutes of the meeting of 23.3.67

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

(b) Minutes of the Special Meeting held on 30.7.67

On the proposal of Mr G. B. Middleton, seconded by Mr S. Pathmanathan, the amended minutes were confirmed.

2. Matters arising from the minutes

Tea Commission

The Chairman reported that the Board delegation led evidence on 7th September 1967, before the Tea Commission concerning the Board's memorandum.

3. Membership of the Board & Committees

(i) The Board

- (a)* Mr T. C. A. de Soysa, Chairman, Low-Country Products Association of Ceylon, had taken the place of Mr D. B. Ellepola, as from 29th March, 1967.
- (b)* Mr M. Rajendram, MBE had been renominated by the Hon. the Minister of Agriculture & Food to represent the smallholders from 23rd July 1967, for a further period of three years.
- (c)* Mr M. S. Perera, Director of Agriculture, had taken the place of Mr D. C. L. Amerasinghe as from 30th March, 1967.
- (d)* Mr D. A. Neale has tendered his resignation from 6th September, 1967, as he was proceeding on leave and would not be returning till February, 1968. It was reported that a nomination to fill Mr Neale's place had not been received from the Agency Section of the Planters' Association of Ceylon.

(ii) *Administrative Committee*

- (a) Mr T. C. A. de Soysa had taken the place of Mr. D. B. Ellepola as from 29th March, 1967.

4. **Minutes of the meetings of the Administrative Committee held on 25th April 1967, 10th August 1967 and 20th September 1967**(a) *Meeting of 25th April 1967**Report of the Auditors & Accounts for 1965*

Reported that the audited accounts were approved by circulation of papers.

(b) *Memorandum to the Tea Commission on the Institute's finances*

The Secretary was directed to send a draft memorandum to the Finance Subcommittee for their approval.

(c) *Visit of the Members of the Tea Commission to St Coombs*

It was agreed that members of the Board should be present when the Tea Commission visits St Coombs.

(d) *The Agratenne Substation*

The Director said that he had discussed with Mr Whittall of Messrs George Steuart & Co. Ltd, the abandoning of the purchase of Agratenne. The Director had also received a letter dated 27th September 1967 from the Chairman of the Uva Planters' Association that other avenues should be explored to finance this project. The Chairman of the Uva Planters' Association suggested that the Agents for Ury Group should be asked to lease out this land. After discussion, the Board agreed that clonal experiments should be carried out on Agratenne for the benefit of the Uva estates. It was also agreed to purchase 50 acres of land at Agratenne at the agreed price, (viz 32A of tea land at Rs 1500 per acre; 6A-0R-02P jak at Rs 400 per acre; 12A patna at Rs 250 per acre), payment to be made in five annual instalments, with an option of purchasing the balance acreage in five years on terms to be agreed upon. The Director was requested to negotiate with the Agents of Ury Group on these terms. On the proposal of Mr T. C. A. de Soysa, seconded by Mr G. B. Middleton the minutes of the Administrative Committee held on 20th September 1967 were accepted, subject to the above decisions.

5. **Minutes of the meeting of the Buildings Committee held on 21st April 1967, 19th June 1967 and 27th September 1967**(i) *Meeting of 21st April 1967*

On the proposal of Mr Warusavitarne, seconded by Mr Hettiarachchi, the minutes of the meeting held on 21st April 1967 were accepted.

(a) *Uva Scientific Officer's House*

The extensions recommended by the Buildings Committee were approved.

(b) *TRI Sports Club Pavilion*

Mr W. M. Appuhamy's tender of Rs 12,943.95 was approved.

(ii) *Meeting of 19th June 1967**Sports Pavilion*

Mr T. C. A. de Soysa suggested that small contractors should be requested to take insurance policies to cover damage to buildings under construction. Mr Loos requested that in the future, supplementary votes should be referred to the Administrative Committee before they are approved by the Board. On the proposal of Mr J. L. D. Peiris, seconded by Mr Warusavitarné, the minutes of the meeting of 19th June, were accepted.

(iii) *Meeting of 27th September 1967*(a) *St Joachim water scheme & latrines*

The construction of the latrines and the improvements to the water scheme were deferred from consideration until finances were available.

(b) *Agratenne Substation**Minor Staff quarters*

It was decided not to construct the two minor staff quarters.

Junior Staff houses

The contractor was granted an extension of time until 10th October to complete the houses.

On the proposal of Mr S. Pathmanathan, seconded by Mr T. C. A. de Soysa the minutes of the meeting of 27th September 1967, were accepted subject to the matters referred to the Administrative Committee.

6. **Minutes of the meeting of the Experimental & Estates Committee held on 31st March 1967**

In reply to Chairman, the Director said that the Low-Country Station was short of Technology staff. Dr Sivaprakasapillai, who was recently recruited to this division, had sent in his resignation. Mr Joseph who has returned from the UK after qualifying as an Engineer will be working both at St Coombs and St Joachim. A trained Technical Assistant has also been transferred to Ratnapura to take the place of Mr Saldin who had proceeded to Canada on a Colombo-Plan Scholarship. In reply to Mr Fincher, the Director said that the Fluid Bed Drier would be shipped to Ceylon early next year. On the proposal of Mr S. P. Vytilingam, seconded by Mr D. E. Hettiarachchi the minutes of the meeting of 21st March 1967, were accepted.

7. **Staff Matters***Colombo Plan Scholarships*

Reported that the following Research Assistants have been sponsored for Colombo Plan Scholarship for 1968.

Mr R. K. Nathaniel, Research Assistant, Advisory Division—Date of appointment : 4.11.63

Mr S. Sandanam, Research Assistant, Agricultural Chemistry Division—Date of appointment : 1.11.63

Mr N. M. Abdul Gaffar, Research Assistant, Technology Division—
Date of appointment : 16.4.67.

Mr Loos requested that officers returning from overseas training and visits should submit to the Board a brief note on the work done, Mr Warusavitarne suggested that trained persons should be recruited instead of officers being sent abroad for training. The Director said that the Institute has recruited trained scientists. One of them had already resigned.

8. Any other business

(i) *Annual Report of the Board for 1965*

Reported that the Annual Report of the Board for 1965 was approved by circulation of papers.

(ii) *The Board's Seal*

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

1. Water Supply Scheme, Kottawa Substation—Walker Sons & Co. Ltd, Galle on 19.6.67
2. Construction of TRI Sports Club Pavilion at St Coombs—Mr W. M. Appuhamy, Talawakele on 19.6.67
3. Mr C. B. Foster-Barham's Deed of Assignment re the Overseas Scientists Superannuation Scheme Policy on 9.8.67.

(iii) *Monograph No. 6—Insect and mite pests of tea in Ceylon and their control—by Mr J. E. Cranham*

Copies of the above monograph were distributed to members. It was agreed to sell this Monograph at Rs 15/- per copy to all persons, including those on the Institute's free distribution list, provided the Shell Co. of Ceylon Ltd, who provided 50% of the cost of the coloured plates, had no objections to this price. If they had any objections, the price should be reduced to cover the costs borne by the Institute.

(iv) *Next Meeting*

The next meeting was fixed for Monday the 4th December 1967, at 9.00 a.m. in Colombo.

The meeting terminated at 11.45 A.M.

A. C. Perera

Secretary

**SUMMARY MINUTES OF THE MEETING OF THE
BOARD OF THE TEA RESEARCH INSTITUTE OF
CEYLON HELD IN COLOMBO, ON MONDAY,
4th DECEMBER 1967, AT 9.00 A.M.**

Present—Messrs C. P. Chanmugam, T. C. A. de Soysa, P. J. C. Durrant, A. P. Fincher, D. E. Hettiarachchi, M. B. Horsfall, G. B. Middleton, T. A. Moy, J. L. D. Peiris, M. Rajendram, S. P. Vytilingam, Dr E. M. Chenery, (Director, TRI) and Mr A. C. Perera (Secretary).

Also Present—Dr L. H. Fernando (Assistant Director, TRI) and Mr H. S. Goonewardane (Accountant, TRI). Messrs G. S. Muttetuwegama and L. A. Seevaratnam were present when the estimates of St Coombs and St Joachim were discussed.

Messrs F. Amarasuriya, G. D. Loos and B. Warusavitarane intimated their inability to be present.

Mr S. Pathmanathan was elected to the chair in the absence of Mr F. Amarasuriya on the proposal of Mr G. B. Middleton, seconded by Mr A. P. Fincher.

1. Minutes of the meeting of the Board held on 7th October 1967

The minutes were confirmed on the proposal of Mr D. E. Hettiarachchi, seconded by Mr G. B. Middleton.

2. Matters arising from the minutes

(a) Tea Commission

Reported that the supplementary memorandum on the finances of the Institute has been sent to the Tea Commission and copies have been circulated to members of the Board.

(b) Agratenne Substation

Reported that the Agents for Ury Group, George Steuart & Co. Ltd., were advised of the Board's decision to purchase only 50 acres of Agratenne Division of Ury Group, payment being made in five annual instalments. They have informed the Director that the matter was receiving the attention of the Directors of Ury Group.

Mr Fincher suggested that in addition to the five acres should be planted in 1967 on scrub land, a further five acres should be planted in 1968 in the area where old tea was uprooted for rehabilitation. He said that a sum of approximately Rs 68,000 was due as tea subsidy payments, and the expenditure for this work could be met from this money. The present proposal was to purchase 50 acres, *ie*, 38 acres of Field Nos 13 & 14 and 12 acres of scrub land. The Institute should, however, purchase the following fields on an instalment basis :

Fields 12, 13 & 14	—	102 acres (approximately)
Jak land	—	6 acres
Patna	—	160 acres

and the Director should look into this matter on the spot and discuss it further with George Steuart & Co. Ltd. Mr Fincher also stressed the necessity to carry on with this project.

On the proposal of Mr Vytilingam, seconded by Mr Horsfall, it was unanimously agreed to plant a further five acres in tea in 1968.

(c) *Agreement with the NRDC on the Fluid-bed Tea Drier*

Reported that the Administrative Committee scrutinized the comments received from the National Research Development Corporation of London and approved the affixing of the Board's Seal on this agreement. Messrs Julius & Creasy had also advised that the Agreement was in accordance with the Tea Research Ordinance.

(d) *Monograph No 6—"Insects & mite pests of tea in Ceylon and their control"*

In reply to Mr Vytilingam, the Director said that the Shell Co. of Ceylon Ltd. had agreed to the sale of the TRI Monograph No 6 at Rs 15 per copy.

3. Membership of the Board & Committees

(i) *Board :*

- (a) Mr D. E. Hettiarachchi had been renominated by the Hon. the Minister of Agriculture & Food to represent the small holders for a further period of three years as from 29th October, 1967.
- (b) Mr G. I. de Glanville, Chairman of the Agency Section of the Planters' Association of Ceylon, had taken the place of Mr A. G. Sharp Paul as from 1st November 1967.
- (c) Mr M. B. Horsfall had been nominated by the Planters' Association of Ceylon to take the place of Mr D. A. Neale, who had resigned, as from 13th September, 1967.

The Chairman welcomed the new members and thanked Messrs A. G. Sharp Paul and D. A. Neale for their services.

(ii) *Administrative Committee*

Mr M. B. Horsfall was nominated to fill the place vacated by Mr D. A. Neale.

4. Minutes of the meeting of the Administrative Committee held on 13th November 1967

(a) *Estimates 1968*

The following papers were discussed :

- (i) Directors' note on the revised estimates of expenditure for 1968
- (ii) Statement of the cash summary for 1967
- (iii) Estimated Income & Expenditure for 1968
- (iv) Revised estimates for 1968.

It was brought to the notice of the Board that the estimates would change because of the devaluation of the rupee. The Administrative Committee was requested to consider at the next meeting the relevant votes which had to be increased because of the devaluation.

The Chairman said that the Administrative Committee scrutinized the estimates for 1968 very carefully and the Director was requested to make further reductions in the estimates in order to meet part of the 1967 deficit from the 1968 income. The Director had accordingly pruned the draft estimates by Rs 208,079. The note by the Director on the revised estimates gave details of how the deficit of Rs 620,595 had been reduced to Rs 312,516. The Chairman hoped that by the end of 1969 the whole of this deficit would be cleared.

Mr Chanmugam said that no reductions have been made in the estimates of the Low-Country Station. Dr Fernando said that the Director has made a reduction of 5% of the total revenue expenditure. It was not possible to prune individual votes but he assured the Board that he would show a 10% saving on the total revenue expenditure at the end of 1968.

The Director brought to the notice of the Board that he has reduced the vote of the Scientific Advisory Committee in UK to Rs 5,000. Only Dr Tubbs' services would be retained.

Mr Vytilingam suggested that notes should be given in the estimates when there was a wide variation in the figures of the budget year and the previous year. In reply to Mr Vytilingam, the Accountant said that the capital expenditure for estates shown in the Income & Expenditure Statement for 1968 was the nett figure, *ie*, estimated expenditure less the anticipated income from tea subsidies.

On the proposal of Mr Hettiarachchi, seconded by Mr de Soysa, the Cash Summary for 1967, Estimated Income & Expenditure Statement for 1968 and the estimates for 1968 were approved.

(b) *Interim Allowances*

The Board approved the payment of the interim allowances according to Treasury Circulars No 729 of 15.9.67 and No 734 of 2.12.67.

On the proposal of Mr de Soysa, seconded by Mr Vytilingam, the minutes were accepted.

5. Minutes of the Experimental & Estates Committee held on 24th October 1967

(a) *St Coombs Estate Estimates 1968*

The Chairman said that these estimates had been carefully scrutinized by the Estates Estimates Subcommittee and the Experimental & Estates Committee. Mr Vytilingam pointed out that the income from subsidies has not been deducted from the St Coombs Capital expenditure, while in the St Joachim estimates the income from subsidies has been deducted from the total capital expenditure. The Agriculturist said that the actual capital expenditure was shown in the estimates and the details of the subsidies receivable were shown in the notes to the estimates on page 9. In the estimated profit from St Coombs for 1968, the income from subsidy had been taken into account.

(b) *St Joachim Estate Estimates 1968*

The Chairman said that these estimates had also been scrutinized by the Estimates Subcommittee and the Experimental and Estates Committee. Mr Durrant, who was a member of both Committees, had scrutinized these personally before and after they were considered by the Experimental and Estates Committee. The Chairman expressed the Board's appreciation to Mr Durrant for his assistance. The Chairman said that the estimates of St Joachim prices have increased by approximately 40 cents since the manufacture was changed to the CTC process and he hoped that the estate would not run at a loss in the future. Dr Fernando stated that the cost of plucking on St Joachim had increased by 11 cents per lb as a result of finer plucking. It is possible that the crop was reduced by about 10% as a result of this. Dr Fernando also said almost all estates in Assam have changed to CTC manufacture. Assam estates attributed the high prices obtained for their teas to CTC manufacture.

In reply to Mr Chanmugam, the Superintendent said that the high cost of production was due to fine plucking and the uprooting of 42 acres of tea. On the proposal of Mr Fincher, seconded by Mr Middleton the estimates for both estates were approved. The Superintendent, St Joachim, and the Agriculturist, St Coombs, were requested to prepare supplementary statements of increased prices wages, etc, as a result of the devaluation of the rupee for consideration by the Administrative Committee.

On the proposal of Mr Durrant, seconded by Mr Hettiarachchi, the minutes were accepted.

Mr Hettiarachchi left the meeting.

6. Staff Matters

(a) *Dr U. Pethiyagoda, Plant Physiologist*

The Director said that Dr Pethiyagoda had been awarded a Nuffield Foundation Fellowship tenable for one year for study on physiological problems relevant to Ceylon tea. He would work at the Rothamsted Experimental Station, Botany Department, and was expected to be at Rothamsted in March/April 1968. The Board approved that Dr Pethiyagoda be permitted to accept the Nuffield Foundation Fellowship and to proceed to the UK in March/April 1968.

(b) *Mr A. H. B. Dias, Accounting Assistant*

Reported that Mr A. H. B. Dias was retiring on 31st March, 1968, after 31 years of service. The Board recorded its appreciation of his services to the Institute.

(c) *Ceylon Mercantile Union*

Reported that the TRI Junior Administrative & Technical Staff Union has been dissolved and the staff have formed a branch of the Ceylon Mercantile Union.

Any other business**(a) Foreign Agricultural Research Programme of the USDA (FRTP-OD-1021)**

The Director reported that the USDA officials visited the Institute recently in connexion with the granting of aid to Agricultural Research Stations in Ceylon rupees. They have invited the Institute to put up a scheme for their consideration similar to the Nematology project, for which they granted the Institute financial aid. One of the conditions under which aid would be granted was that the results of research would be of interest to them in USA. He said that aid would be requested for two projects :

- (1) research on shot hole borer
- (2) research on instant tea and the Biochemistry of tea.

The Institute would save expenditure on Staff emoluments, equipment *etc*, in the Entomology and Biochemistry Divisions if aid was granted from this source. The Ministry of Agriculture & Food had already asked for his views on the outcome of the discussions he had with these officials and he wished to know if the Board would like him to pursue the matter further. Aid granted would be for a period of five years. The Director was authorised to negotiate with the USDA officials for aid for these two projects, through the Ministry of Agriculture & Food.

(b) The Board's Seal

Reported that the Board's seal was affixed on the following document :

National Research Development Corporation Agreement *re* Fluid Bed Drier on 13th November, 1967.

On the proposal of Mr Middleton, seconded by Mr Moy approval was granted to affix the Board's seal on the Hantane Land Sale Agreement.

(c) Appoints. Resignations etc.

Reported the following :

(i) Appointments

Dr V. P. Bhavanandan, Agricultural Chemist, from 2.11.67
Salary Rs 1,100 per mensem.

(ii) Resignations

Dr P. Sivaprakasapillai, Research Officer, Technology Division,
from 19.10.67.

(iii) Returned from overseas training

Mr D. Janakiram, Technical Assistant, Plant Physiology Division
returned from India on 4.11.67 after obtaining his MSc degree.

(iv) Returned from overseas leave

Mr J. A. H. Tolhurst, Deputy Director and Adviser in Agricultural Chemistry and Agronomy, returned to Ceylon on 15th November 1967.

(v) *Dismissals*

Mr M. Aseervatham, Laboratory Attendant, Biochemistry Division, from 20th July 1967.

(vi) *Overseas visits*

Dr L. H. Fernando, Assistant Director, left for India to attend the 23rd Annual Conference of the Tocklai Experimental Station on 5th November 1967 and returned on 24th November 1967.

The Chairman in closing the meeting wished the members a happy Christmas and a prosperous new year.

A. C. Perera

Secretary

Ford, Rhodes, Thornton & Co

PRIVATE & CONFIDENTIAL

Colombo,
20th March 1969

The Auditor General,
COLOMBO.

Dear Sir,

**Tea Research Institute of Ceylon
Accounts for the year ended 31st December 1967**

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

- (1) Balance Sheet as at 31st December 1967
- (2) Estate Working Accounts for the year ended 31st December 1967 in respect of :
 - (a) St Coombs Estate
 - (b) St Joachim Estate
- (3) Income and Expenditure Account for the year ended 31st December 1967
- * (4) Summary of Creditors and Provisions at 31st December 1967
- (5) Summary of Fixed Assets at 31st December 1967 showing cost, accumulated depreciation and written down value
- * (6) Summary of Investments at 31st December 1967
- * (7) Summary of Stock in Hand at 31st December 1967
- * (8) Summary of Debtors and Debit Balances at 31st December 1967
- * (9) Summary of Staff Debtors at 31st December 1967
- * (10) Statement of Deposits at 31st December 1967
- * (11) Summary of Cash in hand and balances at banks at 31st December 1967.

I Results of the year

The results for the year revealed a profit of Rs 500,963.86 after charging depreciation on fixed assets amounting to Rs 713,914.44. The profit was made up as follows :

	Rs	cts
Institute—Excess of income over expenditure	..	471,431.44
St Coombs Estate—Surplus on working	..	90,401.85
St Joachim Estate—Loss on working	..	— 60,869.43
	Rs	<u>500,963.86</u>

The loss in the previous year amounted to Rs 17,245.18 and the provision for depreciation on fixed assets was Rs 954,543.20.

The errors noted during the course of our audit, which are referred to later in our report, revealed that the profits were understated by about Rs 43,000/-.

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. We understand that the rules have been referred to a special subcommittee by the Board.

We understand that a manual of procedure is under preparation. This should be completed as soon as possible, so that the Board's decisions affecting the accounts may be readily available for reference.

III Balance Sheet as at 31st December 1967

We have done a comprehensive verification of the items appearing in the attached balance sheet and make the following comments on the under-mentioned ledger accounts :

(1) *Accumulated Fund*—

The movements in this account during the year were as follows :

Balance as at 31st December 1966	Rs	13,953,965.52
Add : Adjustments in respect of the previous year		55,448.71
		<u>14,009,414.23</u>
Add : Excess of income over expenditure		500,963.86
	Rs	<u>14,510,378.09</u>

The adjustments in respect of the previous year was made up as follows :

Credits

Adjustment due to recalculation of depreciation on the basis of the revalued figures and new rates	Rs	93,858.89
Difference on exchange due to devaluation		6,744.11
50% of value of motor spare parts brought into stocks in the year under scrutiny		6,614.81
Difference between value of physical stocks and balance on stock control account		1,129.55
Miscellaneous Adjustments		2,009.60
	Rs	<u>110,356.96</u>

Debits

Bonus to estate staff in respect of the year 1966		
St Coombs Estate	Rs	5,385.17
St Joachim Estate		3,098.00
		<u>8,483.17</u>
Unrecoverable nursery expenditure on St Joachim Estate—written-off		4,979.52
St Joachim Estate—Audit Fees		1,823.35
Items of revenue nature charged to capital in the year 1966 transferred		25,356.34
Loss on sale of 2 pistons and liners in stock		6,256.10
Miscellaneous adjustments		8,099.77
		<u>54,908.25</u>
	Rs	<u>55,448.71</u>

The difference on exchange due to devaluation, *i.e.* Rs 6,744.11 and the loss of Rs 6,256.10 on sale of certain items of stock, should have been adjusted through the miscellaneous receipts account.

As a result of not making full provision in the estate accounts for expenditure, the loss incurred by St Joachim Estate in the year 1966 was understated by Rs 9,900/- and the profit earned by St Coombs in the year 1966 overstated by Rs 5,385/-. We suggest that in future such items should be adjusted, before the Institute's Accounts are finalised each year.

(2) Creditors

We wish to make the following observations on certain balances included under sundry creditors :

(a) Subscriptions for publications received in advance

Rs 456/- received from the Lake House Investments Ltd., on sale of the Institute's publications was included under receipts in advance. This amount should have been credited to the income and expenditure account. As a result of this error profits were understated to this extent.

On test checking subscriptions we observed that sums totalling Rs 377.47 applicable to the years 1968, 1969 and 1970 were by error, credited to the income and expenditure account. This amount should have been carried forward under this account and credited to the income and expenditure account in the appropriate years.

(b) Sundry Suppliers

The above account includes the following amounts which were not paid prior to 31st December 1967 due to lack of funds :

		<i>Remarks</i>
Tea Controller	Rs 175,000	Paid 18.10.68
Government Loan		Outstanding at
—3rd instalment	166,667	date of audit—
	<u>Rs 341,667</u>	28.11.68.

Certificates in confirmation of balances were received from most of the suppliers. Three suppliers disputed the correctness of their balances. The amount in dispute totalled Rs 2,894.58.

(c) Estate creditors

St Joachim Estate creditors includes a sum of Rs 27,711 received on the sale of gemming rights. This should have been credited either to the income and expenditure account or direct to the accumulated fund account. As a result of this error sundry creditors are overstated and income understated by Rs 27,711.

(d) *Retention Money*

Retentions totalling Rs 13,416.09 have not been paid to M. Y. Hemachandra & Co up to the date of our audit, due to a dispute. The architect has recommended payment in full subject to a deduction of Rs 1,150 for liquidated damages on account of the late completion of the job. A final decision regarding this matter has not yet been taken by the Building Committee.

(3) *Government Loan*

We have received a certificate from the Treasury in confirmation of the balance due to the Government of Ceylon at the date of the balance sheet.

(4) *Fixed Assets*

(a) *Verification*

We have verified the ownership of assets the written down value amounting to Rs 2,852,088.46, 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 most of the other assets owned by the Institute on 31st December 1967, were verified by the internal audit section during 1968.

(b) *Additions to fixed assets*

In the previous year's audit report, we mentioned that additions to fixed assets included certain items chargeable to revenue, and expenditure on projects not completed at 31st December 1966. Revenue items charged to fixed assets in 1966 totalled Rs 25,356.34, whilst work-in-progress included under fixed assets in 1966 totalling Rs 439,518.27.

In the year under review too, our test check revealed that revenue expenditure totalled about Rs 16,000/- has been capitalised. We understand that this would be adjusted after the internal audit section completes their verification of fixed assets.

(c) *Purchase of land*

The land at Agratenne Division occupied by the Institute has not yet been acquired. Subsidy received during the year under review for clearing Agratenne Division amounting to Rs 40,000 is held by the owners and has not been credited in the Institute's accounts. We were informed that this would be done after the acquisition of the land is finalised, as subsidies are payable only to the owner.

The portion of Hantane Estate occupied by the Institute was purchased in August, 1968 for Rs 296,000.

No provision has been made in the accounts for the land at Kahatagahena, which was taken over by the Institute on 31st July 1967. This land has been valued at Rs 59,285.

(d) *Leasehold land*

The land at Passara has been taken on lease. The lease agreement states that no compensation will be paid to the Institute on termination of the lease in 1995, for the value of buildings constructed. The value of buildings at

Passara amounted to Rs 156,719 at 31st December 1967. We suggest that depreciation be provided at a suitable rate to ensure that the cost is amortised on expiry of the lease.

(5) *Investments*

We have inspected the scrips in respect of the Ceylon Government Securities costing Rs 517,112.50. The National & Grindlays Bank Ltd. (UK) have confirmed that the scrips of the sterling investments are in their custody. The cost of these securities amounted to Rs 62,362.80. At 31st December 1967 the market value of all the investments totalled about Rs 545,000. The cost price shown on the balance sheet exceeded the market value by about Rs 34,000.

(6) *Stocks*

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

(a) *Stock taking procedure*

The weaknesses pointed out by us in the previous year regarding stock-taking procedure were corrected in the period under review.

Fourteen trusses valued at Rs 14,155.56 were not physically checked at 31st December 1967. We were informed that these were held at the Low Country Station, but we have not yet received confirmation of this from a responsible officer.

(b) *Office Stock Cards*

During the year under review the office stock cards were adjusted to the figures obtained at the physical check carried out at 31st December 1966. No attempt was made to determine the reason for the differences, which were probably due to inaccurate recording of receipts and issues.

At 31st December 1967 the results of the physical check were compared with the balances on the office stock cards. The excesses (items over Rs 50 only) totalled Rs 638.36 whilst the shortages (items over Rs 50 only) totalled Rs 1,139.20. This can be considered satisfactory.

(c) *Slow moving stocks*

There were some items of stock valued at about Rs 800 which were not required by the Institute. We note that on 18th September 1968 a statement had been prepared on the instructions of the Special Committee of the new tyres and tubes, old tyres, rebuilt tyres and spares, which are not required by the Institute. We understand that these will be sold in due course.

(d) *Omissions*

The undermentioned items of stock of material value were not included in the balance sheet at 31st December 1967 :

Mono pump spares (charged to capital)	Rs	3,767
Aluminium wire		1,000
Alum		3,000
Soda ash		1,400
	Rs	<u>9,167</u>

As a result of the above omissions profits were understated by Rs 5,490.

Stock of consumable stores at the various divisions were written off to expenditure. We suggest that a statement of stocks in hand at the end of each financial year, be prepared in future. The value of stocks may be brought into the accounts if the amount involved is material.

Retreaded tyres too, should be valued and taken into stock, in future.

(7) Debtors and other debit balances

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

(a) Insurance claims

Claims totalling Rs 1,728.71 are long outstanding and do not appear to be recoverable. We suggest that this be written off.

(b) Other debtors

About Rs 650 of the amount outstanding appears to be doubtful of recovery.

IV. Estate Working Account

(1) St Coombs Estate

We give below the relevant statistics regarding the working of the estate:

	1967		1966	
Tea manufactured		457,727 lb		431,697 lb
Proceeds on sale	Rs	1,020,221.59 cts	Rs	1,061,401.90 cts
Average sale price per lb	Rs	2.23 „	Rs	2.46 „
Sale of clonal cuttings	Rs	40,359.48 „	Rs	23,312.00 „
Cost of production including brokerage, handling charges ad valorem tax etc		per Rs 2.12 lb		per Rs 2.07 lb
Result of working	Rs	90,401.00 cts	Rs	189,302.00 cts

(2) St Joachim Estate

Tea manufactured		279,202 lb		251,457 lb
Proceeds on sale	Rs	462,991.50 cts	Rs	369,165.41 cts
Average sale price per lb	Rs	1.66 „	Rs	1.47 „
Cost of production including brokerage, handling charges ad valorem tax etc		per Rs 1.88 lb		per Rs 1.94 lb
Result of working (Loss)	Rs	60,869.43 „	Rs	118,651.05 „

V. Income and Expenditure Account

(1) Tea Cess

The tea cess received by the Institute during the year under review totalled Rs 4,768,939.14 compared to Rs 4,402,800.67 in the previous year. We have no means of checking the accuracy of the cess received. We observe

that the exports for 1967 according to the Tea Controller's Report totalled 479,605,629 lb and the cess receivable on this basis amounts to Rs 4,796,056.29. The shortfall amounts to Rs 27,117. In the previous year too, a calculation on this basis revealed a shortfall of Rs 11,357. The Principal Collector of Customs did not furnish particulars of exports on remitting the cheque for the cess collected. We were informed that this is done from 1968.

(2) *Expenditure*

(a) *Statistics*

The total expenditure incurred during 1967 amounted to approximately Rs 3,773,000 compared to Rs 3,625,000 in the previous year. The increase of Rs 148,000 could be attributed mainly to the following reasons :

	<i>Increase in expenditure</i>
Low-Country Station—Ratnapura	91,000
Library & Publications	67,000
	<u>Rs 158,000</u>

(b) *Low-Country Station*

The items of expenditure which showed an increase are summarised as follows :

Senior, Intermediate and Junior Staff emoluments and miscellaneous emoluments	Rs 40,000
Daily paid labour	22,000
Scientific & technical working expenses, travelling of staff etc.	29,000
	<u>Rs 91,000</u>

(c) *Library & Publications*

Expenditure incurred in .. 1967	Rs 143,000
Expenditure incurred in .. 1966	76,000
Increase	<u>Rs 67,000</u>

The reason for the increase in expenditure is summarised below :

Cost of Monograph	Rs 12,000	
Special Tea Quarterly Issue	20,000	(In connection with Tea Centenary Exhibition)
Guide to T.R.I.	20,000	(—do— —do—)
Additional copies of Tea Quarterly June & September 1967	6,000	
Advisory Pamphlets	9,000	
	<u>Rs 67,000</u>	

We were informed that a number of copies of the various publications remain undisposed. It appears to us that a saving in expenditure could easily be achieved by reducing the number of copies printed.

(d) *Errors*

Expenditure incurred in 1967 was overstated by Rs 25,636.38 due to the following reasons :

Overpayment of scholarship charges to two officers	Rs	10,899.42	(being recovered in 1968)
Capital expenditure charged to revenue		14,736.96	
	Rs	<u>25,636.38</u>	

VI. Internal Audit

The extent of work covered by the internal audit section was insufficient. On inquiry we found that this was partly due to the fact that the officers working in the internal audit section were frequently requested to relieve staff, who were on leave. As mentioned in the previous audit report, steps should be taken to widen the scope of the audit.

VII. Internal Control

The system of internal control prevailing at the Institute was reviewed by us. Certain weaknesses were noted in the passing of travelling and medical claims; controls in force at the Uva Station and Low-Country Station Ratnapura; collection of subscriptions and maintenance of records showing movements of Publications at the library; certification of electrical and maintenance jobs. We have addressed a separate letter to the Director setting out the weaknesses noted in detail.

VIII. Audit Programme

A copy of the audit programme is attached to this report.

A detailed report arising from our audit has been forwarded to the Director of the Tea Research Institute for his attention on 1st December 1968.

Yours faithfully,

Signed FORD, RHODES, THORNTON & CO.

Copy to : S/A & F. with copy of audited accounts and audit report.

Messrs Ford, Rhodes, Thornton & Co., the Auditor.

My No. T/4/10/7
Audit Office,
Colombo 7.
5th April, 1969.

The Chairman,
Tea Research Institute,
Talawakele.

Audit Report and Accounts for the year ended December 31, 1967

The accounts of the Tea Research Institute for the year ended December 31, 1967 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 surplus of Rs. 500,964 as compared with a deficit of Rs. 17,245 for the previous year.

The surplus of Rs 500,964 for the year under review was made up as follows :

	Income	Expendi- ture		Difference (—Deficit) (+ Surplus)
	Rs	Rs		
Institute	4,958,819	4,487,387	+	471,432
St Coombs Estate	1,060,581	970,180	+	90,401
			+	561,833
St Joachim Estate	463,557	524,426	—	60,869
			+	500,964

According to the auditor, the surplus for the year under review was understated by Rs 43,314 which was made up as follows :

	Plus Rs cts	minus Rs cts
Difference in exchange, not credited to miscellaneous receipts	6,744.11	
Loss on sale of assets not debited to miscellaneous receipts		6,256.10
Subscriptions received for 1967 included under creditors	456.00	
Subscriptions paid in advance, but credited to Income and Expenditure Account		377.47
Sale of gemming rights, not credited to Income & Expenditure account	27,711.00	
Revenue expenditure capitalised—estimated		16,000.00
Stocks omitted	5,400.00	
Expenditure overstated	25,636.38	
	65,947.49	22,633.57
	43,313.92	

The income of Rs. 4,958,819 for the year under review included cess collections amounting to Rs. 4,768,939. The auditor had stated that the cess receivable for the year was Rs 4,796,056 based on the 479,605,629 lb of tea exported in 1967 (as indicated in the Administration Report of the Tea Controller for 1967).

3. *Accumulated Fund*—Rs 14,510,378

The accumulated fund of the Institute as at December 31, 1966, was Rs 13,953,966. This was increased to Rs 14,510,378 as at December 31, 1967 as follows :

	Rs	Rs
Balance on January 1, 1967		13,953,966
<i>Add</i> : (i) adjustment in respect of the previous year	55,448	
(ii) Excess of income over expenditure for the year	500,964	556,412
	<u>500,964</u>	<u>14,510,378</u>

4. *Capital Reserve*—Rs 4,410,936

A revaluation of fixed assets was carried out during the previous year and the net surplus of Rs 4,364,789 was credited to a Capital Reserve. The value of vehicles amounting to Rs 46,147 omitted from the valuation in the previous year increased the balance in this account to Rs 4,410,936 as at December 31, 1967.

5. *Government Loan*—Rs 1,499,999

This represented the balance as at December 31, 1967 of the interest-free loan of Rs 2,000,000 received from the Government in 1964 which is repayable in 12 instalments of Rs 166,667 each.

6. *Fixed Assets*—Rs 18,585,774

This amount which represented that balance as at December 31, 1967 was made up as follows :

	Rs	Rs
Balance on January 1, 1967	18,963,534	
<i>Add</i> : Value of vehicles omitted from valuation in previous year	46,147	
	<u>19,009,681</u>	
<i>Less</i> : Work in progress and Capital Expenditure incorrectly capitalized in previous year	464,874	18,544,807
Additions during the year less subsidy received and disposals		<u>1,606,191</u>
		20,150,998
<i>Less</i> : Depreciation written off to 31.12.1966	954,543	
<i>Less</i> : Adjustment for excess depreciation	93,859	860,684
Depreciation written off during the year	713,915	
	<u>1,574,599</u>	
<i>Less</i> : Accumulated depreciation on vehicles sold	9,375	1,565,224
		<u>18,585,774</u>

The auditor had pointed out—

(a) Revenue expenditure amounting to Rs 16,000 approximately had been capitalized during the year under review.

(b) The acquisition of the land at Agratenna Division occupied by the Institute had not yet been completed. The Institute had cleared the land and had become entitled to receive a subsidy of Rs 40,000 approximately from Government. This sum was held by the agents of the owner of the property pending the completion of acquisition proceedings.

(c) No provision had been made in the accounts for the payment of Rs 59,285 for the land at Kahatagahahena, which was taken over by the Institute on July 31, 1967.

(d) The lease agreement, which related to the land taken on lease at Passara, stated that no compensation would be paid to the Institute on termination of the lease in 1995 for the value of buildings constructed by the Institute. The auditor had suggested that the value of buildings at Passara amounting to Rs 156,719 at December 31, 1967, should be depreciated at such rate that the cost was amortised on expiry of the lease.

7. Stocks—Rs 567,773

(i) This represented the value of the verified stocks as at December 31, 1967.

(ii) The auditor had pointed out :

(a) During the year under review, the office stock cards had been adjusted to the figures obtained at the physical verification carried out at December 31, 1966, but the reasons for the differences had not been investigated.

(b) There had been a number of items of slow-moving stock.

(c) Consumable stores issued to the different divisions had been charged to expenditure. The auditor had suggested that consumable articles in stock in these Divisions at the end of the year should be valued and brought to account.

8. Library & Publications—Rs 143,000

This represented the expenditure incurred during the year on the library and the various publications printed in connection with the Tea Centenary Exhibition.

According to the auditor, a number of copies of the various publications remained in stock.

9. Internal Audit

The auditor had pointed out that officers of the Internal Audit Unit were called upon to act for other staff on leave and that the extent of work covered by Internal Audit was inadequate. He had suggested that the scope of audit be widened.

(Signed) D. R. SETTINAYAKE
for Auditor General

The Tea Research Institute of Ceylon

Talawakele.
6th May 1969

The Auditor General,
Audit Office,
Colombo 7.

Dear Sir,

Audit Report and Accounts for the year ended December 31st, 1967

With reference to your letter No. T/410/7 dated 5th April 1969, I give below the comments of the Board on your observations in regard to paragraphs 2, 6, 7, 8 and 9 of your letter of 5.4.69.

(a) 2. Outcome of Accounts

(i) *Difference in Exchange Rs 6,744.11*

This difference in Exchange arose consequent to the devaluation of the Ceylon rupee in November 1967. This amount has been adjusted with the surplus account.

(ii) *Loans on sale of Assets Rs 6,256.10*

This arose from the sale of old pistons and liners in early 1967. These items were in General Stock. This loss has been adjusted with the surplus account, as it does not relate to a transaction in the year under review.

(iii) *Subscriptions for publications received in advance Rs 456 and Rs 377.47*

Greater care is now exercised in this connection. Subscriptions for publications received in advance will be credited to the appropriate years, in future.

(iv) *Sale of Gemming Rights Rs 27,711*

This relates to the lease of gemming rights at St Joachim Estate for two years commencing February 1967, the lease terminated in November 1968 and the proceeds will be apportioned to the appropriate years.

(v) *Revenue Expenditure Capitalised Rs 16,000*

These relate to items capitalised, as they have a long, effective period of usage.

(vi) *Stocks omitted Rs 5,400*

These items would be brought into stock from 1968.

(vii) *Expenditure overstated Rs 25,636.38*

Of this amount, Rs 10,900 represents scholarship expenses overpaid to 2 officers, which sum is being recovered from these officers in 1968.

(viii) Tea Cess

The Principal Collector of Customs now furnishes details of exports in the monthly cess voucher.

(b) 6. Fixed Assets

- (i) Please see comments under 2 (v)
- (ii) This matter is under consideration by the Board.
- (iii) This land was formally vested with the Institute in July 1967. It would be reflected in the property account in 1968.
- (iv) *Leasehold land*

The value of buildings at Passara will be written off over the rest of the lease period.

(c) 7. Stocks Rs 567,773

- (i) The reasons for the differences, are being investigated, from 1968.
- (ii) To dispose of these items tenders were called and awarded to the highest bidder. However tenderers declined to pay and collect the goods. Action is now been taken to dispose of these items.
- (iii) A divisional stock taking will be carried out at the end of the year, commencing December 1969.

(d) 8. Library and Publications Rs 143,000

Action has since been taken to dispose of surplus stocks, by advertisement in the press.

(e) 9. Internal Audit

- (i) The scope of the Internal Audit is now considerably widened and they function directly under the Director. Arrangements are been made to strengthen the Internal Audit.

Yours faithfully,

(Signed) S. PATHMANATHAN

Chairman

Board of the Tea Research Institute of Ceylon

Schedule 2 (a)

TEA RESEARCH INSTITUTE OF CEYLON

ST COOMBS ESTATE WORKING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1967

1966 Rs	Rs	Rs	Rs	1966 Rs	Rs	lbs	Rs
		ESTATE EXPENDITURE ...				TEA SALES GROSS PROCEEDS	
	215,341	General Charges	198,007	1,044,642	Colombo	429,375	1,005,229
	128,119	Field Works and Cultivation	150,018	5,536	Local B.O.P.	1,968	4,301
735,477	392,017	Production	487,667	9,890	Local B.M.	16,671	9,984
					Local B.P.	587	241
17,160		Colombo Brokerage and Handling charges	15,866	1,334	Technology Division	376	746
142,775		Ad Valorem Sales Tax	118,622		Gratis	8,750	
189,302		Balance to Income and Expenditure Account	90,401				
				1,061,402		457,727	1,020,222
				23,312	Sale of Clonal Cuttings		40,359
<u>1,084,714</u>							<u>1,060,581</u>
		Rs	<u>1,060,581</u>				Rs

Schedule 2 (b)

ST JOACHIM ESTATE WORKING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1967

1966 Rs	Rs	Rs	Rs	1966 Rs	Rs	lbs	Rs
		ESTATE EXPENDITURE				TEA SALES—GROSS PROCEEDS	
	151,544	General Charges	170,071	364,842	Colombo	272,907	459,445
	104,139	Field Work and Cultivation	90,312	309	Local B.O.P.	825	1,277
	185,075	Production	243,206	337	Local B.M.	3,889	1,558
478,165	37,407	Other Charges		1,517	Local Dust	1,552	712
				2,160	Gratis	29	
			503,589		Balance in Store (unsold)		
						279,202	462,992
		CHARGES					
	8,722	Colombo Brokerage and Handling charges	9,769	369,165			
9,777	1,055	Ad Valorem Sales Tax	11,068				
				6	Ground Rent		2
				120	Sale of Clonal Cuttings		563
				118,651	Balance to Income and Expenditure Account		60,869
<u>487,942</u>							<u>524,426</u>
		Rs	<u>524,426</u>				Rs

FIXED ASSETS SCHEDULE 1967

Head of Account	Cost as at 31.12.66	Additions 1967	Disposals	Cost as at 31.12.67		Accumulated Depreciation 31.12.66	Depreciation 1967	Accumulated Depreciation 1967	Written Down Value as at 31.12.67
St Coombs Estate Property	1,453,685.04	45,838.07	—	1,499,523.11		—	—	—	1,499,523.11
St Joachim Estate Property	946,089.94	60,662.61	—	1,006,752.55		—	—	—	1,006,752.55
Water Supply — St Coombs	255,889.25	9,661.80	—	265,551.05	10%	24,774.50	10%	25,588.93	215,187.62
Water Supply — St Joachim	159,286.30	9,781.96	—	169,068.26	10%	13,991.80	10%	15,928.63	139,147.83
Laboratories — St Coombs	557,338.84	304.00	—	557,642.84	4%	20,440.00	2%	11,146.78	31,586.78
Administrative Block — St Coombs	505,000.00	—	—	505,000.00	4%	20,200.00	2%	10,100.00	30,300.00
Laboratory & Office — St Joachim	288,045.09	—	—	288,045.09	4%	10,122.20	2%	5,760.90	15,883.10
Senior Staff Bungalows — St Coombs	2,347,212.65	1,633.60	—	2,348,846.25	4%	93,718.80	2%	46,944.25	140,663.05
Senior Staff Bungalows — St Joachim	122,411.11	16,510.88	—	138,921.99	4%	4,854.60	2%	2,448.22	7,302.82
Intermediate Staff Bungalows — St Coombs	721,214.72	—	—	721,214.72	4%	28,840.00	2%	14,424.29	43,264.29
Intermediate Staff Bungalows — St Joachim	212,093.65	—	—	212,093.65	4%	8,396.40	2%	4,241.87	12,638.27
Junior Staff Bungalows — St Coombs	1,899,345.87	370,533.20	—	2,269,879.07	4%	75,799.12	2%	37,986.92	113,786.04
Junior Staff Bungalows — St Joachim	494,780.00	52,085.91	—	546,865.91	4%	19,553.60	2%	9,895.60	29,449.20
Miscellaneous Buildings — St Coombs	1,023,683.23	144,919.52	—	1,168,602.75	4%	35,756.00	2%	20,473.66	56,229.66
Miscellaneous Buildings — St Joachim	89,158.13	98,581.93	—	187,740.06	4%	3,162.40	2%	1,783.16	4,945.56
Sundry Buildings — St Coombs Estate	940,126.47	1,818.33	—	941,944.80	4%	35,252.00	2%	18,802.53	54,054.53
Sundry Buildings (Old Estate Buildings)—St Joachim Estate	394,643.99	—	—	394,643.99	4%	14,141.28	2%	7,892.88	22,034.16
Norris Memorial Hall Club	42,263.33	—	—	42,263.33	4%	1,680.00	2%	845.26	2,525.26
Factory — St Coombs	538,699.49	75.00	—	538,774.49	4%	17,280.00	2%	10,773.99	28,053.99
Factory — St Joachim	1,276,825.77	16,628.58	—	1,293,454.35	4%	49,055.20	2%	25,536.52	74,591.72
MID-COUNTRY STATION									
Laboratory & Office Buildings	35,524.26	932.17	—	36,456.43	4%	1,384.00	2%	710.49	2,094.49
Junior Staff Bungalows	110,000.00	63,375.10	—	173,375.10	4%	4,400.00	2%	2,200.00	6,600.00
Miscellaneous Buildings	33,995.08	27,938.46	—	61,933.54	4%	1,320.00	2%	679.90	1,999.90
Furniture	33,740.26	2,979.96	—	36,720.22	10%	2,112.80	10%	3,374.03	5,486.83
Office Equipment	10,157.50	1,940.50	—	12,098.00	10%	562.00	10%	1,015.75	1,577.75
Laboratory Equipment & Machinery	38,797.80	—	—	38,797.80	10%	2,498.00	10%	3,879.78	6,377.78
Water Supply	5,537.12	1,619.81	—	7,156.93	10%	—	10%	553.71	6,603.22
Electrical Installation	—	10,274.72	—	10,274.72	10%	—	10%	—	10,274.72
Property Account—Development	—	34,236.54	—	34,236.54	—	—	—	—	34,236.54
UVA STATION									
Laboratory & Office Buildings	41,000.00	—	—	41,000.00	4%	1,640.00	2%	820.00	2,460.00
Intermediate Staff Bungalows	60,000.00	—	—	60,000.00	4%	2,400.00	2%	1,200.00	3,600.00
Junior Staff Bungalows	55,719.00	—	—	55,719.00	4%	2,000.00	2%	1,114.38	3,114.38
Furniture	19,579.00	1,295.50	—	20,874.50	10%	1,676.40	10%	1,957.90	3,634.30
Office Equipment	4,670.00	1,931.25	—	6,601.25	10%	415.00	10%	467.00	882.00
Laboratory Equipment & Machinery	18,841.44	—	—	18,841.44	10%	300.00	10%	1,884.14	2,184.14
Vehicles	6,750.00	—	—	6,750.00	25%	1,687.50	25%	1,687.50	3,375.00
Water Supply	—	5,040.30	—	5,040.30	10%	—	—	—	5,040.30
Water Supply—Agratenne	—	7,553.18	—	7,553.18	10%	—	—	—	7,553.18
Property Account — (Development) Agratenne	—	74,362.10	—	74,362.10	—	—	—	—	74,362.10
KOTTAWA SUBSTATION									
Laboratory & Office Buildings	14,000.00	—	—	14,000.00	4%	560.00	2%	280.00	840.00
Junior Staff Bungalows	40,000.00	33,811.57	—	73,811.57	4%	1,600.00	2%	800.00	2,400.00
Miscellaneous Buildings	63,402.00	27,192.68	—	90,594.68	4%	2,536.08	2%	1,268.04	3,804.12
Water Supply	2,200.00	11,815.00	—	14,015.00	10%	220.00	10%	220.00	13,575.00
Furniture	11,843.50	2,048.50	—	13,892.00	10%	699.50	10%	1,184.35	1,883.85
Office Equipment	635.00	—	—	635.00	10%	63.50	10%	63.50	127.00
Laboratory Equipment & Machinery	2,995.00	—	—	2,995.00	10%	299.50	10%	299.50	599.00
Property Account	—	31,519.89	—	31,519.89	—	—	—	—	31,519.89
Furniture — St Coombs	632,313.22	29,526.60	—	661,839.82	10%	54,370.40	10%	63,231.32	117,601.72
Furniture — St Joachim	154,661.52	19,917.38	—	174,578.90	10%	11,663.70	10%	15,466.15	27,129.85
Electrical Installation — St Coombs	—	2,624.74	—	2,624.74	10%	—	—	—	2,624.74
Telephones — St Coombs	—	2,655.00	—	2,655.00	10%	—	—	—	2,655.00
Fixtures—Electricity — St Joachim	160,996.70	11,975.00	—	172,971.70	10%	16,099.67	10%	16,099.67	32,199.34
Fixtures—Telephones — St Joachim	8,845.30	—	—	8,845.30	10%	884.30	10%	884.30	1,768.60
Office Equipment — St Coombs	98,413.74	9,920.87	—	108,334.61	10%	8,148.20	10%	9,841.37	17,989.57
Office Equipment — St Joachim	17,900.50	2,937.25	—	20,837.75	10%	1,433.30	10%	1,790.05	17,614.40
Laboratory Equipment & Sundry Machinery — St Coombs	772,377.76	186,234.39	—	958,612.15	10%	63,540.90	10%	77,237.76	140,778.66
Laboratory Equipment & Sundry Machinery — St Joachim	353,620.15	53,105.00	—	406,725.15	10%	15,307.90	10%	35,362.01	50,669.91
Factory Machinery — St Coombs	182,969.00	3,761.88	—	186,730.88	10%	18,296.90	10%	18,296.90	36,593.80
Furniture—Estate	26,490.00	130.00	—	26,620.00	10%	2,649.00	10%	2,649.00	5,298.00
Office Equipment — St Coombs (Estate)	3,860.00	—	—	3,860.00	10%	386.00	10%	386.00	772.00
Factory Machinery — St Joachim Estate	725,307.00	11,255.42	—	736,562.42	10%	72,530.70	10%	72,530.70	145,061.40
Furniture — St Joachim Estate	28,341.00	271.30	—	28,612.30	10%	2,834.10	10%	2,834.10	5,668.20
Office Equipment — St Joachim	5,274.49	—	—	5,274.49	10%	342.00	—	527.44	869.44
Factory—Electrification — St Joachim Estate	94,305.00	—	—	94,305.00	10%	9,430.50	10%	9,430.50	18,861.00
Vehicles—St Joachim Estate	15,240.00	—	—	15,240.00	25%	3,810.00	25%	3,810.00	7,620.00
Vehicles—St Coombs	340,613.76	98,765.98	37,500.00	401,879.74	25%	67,277.75	25%	75,778.44	133,681.19*
Vehicles—St Joachim	46,097.49	41,707.94	—	87,805.43	25%	6,286.81	25%	11,524.37	17,811.18
	18,544,806.46	1,643,691.37	37,500.00	20,150,997.83		860,684.31		713,914.44	1,565,223.75
									18,585,774.08

Less : Value of Vehicles disposed

Rs

1,608,191.37

*Vehicles — St Coombs

Depreciation—Accumulated
Less : Depreciation written off on sale
of vehicles

143,056.19

9,375.00

Rs

133,681.19