

Thurusaviya Fund

Ministry of Finance



Annual Report - 2020

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Vision

Making the Local Rubber Industry
the number one
Foreign Exchange Earner
of Sri Lanka

Mission

Taking actions to uplift the economic conditions of the rubber smallholders
and thereby, strengthening the entire local rubber industry and
contributing them to the development of the country,
through enhancing the productivity and improving the quality of
the rubber industry

Core Values of Thurusaviya Fund

Contentment

Integration

Safety

Employee Satisfaction

Quality

Corporate Information

Name of the Institution-Thurusaviya Fund

Legal Status

It is an institution fully owned by the Government of the Democratic Socialist Republic of Sri Lanka.

Ministry -Ministry of Finance

Registered Office- Thurusaviya Fund,
 No.39,
 Sri Subhuthipura,
 Battaramulla.

Telephones - Chairman 011-2863937
 - Director 011-2863936
 - General 011-2863786
 - Fax 011-2863786
 - E-mail thurusaviya2000@gmail.com
 - Web Site <http://thurusaviya.gov.lk>

Message of the Chairman

It gives me great pleasure to inform you that the Thurusaviya Fund was able to achieve a major milestone in its annual targeted development activities in the year 2020 in line with the new government policy statement “Vistas of Prosperity and Splendour for a reconstructed country” and the objectives of the Thurusaviya Fund. My staff was reaching out to this triumph, successfully overcoming the challenges of COVID -19 global pandemic prevailed in the last year. I wish to inform you that my staff has always been committed to take care of rubber smallholder seven amidst this global pandemic situation.

I wish to inform you that we were able to reach towards the above achievements by identifying the problems of rubber smallholders scattered throughout the island and providing effective and efficient solutions for them. In addition, the Thurusaviya Fund had launched a number of development projects in the year 2020 to uplift the economic and social living standard of rubber smallholders.

I take this opportunity to express my gratitude to the Hon. Prime Minister and Minister of Finance of the Democratic Socialist Republic of Sri Lanka, Mahinda Rajapaksa and to all the staff including the Secretary to the Ministry of Finance for guiding and encouraging me and my staff in all these endeavours.

Also, I wish to convey my heartfelt thanks to the Hon. Ramesh Pathirana, Minister of Plantation who monitors our institution directly and allocates financial provisions for special development projects, all the staff including the Secretary to the Ministry, Hon. Kanaka Herath, the State Minister of Plantation, all the staff including the Secretary to the State Ministry, all the officers of Rubber Development Department and Rubber Research Institute and Rubber Secretariat that are our sister institutions and all the officers of the Board of Management who strengthen me always and to all the officers including Chairman and Secretary of the Regional Thurusaviya Societies and the staff of the Thurusaviya Fund.

I wish the Thurusaviya Fund may have the strength and courage to go a long journey in implementing new development projects in line with the government policy statement “Vistas of Prosperity and Splendour” for the betterment of the rubber sector while safeguarding the rubber smallholders.



.....
Vijith Lokunarangoda
Chairman

Message of the Director

I am pleased to inform that actions were taken to encourage the rubber farmer through providing physical and financial resources to the rubber smallholders who are engaging in rubber cultivation for enhancement of their productions and productivity economically, socially and environmentally with a new facet in order to overcome the challenges for the betterment of the plantation sector with a new facet more than the past years.

As well, actions have been taken to improve productivity, profitability and sustainability economically, socially and environmentally through formulating necessary courses of action for a high growth in the rubber sector. The objective of the Thurusaviya Fund is to achieve the expectations of the rubber smallholders and render a great service to all the people who are engaging in the rubber cultivation. Accordingly, this institution is not maintained with the purpose of making profits and it is correct to say that the institution is making every effort to uplift socio- economic conditions of the rubber smallholders through enhancing their productions and productivity. I am of the confidence that it will be able to enhance the productivity, reach towards the proposed targets for ensuing years and achieve a new development progress in the plantation sector through initiating special programmes such as “Assistant Tapper Training Programme” for the betterment of the rubber plantation during this year.

As well, I take this opportunity to convey my gratitude for the support extended by all of the Rubber Development Department and the Rubber Research Institute that are our sister institutions dedicated to make rubber smallholders a group of scientific farmers through the extension services imparting the technical and scientific knowledge for a sustainable development and to strengthen the lives of the rubber smallholders who devote their energy for the rubber cultivation making every efforts to boost the local economy and the Hon. Minister of Plantation and the staff including the Secretary who provide guidance and strength for the betterment of our institution and I wish the Thurusaviya Fund to be a strength for all Sri Lankan rubber land owners.



.....
Dr. Kanchana de Silva Attorney-at-Law
Director

Corporate Functions of the Thurusaviya Fund

Thurusaviya Fund is a corporation which was established under the Thurusaviya Fund Act No. 23 of 2000 by Parliament of the Democratic Socialist Republic of Sri Lanka. It is situated at No.39, Sri Subhuthipura, Battaramulla.

Rubber smallholders contribute to a large amount that is; about 68% of the foreign exchange earnings from the rubber industry of Sri Lanka. There is a tendency of rapid increase in the demand for natural rubber in the local market as well as the global market.

Strengthening of the rubber smallholders at national level through improvement in the quality of their products and expansion of the market is undertaken by the Thurusaviya Fund. The primary Thurusaviya Societies have been established through mobilization of the rubber smallholders scattered at rural level in Kalutara, Kegalle, Kurunegala, Matale, Kandy, Ratnapura, Galle, Matara, Hambantota, Colombo, Gampaha, Moneragala, Badulla and Ampara districts and representing those primary Thurusaviya Societies, 05 Regional Thurusaviya Societies (District organizations) have been established for the districts such as Kalutara, Kegalle, Ratnapura, Galle and Colombo. The Sri Lanka Rubber Smallholders Development Society Forum has been established representing Regional Thurusaviya Societies.

Objectives of the Thurusaviya Fund, in line with the Thurusaviya Fund Act

- (a) To inculcate in rubber smallholders, the habit of savings and uplift their social status and economic conditions.
- (b) Promotion of investment opportunities important in the rubber industry.
- (c) Acquisition, improvement or establishment of rubber processing units, rubber factories and other facilities required to convert the yield of rubber smallholdings into products.
- (d) To promote and enhance sales of the rubber products processed in such rubber processing units or factories.
- (e) Registration & regularization of Rubber Smallholders Development Societies (Thurusaviya Societies) and providing assistance to the society members who have registered with the Fund.
- (f) Taking measures that would be required for the uplifting and benefit of those who engage in rubber production activities in rubber smallholdings.

Strategic development objectives of the Thurusaviya Fund

01. Providing high quality products.
02. Sustainable development through the environment conservation.
03. Fixing a price for products of the rubber smallholders.
04. Improving socio-economic conditions and uplifting living standards of the rubber smallholders.

Board of Management of the Thurusaviya Fund - 2020

Mr. Vijith Lokunarangoda	Chairman, Thurusaviya Fund
Mr. J.M. Mangalatissa	Member - (Director General, Rubber Development Department)
Mrs. H.A.D. Rukshani	Observer - (Deputy Director - Ministry of Finance)
Mr. Mahinda Vidanapathirana	Member - (Chairman, Tea Smallholdings Development Authority)
Mr. G.D.T.S. Perera	Member - (Chief Accountant, Ministry of Plantation)
Mr. D .D .K. Chandrakeerthi	Member - (Chairman, Sri Lanka Federation of Rubber Smallholder Society)
Mr. Rohana Galabada	Member - (Chairman, Regional Thurusaviya Society, Kalutara)
Mr. Piyasena Mahaarachchi	Member - (Chairman, Regional Thurusaviya Society, Galle)
Mr. B.A. Sampath Premaratne	Member - (Chairman, Regional Thurusaviya Society, Kegalle)
Mr. Dinesh Mahinda	Member - (Chairman, Regional Thurusaviya Society, Ratnapura)
Mrs. J. D. S. Wickramaratne	Member - (Chairman, Regional Thurusaviya Society, Colombo)

Audit and Management Committee of Thurusaviya Fund - 2020

Mr. J.M. Mangalatissa	Director General (Rubber Development Department)
Mrs. H.A.D. Rukshani	Deputy Director (Ministry of Finance)
Mr. G.D.T.S. Perera	Chief Accountant (Ministry of Plantation)
Mr. B.A. Sampath Premaratne	Chairman (Regional Thurusaviya Society, Kegalle)
Mrs. K. D. Nilani Jayasiri	Superintendent of Audit (Auditor General's Department)

Thurusaviya Fund - Staff

Chairman	Mr. Vijith Lokunarangoda
Director	Dr. Kanchana de Silva Attorney-at-Law
Accountant	Mr. J.G.G.V. Bandara
Administrative Officer	Mrs.Samanmalee Matarage
Promotion Officer	Mr. Dilan Tharanga Gunawardana
Management Assistant (Technical)	Mr. A.V. B.J. Gunaratne
Management Assistant (Non-Technical)	Mrs. R. Dehipitiya
	Mrs. L.A.P. Chandrika
	Mrs. I.H.D.I. Madushani
	Mrs. I.K. Munasinghe
	Mr. G.K.S. Kumara
	Miss. Malshani Senaviratne
	Mrs. S.V.T. Priyangika
	Miss. L.P. Thathsarani
	Miss. D.M.M. Kumarihamy
	Mrs. N.D. Rajapaksha
	Mr. K.A. Chathuranga
	Mrs. K.W.M.C. Priyadarshani
	Mrs. R.M.A. Rathnayake
	Mr. W.R.S.W. Bandara
	Mr. W.S.G. Jayawardena
	Mrs. G.P.J.N. Senanayake
	Mr. K.K. N. Sandaruwan (Development Officer, Ministry of Plantation)
	Mr. D.D. Jayasooriya (Development Officer, Ministry of Plantation)
Drivers	Mr. U. Lal Priyantha
	Mr. Shiwantha Udayanga
Office Assistant	Mr. Prasanna Samarathunga
	Mr. Dhammika Wijesiri

Functions of the Head Office of the Thurusaviya Fund

- ❖ Execution of the powers vested under the Thurusaviya Fund Act No.23 of 2000.
- ❖ Mobilization of the rubber smallholders scattered at grass root level, making them aware and establishment of Thurusaviya Societies.
- ❖ Registration of the Thurusaviya Societies with the Thurusaviya Fund.
- ❖ Providing services to the members of the Thurusaviya Societies established for the betterment of the rubber smallholders.
- ❖ Providing technical know-how for production of high quality rubber products.
- ❖ Making rubber smallholders aware of the socio-economic values of a society with well management.
- ❖ Introducing and implementing loan schemes for rubber smallholders.
- ❖ Finding immediate solutions to the proposals and issues received from the Ministry and other institutions for development of the rubber cultivation.
- ❖ Carrying out administrative and accounting activities.

Principal services rendered by the Regional Offices

Co-ordinating officers of the Thurusaviya Fund employed for official duties of the districts supervise the regional level Thurusaviya Societies in each district and following services are rendered by them.

- ❖ Forwarding monthly future programmes to the Head Office and obtaining approval for the same, submission of the revised programmes, if any revision is made to the monthly future programmes and the reports of works done at the end of the month to the Head Office and review of the same, seeking instructions for the required assignments on the works to be done in next month and taking actions accordingly.
- ❖ Participating in General Meetings held once in 03 months.
- ❖ Forwarding the supervisory reports of the Thurusaviya Societies to the Head Office
- ❖ Establishment of new Thurusaviya Societies at rural level.
- ❖ Making necessary arrangements to reactivate the defunct Thurusaviya Societies.
- ❖ Referring the farmer problems to the Head Office and finding solutions for the same.
- ❖ Holding elections.
- ❖ Introducing loan schemes and making rubber smallholders aware of the same.
- ❖ Making necessary arrangements to construct Group Processing Centres at district level and regional level.
- ❖ Creating a market for Group Processing Centres.

Rubber Cultivation expanded Districts



Progress Review of the Thurusaviya Fund

Expansion of Thurusaviya Societies upto the year 2020

Serial No.	District	Total number of Societies
01	Kalutara	199
02	Colombo	21
03	Gampaha	19
04	Ratnapura	106
05	Galle	47
06	Matara	21
07	Hambantota	04
08	Kegalle	213
09	Kandy	13
10	Matale	01
11	Kurunegala	11
12	Moneragala	122
13	Ampara	35
14	Badulla	04
	Total	816

Activities carried out for strengthening and re-organization of Thurusaviya Societies

- Establishment of General Meetings, Society Meetings, District Organizations and All-Island Organization.
- Providing financial assistance for establishment of rubber sheet purchasing centres.
- Co-ordination of rubber purchasing private institutions.
- Implementation of the loan scheme in collaboration with the Bank of Ceylon.

The amount of loan obtained during the year 2020

No. of Members	Amount of loans provided to the members
4	Rs.925,000.00

Training Programme for New Assistant Rubber Tappers (2020)

District	Venue
Kegalle	District Advisory Office
Ratnapura	Sanasa Auditorium, Godakawela
Moneragala	Rubber Research Institute, Kumbukkana
Agalawatta	Rubber Research Institute, Nivithigala Kale

Financial Provisions	-	Ministry of Plantation
Organizing and Conducting	-	Thurusaviya Fund
Resource Personnel	-	Rubber Research Institute of Sri Lanka, Advisory Services Department
Amount received	-	Rs.4,964,852.22
Amount utilized	-	Rs.3,226,292.33
(As at 31.12.2020)		

- ◆ *It had been planned to conduct 07 training programmes for which the financial target was Rs.7.5 million. However, only 04 programmes could be completed as planned due to the unexpected COVID-19 pandemic.*

Projects implemented in the year 2020

1. Projects implemented under the Annual Action Plan

❖ Distribution of Smooth Rollers, Diamond Rollers and Alluminium Trays on subsidy basis

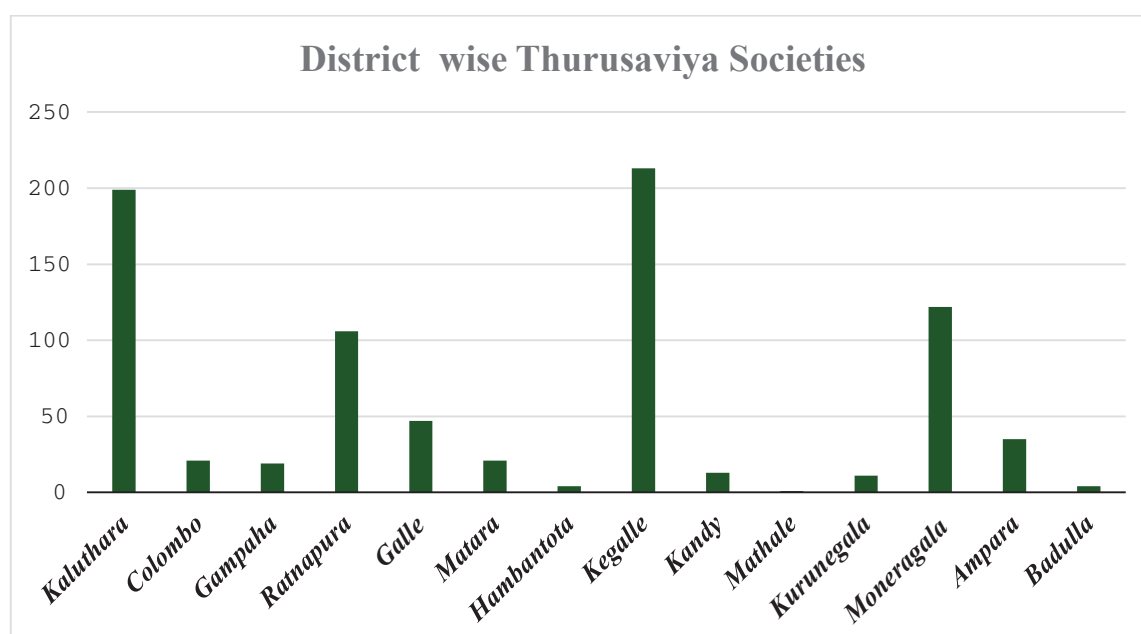
Pairs of Rollers	-	88
Natural Rubber Boots	-	1600
Head Torch	-	1600

❖ Conducting Training Programmes

Programmes	-	34
No. of society members presently made aware	-	1618

❖ Construction of new technological one day drying chambers and traditional Smoke Houses

Smoke Houses	-	70
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Functions of the Thurusaviya Fund

Overall Corporate Responsibility

The aspiration of our institution is to make contribution to the national economy while building a self-sufficient civil society through uplifting the living standard of millions of people who engage in the rubber plantation and developing their infrastructure. With the purpose of providing more efficient service to the rubber smallholders for development of the rubber cultivation, Co-ordinating Officers were appointed and operating activities are carried out, establishing the following Regional Offices at district level.

Our career in brief

- Conducting Assistant Tapper Training programmes and strengthening rubber farmers.
- Conducting training programmes on rubber cultivation, tapping and scientific application of fertilizer.
- Conducting training programmes on production of R.S.S. No. 01 rubber sheets, for rubber smallholders.
- Conducting training programmes on fixing of rain guards.
- Distribution of Resources- Distribution of Smooth Rollers, Diamond Rollers, Natural Rubber Boots and Head Torch on subsidy basis to the farmers.

Ministry of Finance

Progress Review of the Thurusaviya Fund in the year 2020

Name of the Agency - Thurusaviya Fund

No.	Project	Value of the Estimate Rs. Mn.	Financial Targets Rs. Mn.	Financial Progress Rs. Mn.	Physical Targets	Physical Progress
01	<u>Distribution of resources</u>					
	1.Subsidies for Pairs of Rollers	3.030	3.03	3.146	88 (Pairs of Rollers) 100%	88 (Pairs of Rollers) 100%
	2.Gum Boots/ Head Torch	3.300	3.300	3.435	1600 100%	1600 100%
02	<u>Establishment and Strengthening of Societies</u>					
	1.Taking necessary actions to strengthen and activate the established Thurusaviya societies and establishment of new societies upon the requirement	0.670	0.670	0.681	Societies 795 100%	Societies 583 75%
	2.Conducting awareness and training programmes at district level	0.520	0.520	0.528	37 Training programmes 100%	37 Training programmes 100%
03	<u>Other</u>					
	1.Office furniture, Computer and other	0.110	0.110	0.10094	100%	100%
	2.Conducting training programmes for employee motivation	0.275	0.275	0.285	100%	100%
	3.Allocation to pay for Pairs of Rollers for the last year	4.200	4.2	4.265	100%	100%
	4. Construction of Group Processing Centres	0.250	0.250	0.240	100%	100%

Special Projects implemented in the year 2020 (As at 31.12.2020)

	Project	Value of the Estimate Rs. Mn.	Financial Targets Rs. Mn.	Financial Progress Rs. Mn.	Physical Targets	Physical Progress
01	1.Distribution of new technological one day drying chambers among rubber smallholders (Note 01)	15.159	15.159	10.701	107	70
	2.Assistant Tapper Training programmes(Note 02)	7.500	7.500	4.965	Project Beneficiaries 380	Project Beneficiaries 159

◆ **Note**

01. The financial provisions that had been received for the project for distribution of new technological one-day drying chambers among rubber smallholders was only Rs.10.705 million of which Rs.10.701 million has been paid. As well, payments have been made to the beneficiary societies during this year for 22 smoke houses constructed in the year 2019.

02. The progress could not be achieved as planned due to the COVID-19 pandemic situation.

At present, all the payments have been made from the provisions of Rs.4.965 million received for the Assistant Tapper Training programme. (Due to the unexpected COVID-19 pandemic situation, only 4 programmes could be conducted. Other 03 programmes which could not be completed are to be conducted under the Action Plan of the Thurusaviya Fund during the year 2021.

Allocations - 2020				Expenditure(Cumulative Expenditure) 31.12.2020				
Capital	Recurrent		Total Allocation Rs. Mn.	Capital		Recurrent		Total Expenditure
	DF Rs. Mn.	GF		Financial Targets Rs. Mn.	Financial Progress(DF) Rs. Mn.	Financial Progress (DF) Rs. Mn.	GF	
12.355	-	30.025	42.38	12.355	12.671	30.025	-	38.885

DF - Domestic Fund GF - Generated Fund

**Conducting Training Programmes and
Distribution of Resources to
Thurusaviya Society Members 2020**

Conducting Training Programmes and Distribution of Resources to Thurusaviya Society Members -2020

Serial No.	District	Date	Venue	Training Programme	No. of Members
01	Moneragala	12/3	Community Hall, Karandagama	Training programme on rubber cultivation, rubber tapping and scientific fertilization	51
02	Kegalle	3/31	Panagama Temple	Training programme on rubber cultivation, rubber tapping and scientific fertilization and fixing of rain guards	58
03	Kegalle	13/3	Residence of the Secretary of Thurusaviya Society, Arandara	Training programme on production of R.S.S. No.01 rubber sheets	62
04	Ratnapura	06/07	Community Hall, Madunkotuwa/ West	Training programme on production of sealant gum mixture and fixing of rain guards	72
05	Ratnapura	07/07	Community Hall, Hewainna	Training programme on production of sealant gum mixture and fixing of rain guards	54
06	Ratnapura	29/07	Residence of the Secretary of SamagiThurusaviya Society, Nadurana	Training programme on mushroom cultivation	36
07	Kegalle	28/07	Pukunuwala Temple	Training programme on mushroom cultivation	35
08	Matara	24/07	Urumuththa Temple	Training programme on production of R.S.S. No.01 rubber sheets	36
09	Kegalle	24/07	In association with the Smoke House of Mr. KehelpanallaThith Kumara	Training programme on production of R.S.S. No.01 rubber sheets	60

Serial No.	District	Date	Venue	Training Programme	No. of Members
10	Kalutara	29/07	Hadigalla Vipulasiri Temple	Training programme on rubber cultivation, rubber tapping and scientific fertilization	28
11	Moneragala	28/07	Community Hall, Therappahuwa	Training programme on rubber cultivation, rubber tapping and scientific fertilization	54
12	Kegalle	28/07	Salawa Rajamaha Viharaya	Training programme on production of R.S.S. No.01 rubber sheets	53
13	Kegalle	04/08	Thalgahadeniya Society Community Hall	Training programme on production of R.S.S. No.01 rubber sheets	41
14	Kegalle	28/07	Abidigala Society Hall	Training programme on production of R.S.S. No.01 rubber sheets	63
15	Kegalle	31/07	In association with the Warallahena Smoke House	Training programme on production of R.S.S. No.01 rubber sheets	61
16	Kalutara	10/08	Residence of the Chairman of Batahena Thurusaviya Society	Training programme on production of R.S.S. No.01 rubber sheets	44
17	Matara	14/08	Deepawita Society Hall	Training programme on production of R.S.S. No.01 rubber sheets	36
18	Galle	25/08	Residence of the member of Sandun Thurusaviya Society, Bandaranayakapura	Training programme on production of R.S.S. No.01 rubber sheets	26
19	Kegalle	27/08	Polgaswatta Temple	Training programme on rubber cultivation, rubber tapping and scientific fertilization	47

Serial No.	District	Date	Venue	Training Programme	No. of Members
20	Ratnapura	31/08	Siri Sumedha Kokkovita Community Hall	Training programme on mushroom cultivation	38
21	Kegalle	28/08	In association with the Smoke House of the member of Nivunhalla Thurusaviya Society	Training programme on production of R.S.S. No.01 rubber sheets	61
22	Kegalle	31/08	In association with the Smoke House of the member of Dikella Thurusaviya Society	Training programme on rubber cultivation, rubber tapping and scientific fertilization	59
23	Moneragala	03/09	Community Hall, Meegahayaya	Training programme on mushroom cultivation	38
24	Ratnapura	31/08	Panawala Temple	Training programme on rubber cultivation, rubber tapping and scientific fertilization and fixing of rain guards	41
25	Ratnapura	03/09	Mahindarama Temple	Training programme on rubber cultivation, rubber tapping and scientific fertilization and fixing of rain guards	67
26	Kegalle	28/08	Galbokka Temple	Training programme on production of R.S.S. No.01 rubber sheets	60
27	Hambantota	28/08	At Weerakatiya Thurusaviya Society	Training programme on Bee-Keeping	25
28	Kegalle	02/09	Sri Mahinda Society Hall, Palamure	Training programme on production of R.S.S. No.01 rubber sheets	49
29	Kurunegala	31/08	Wadawa Temple	Training programme on production of R.S.S. No.01 rubber sheets	58

Serial No.	District	Date	Venue	Training Programme	No. of Members
30	Kegalle	18/09	In association with the Smoke House of Mr. Jayathilake of Malawita Thurusaviya Society	Training programme on production of R.S.S. No.01 rubber sheets	59
31	Hambantota	22/9	Residence of the member of Weerakatiya Thurusaviya Society	Training programme on mushroom cultivation	18
32	Hambantota	24/9	Community Hall, Walipitiya	Training programme on mushroom cultivation	15
33	Ratnapura	12/09	Panawala Temple	Training programme on production of R.S.S. No.01 rubber sheets and construction of new technological Smoke Houses	62
34	Ratnapura	21/12	Advisory Services Department, Kiriella	Training programme on following up the rubber cultivation and rubber tapping	51

Distribution of Resources through Thurusaviya Societies

Rubber rollers have been distributed under this programme for the purpose of producing high quality rubber sheets. The said manual rubber rollers produced in line with the recommended standards of the Rubber Research Institute could be installed by consuming a very small space in any place. The small scale farmers could obtain great service through these traditional couple of rollers, and 88 couples of rollers, 1600 natural rubber boots and 1,600 head torches have been distributed among the Thurusaviya Societies in the year 2020.

Thurusaviya Fund

Statement of Final Accounts- 2020

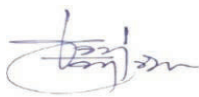
Statement of Financial Position as at 31.12.2020

<u>Assets</u>	Note	2020 (Rs.)	2019(Rs.)
<u>Non –Current Assets</u>			
Property, Plant & Equipment	1	2,440,763.89	2,801,241.30
		<u>2,440,763.89</u>	<u>2,801,241.30</u>
<u>Current Assets</u>			
Cash &Cash Equivalents	2	16,267,181.18	9,701,721.29
Trade & Other Receivables	3	2,320,845.88	2,061,576.49
Inventory	Schedule-1	2,386,983.21	642,768.80
Accrued Income	4	-	9,415,820.62
		20,975,010.27	21,821,887.20
Total Assets		<u>23,415,774.15</u>	<u>24,623,128.49</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accrued Expenses	5	288,228.00	8,263,913.38
Salaries over paid		-	72,000.00
For welfare of the staff		(2,500.00)	-
Provisions for Audit Fees		1,425,000.00	725,000.00
		1,710,728.00	9,060,913.38
<u>Non –Current Liabilities</u>			
Provisions for Gratuity	Schedule-2	9,087,342.68	6,773,651.31
Total Liability		10,798,070.68	15,834,564.69
Total Net Assets		<u>12,617,703.47</u>	<u>8,788,563.80</u>
<u>Net Assets /Equity</u>			
CESS Fund		27,000,000.00	27,000,000.00
Thurusaviya Fund		(15,650,314.53)	(19,474,854.20)
Member Fees		1,268,018.00	1,263,418.00
Net Assets/Equity		<u>12,617,703.47</u>	<u>8,788,563.80</u>

The set of Financial Statements has been prepared in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS).



Accountant
J.G.G. Bandara

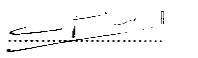


Director
Dr. S.W.R.K. Silva



Chairman
V. Lokunarangoda

The accounting policies and notes from page 6 to 14 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



Director
G.T.S. Perera
(Chief Accountant - Ministry of Plantation Industries)



Director
G.K.R. Priyankara
(Board Member)

Statement of Financial Performance for the year ended 31.12. 2020				
31.12. 2020				
	Note	2020 (Rs.)		2019 (Rs.)
<u>Income</u>				
Government Grants	6	38,156,250.00		46,561,250.00
Grants of Tapping Project		4,964,852.22		7,782,496.82
Grants of Smoke Houses Project		10,705,208.73		6,189,869.80
Other Income	7	744,543.60		1,154,235.73
Grants of Group Processing Centers Project				447,304.00
Total Income		<u>54,570,854.55</u>		<u>62,135,156.35</u>
<u>Operating Expenses</u>				
Wages, Salaries & Employee Benefits	8	19,769,494.83		17,776,020.12
Travelling Expenses	9	169,787.78		736,228.92
Supplies & Consumables used	10	8,743,564.57		6,759,548.21
Depreciation		425,654.51		238,667.87
Development Expenditure	11	7,548,120.22		19,816,265.18
Expenditure of Tapping Project		3,226,292.33		7,707,762.04
Subsidies of Smoke Houses Project		10,792,836.01		6,190,908.80
Expenditure for upgrading Group Processing Centers		240,127.00		128,454.40
Other Expenses	12	432,688.95		311,326.44
Total Expenses		51,348,566.20		59,665,181.99
Surplus/(deficit) for the Period		<u>3,222,288.35</u>		<u>2,469,974.36</u>

Thurusaviya Fund

Statement of Changes in Equity for the year ended 31.12. 2020

	Attributable to owners of the controlling entity					Total Net Assets / Equity Rs.
	Contributed Capital/ Fund Rs.	Other Grants & Reserves	Member Fee & Administration Fee Rs.	Revaluation Reserves	Accumulated Depreciation Surpluses/ Deficit Rs.	
Balance as at 31.12.2017	27,000,000.00	-	1,231,303.00	-	(19,976,336.40)	8,254,966.60
Opening balance adjustment	-	-	-	-	(1,269,874.73)	(1,269,874.73)
Net income of membership fees 2018	-	-	9,420.00	-	-	9,420.00
Surplus/(Deficit) for the year 2018	-	-	-	-	234,946.96	234,946.96
Balance as at 31.12.2018	27,000,000.00	-	1,240,723.00	-	(21,011,264.17)	7,229,458.83
Opening balance adjustment	-	-	22,695.00	-	-	22,695.00
Net income of membership fees 2019	-	-	-	-	2,469,974.36	2,469,974.36
Surplus/(Deficit) for the year 2019					(933,564.39)	(933,564.39)
Balance as at 01.01.2019	27,000,000.00	-	1,263,418.00	-	(19,474,854.20)	8,788,563.80
Net income of membership fees 2020	-	-	4,600.00			4,600.00
Surplus/(Deficit) for the year 2020	-	-	-		3,222,288.35	3,222,288.35
Prior period adjustments	-	-	-		602,251.32	602,251.32
Balance as at 31.12.2020	27,000,000.00	-	1,268,018.00	-	(15,650,314.53)	12,617,703.47

Thurusaviya Fund

Cash Flow Statement for the year ended 31.12. 2020

	2020 (Rs.)	2019 (Rs.)
Cash Flow from Operating Activities		
Surplus (Deficit) from ordinary activities	3,222,288.35	2,469,974.36
Prior period adjustments	602,251.32	(933,564.39)
Less:		
Interest Income	<u>(653,779.60)</u>	<u>(1,051,963.73)</u>
Net Cash Flow from Operating Activities	<u>3,170,760.07</u>	<u>484,446.24</u>
Non –Cash Movements		
Depreciation	426,417.32	238,667.86
Provisions for Gratuity	2,313,691.38	1,169,657.52
Trade and other receivables	(312,610.00)	(989,635.00)
Increase /Decrease in inventory	(1,744,214.31)	1,214,927.81
Increase /Decrease in payables	(7,350,185.38)	7,186,437.48
Accrued income	<u>9,415,820.62</u>	<u>(9,415,820.62)</u>
Net cash flow from operating activities	<u>5,919,679.70</u>	<u>(111,318.71)</u>
Net cash flow from investing activities		
Property, Plant & Equipment	(65,940.00)	(2,057,587.30)
Interests Received	<u>707,120.21</u>	<u>1,054,050.77</u>
Net cash flow from investing activities	<u>641,180.21</u>	<u>(1,003,536.53)</u>
Cash Flow from Financing Activities		
Membership fee contribution	<u>4,600.00</u>	<u>22,695.00</u>
Net cash flow from investing activities	<u>4,600.00</u>	<u>22,695.00</u>
Net increase /(Decrease) in cash and cash equivalents	6,565,459.91	(1,092,160.24)
Cash and Cash Equivalents at the Beginning of the period	<u>9,701,721.27</u>	<u>10,793,881.51</u>
Cash and cash equivalents at the end of the period	<u>16,267,181.18</u>	<u>9,701,721.27</u>

Budget and Performance as at 31.12.2020			
Revenue	Actual Rs.	Budgeted Rs.	Progress
Government Grant Capital	8,148,750.00	12,355,000.00	65.96%
Government Grant Recurrent	30,007,500.00	30,025,000.00	99.94%
Other Income	744,543.60	-	
Total Revenue	38,900,793.60	42,380,000.00	91.79%
Special Projects			
Grants of Tapping Project	4,964,852.22	7,500,000.00	66.20%
Grants of Smoke Houses Project	10,705,208.73	16,420,000.00	65.20%
Total Revenue	15,670,060.95	23,920,000.00	65.51%
Recurrent Eepenses			
Salaries, Wages & Employee Benefits	19,769,494.83	17,515,000.00	112.87%
Travelling Expenses	169,787.78	520,000.00	32.65%
Supplies & Consumables	8,743,564.57	11,990,000.00	72.92%
Other Expenses	147,688.95	-	0.00%
Depreciation	425,654.51	-	0.00%
Total Recurrent Expenditure	29,256,190.64	30,025,000.00	97.44%
Capital Expenditure			
Acquisition of Capital Assets	32,940.00	110,000.00	29.95%
Development Expenditure	7,788,247.22	11,970,000.00	65.06%
Building Capacity	285,000.00	275,000.00	103.64%
Total Capital Expenditure	8,106,187.22	12,355,000.00	65.61%
Special Projects			
Grants of Tapping Project	3,226,292.33	7,500,000.00	43.02%
Smoke Houses Project	10,792,836.01	16,420,000.00	65.73%
Total Expenditure of Special Projects	14,019,128.34	23,920,000.00	58.61%
Total Expenditure			
Capital	8,106,187.22	12,355,000.00	65.61%
Recurrent	29,256,190.64	30,025,000.00	97.44%
Special Projects	14,019,128.34	23,920,000.00	58.61%
Total	51,381,506.20	66,300,000.00	77.50%

1 Property, Plant and Equipment

1.1 Cost

Asset	Opening Balance Rs.	Additions during the Year Rs.	Disposals / Transfers	Balance as at 31.12.2020 Rs.
Computer Accessories	2,405,798.28	33,000.00	-	2,438,798.28
Computer Software	396,000.00	-	-	396,000.00
Office Equipment	1,349,566.00	32,940.00	-	1,382,506.00
Office Furniture	753,480.10	-	-	753,480.10
Machinery	392,702.18	-	-	392,702.18
Motor Vehicle	-	-	-	-
	5,297,546.56	65,940.00	-	5,363,486.56

1.2 Depreciation

Asset	Opening Balance Rs.	Additions during the Year Rs.	Disposals / Transfers	Balance as at 31.12.2020 Rs.
Computer Accessories	623,600.73	224,920.50	-	848,521.23
Computer Software	3,193.55	99,000.00	-	102,193.55
Office Equipment	906,538.77	55,574.09	-	962,112.86
Office Furniture	570,270.10	46,922.73	-	617,192.82
Machinery	392,702.18	-	-	392,702.18
Motor Vehicle	-	-	-	-
	2,496,305.32	426,417.32	-	2,922,722.64

	2020 (Rs.)	2019 (Rs.)
1.3 Net Book Value	2,440,763.90	2,801,241.30

	2020 (Rs.)	2019 (Rs.)
2 Cash &Cash Equivalents		
Bank Account No: 014100163254138	5,881,188.92	748,339.24
People's Bank Savings Account	1,184,899.24	440,550.74
Fixed Deposit	9,201,093.02	8,512,831.31
Petty Cash Book	-	-
Petty Cash of Tapping Project	-	-
	16,267,181.18	9,701,721.29
3 Trade & Other Receivables		
Advance on purchase of Rubber Sheet	490,472.26	490,472.26
Scale Loan	242,275.00	242,275.00
Diamond Roll Loan	93,362.50	93,362.50
	826,109.76	826,109.76
Advance on Stamps	5,000.00	1,730.00
Festival Advance	-	2,500.00
Deposits	6,500.00	6,500.00
Miscellaneous Advances (Other Advances)		-
Fuel Advance	25,000.00	25,000.00
Advance	1,041,840.00	30,000.00
Karawita Janapadaya Loan Scheme	300,000.00	500,000.00
Egal Oya Loan Scheme	-	500,000.00
Refundable Deposit	6,000.00	6,000.00
	1,384,340.00	1,071,730.00
	2,210,449.76	1,897,839.76
Write off	-	-
		-
Accrued Interest on Fixed Deposit	110,396.12	163,736.73
	110,396.12	163,736.73
Total Debtor Receivables	2,320,845.88	2,061,576.49
4 Accrued Income		
Grants of Smoke Houses Project	-	4,389,869.80
Grants of Tapping Project	-	474,496.82
Grants of Group Processing Centers Project	-	295,204.00
Accrued Capital	-	4,256,250.00
	-	9,415,820.62

	Accrued Expenses		
5	Accrued Training and Awareness Programmes	4,810.00	-
	Accrued Water	-	1,027.14
	Accrued Advances	8,314.74	-
	Accrued Other Expenses	30,522.00	4,577,540.00
	Accrued Establishment & Strengthening of Societies	58,480.00	-
	Accrued Travelling Expenses	4,025.00	18,205.00
	Accrued Security Expenses	90,256.50	91,965.84
	Accrued Subsidies of Smoke Houses Project	91,365.76	3,301,039.00
	Accrued Expenses of Tapping Project	454.00	272,886.00
	Accrued Expenses of upgrading Group Processing Centers	-	1,250.40
		288,228.00	8,263,913.38
	Government Grants		
6	Capital	8,148,750.00	21,561,250.00
	Recurrent	30,007,500.00	25,000,000.00
		38,156,250.00	46,561,250.00
	Other Income		
7	Other Income	70,580.00	72,833.00
	Contribution to purchase of Rubber Sheets	20,184.00	29,439.00
	Annual Interest on Fixed Deposits	634,921.10	1,025,576.07
	Annual Interest on Savings	18,858.50	26,387.66
		744,543.60	1,154,235.73
	Salaries, Wages & Employee Benefits		
8	Salaries	11,493,005.55	10,477,060.24
	Cost of Living Allowance	2,403,700.00	2,415,735.49
	Special Allowance	656,245.16	881,024.08
	Holiday pays	4,637.50	2,434.65
	Employees' Provident Fund	1,999,223.57	1,818,187.11
	Employees' Trust Fund	399,844.73	363,637.42
	Board Member Fees	142,500.00	112,500.00
	Overtime	100,424.45	206,770.70
	Gratuity	2,569,913.87	1,498,670.43
		19,769,494.83	17,776,020.12
	Travelling Expenses		
9	Travelling Expenses	169,787.78	736,228.92
			736,228.92

Consumables & Supplies			
10	Postage & Communication Expenses	58,665.75	102,611.72
	Electricity Expenses	167,282.00	180,972.45
	Water Expenses	81,422.55	28,377.10
	Stationery & Office Requisites	474,916.71	785,846.57
	Fuel Expenses	939,320.34	1,104,820.32
	Supply of Other Services	-	
	Building Rentals	1,965,000.00	900,000.00
	Vehicle Maintenance	1,893,111.62	1,750.00
	Plant Machinery& Equipment Maintenance	33,990.00	139,337.75
	Transport Expenses	20,700.00	83,800.00
	Newspapers	6,150.00	8,040.00
	Audit Fee	700,000.00	725,000.00
	Building Maintenance	-	3,000.00
	Telephone	534,055.69	598,325.02
	Advertisements	272,862.00	508,566.25
	Audit & Management Committee Expenses	28,500.00	172,500.00
	Entertainment Expenses	68,253.50	321,474.16
	Office Maintenance	95,913.05	45,639.27
	Security Expenses	1,080,717.36	815,826.00
	Sanitary Services Expenses	322,704.00	233,661.60
		8,743,564.57	6,759,548.21
Development Expenditure			
11	Subsidy for Pairs of Rollers	3,036,000.00	2,792,500.00
	Training & Awareness Programmes	526,709.30	744,910.15
	Establishment of Societies & Awareness Programmes	622,388.92	177,270.00
	Subsidy for Smoke Houses	-	434,750.00
	Distribution of Aluminium Trays	91,022.00	1,578,995.53
	Distribution of Latex Collecting Cups	-	112,839.50
	Empowerment of Rubber Smallholders	3,272,000.00	13,975,000.00
		7,548,120.22	19,816,265.18
Other Expenses			
12	Bank Charges	35,453.60	43,478.44
	Other Expenses	397,235.35	245,358.00
	Accommodation Charges	-	22,490.00
		432,688.95	311,326.44

Schedule - 1

Inventories as at 31.12. 2020

No.	Date	Description	Balance as at 31.12. 2020		
			Quantity	Unit Price	Value
1		2 CR Books	30	88.93	2,667.90
			10	88.93	889.30
			12	88.93	1,067.16
2		3 CR Books	25	127.59	3,189.75
3		4 CR Books	15	124.00	1,860.07
			15	136.34	2,045.10
4		6 CR Books	15	197.75	2,966.31
5		Cello Tape 1"	27	26.30	710.10
6		Cello Tape 2"	39	50.72	1,978.08
8		Envelops 10X5	383	2.45	938.35
			1,000	2.45	2,450.00
9		Envelops 10X8	237	0.90	213.30
			500	2.58	1,290.00
			1,000	3.60	3,600.00
			1,000	3.60	3,600.00
10		Envelops 15X10	536	5.90	3,162.40
			1,000	6.45	6,450.00
11		Envelops 6X3	1,255	1.05	1,317.75
			500	0.95	475.00
			1,000	1.25	1,250.00
12		Envelops 9X4	2,969	1.80	5,344.20
			5,000	1.80	9,000.00
13		Erasers	10	4.75	47.50
14		Field Note Book (With lines)	29	47.58	1,379.82
			162	53.54	8,673.48
15		Field Note Book (Without lines)	64	46.40	2,969.60
16		Files	702	4.04	2,836.15
			10	10.00	100.00
			1000	4.04	4,040.10
			1600	4.37	6,992.00
17		Files	2882	2.54	7,306.88
			600	2.38	1,428.60

18		Journal - 138A	4	172.50	690.00
			2	56.00	112.00
19		Journal -268	22	80.50	1,771.00
20		Journal -58	2	253.00	506.00
21		Glue Bottles	5	73.14	365.70
22		Half Sheet Packets	43	471.45	20,272.35
23		Highlighter - Blue	11	52.60	578.60
25		Highlighter -Pink	3	51.00	153.00
			12	52.60	631.20
26		Letter Heads	4,600	4.75	21,850.00
27		Paper Clip Packets	33	26.25	866.25
28		Paper GSM Blue	277	1.33	368.97
			500	2.09	1,047.01
29		Paper GSM Green	225	1.33	299.25
			500	2.09	1,047.01
30		Paper GSM - Light Pink	322	1.57	505.54
			500	1.33	666.00
31		Paper GSM Pink 1	370	1.54	569.99
32		Paper GSM Yellow	427	2.09	894.15
33		Black Carbon Pens	21	13.23	277.83
			200	16.01	3,202.00
			100	15.67	1,567.00
34		Blue Carbon Pens	10	15.64	156.40
			415	15.67	6,503.05
35		Red Carbon Pens	42	13.23	555.66
			100	16.01	1,601.00
			100	15.67	1,567.00
36		Cheque Writing Pens	44	49.25	2,167.00
37		Pencils	2	12.94	25.88
			24	12.15	291.60
38		Photocopy Papers- A4 Packets	90	734.40	66,096.00
39		Receipt Books	156	175.00	27,300.00
40		Spiral 10mm	9	5.50	49.50
41		Spiral 12mm	36	8.50	306.00
42		Stamp Pad (Lancer Medium)	2	261.00	522.00

43		Stapler Pins	4	41.43	165.72
			10	33.91	339.10
			50	33.91	1,695.50
44		Stencil Paper Packets	2	680.00	1,360.00
45		Stapler Pins - Heavy Duty	4	113.68	454.72
			10	162.40	1,624.00
			20	131.44	2,628.80
46		Stick Note Pad	2	64.69	129.38
			50	264.00	13,200.00
47		Tippex	19	58.00	1,102.00
48		Toner (Lexmark Printer)	13	17,000.00	221,000.00
49		Transparent Sheets	121	6.59	797.28
50		Hard Board	46	13.69	629.74
51		Journal - 198	9	170.20	1,531.80
52		G. Sinhala 5/74	1	38.08	38.08
			3	230.00	690.00
53		Journal 18	1	38.08	38.08
			2	172.50	345.00
54		Binding Tape 2"	6	169.70	1,018.20
			24	169.70	4,072.80
55		Highlighter - Yellow	2	51.00	102.00
			12	52.60	631.20
56		Journal - 231	15	161.00	2,415.00
57		Photocopy Paper (14x80 gsm)	3	1,001.65	3,004.95
58		Journal 190	6	170.20	1,021.20
59		Roneo Paper Packets	19	305.00	5,795.00
60		Epson LQ 2090 Ribbon	1	3,220.00	3,220.00
61		Spanner	5	9.92	49.60
62		Latex Collecting Plastic Cups	648	17.50	11,340.00
63		Laminated Box Files	89	183.14	16,299.46
64		Covers with CD	48	145.51	6,984.48
65		Puncture	3	356.50	1,069.50
66		Stapler Machine	4	299.00	1,196.00
			3	289.09	867.27
67		Highlighter - Orange	3	51.00	153.00
			12	52.60	631.20

68		Carbon Paper	3	469.00	1,407.00
69		Glue Pins	2	34.50	69.00
70		Foot Ruler	10	27.70	277.00
71		Rubber Gum Boots	216	999.00	215,784.00
72		Head Torch	216	845.00	182,520.00
73		Lock Tape	216	330.00	71,280.00
74		Tailor Tape	216	20.00	4,320.00
75		Coats	215	1,100.00	236,500.00
76		T-Shirts	215	700.00	150,500.00
77		Bags	216	1,050.00	226,800.00
78		Stencil Plates with Sticks	216	590.00	127,440.00
79		Tapping Knives	215	900.00	193,500.00
80		Office Pins	14	29.20	408.80
82		Dusters	12	79.01	948.06
83		Photocopy Toners	1	8,640.00	8,640.00
84		Electric Diamond and Smooth Roller Machine	10	32,000.00	320,000.00
85		5 CR Books	5	185.60	928.00
86		Collection of Advisory Circulars	268	300.00	80,400.00
Closing Balance					2,386,982.74

NATIONAL AUDIT OFFICE

My No.}PLA/C/TSF /01/20/03

Your No.}

Date} 10th September 2021

The Chairman,
Thurusaviya Fund

Report of the Auditor General on the Financial Statements of the Thurusaviya Fund for the year ended 31st December 2020 and other Legal and Regulatory Requirements in terms of Section 12 of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1. Qualified Opinion

The audit of Financial Statements of the Thurusaviya Fund for the year ended 31st December 2020 comprising the statement of financial position as at 31st December 2020 and the statement of financial performance, statement of changes in net assets for the year then ended and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies was carried out under my direction in terms of provisions in the National Audit Act, No. 19 of 2018 and the Finance Act, No.38 of 1971 read in conjunction with Section 21(2) of the Thurusaviya Fund Act, No.23 of 2000 and Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in Parliament in due course by virtue of Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraph, the financial statements of the Fund give a true and fair view of the financial position as at 31stDecember 2020 and its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Although the fixed assets costing Rs.1,610,331 had been fully depreciated, they were being continuously utilized as the useful economic lifetime of the non-current

assets were not reviewed annually in terms of the paragraph 65 of the Sri Lanka Public Sector Accounting Standards 07. Accordingly, no action had been taken to revise the estimated error in terms of the Sri Lanka Public Sector Accounting Standards 03.

- (b) Seven vehicles valued at Rs. 22,600,000 received by the Fund from the Presidential Secretariat during the year under review had not been legally acquired and accounted for.
- (c) The value of 89 units of furniture received from the Ministry of Plantation as donations to the Fund in the year 2018 had not been assessed and included in the financial statements.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility under these Audit Standards is further described in the Auditor's Responsibility for the Audit of the Financial Statements of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Sri Lanka Public Sector Accounting Standards and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

In terms of sub-section 16 (1) of the National Audit Act, No. 19 of 2018, the Fund shall maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

1.4 Auditor's Responsibility for the Audit of the Financial Statements

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

I conducted the audit in accordance with the Sri Lanka Auditing Standards, exercising professional judgment and maintaining professional skepticism as a part of the audit. I also,

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk resulting from fraud is higher than for one resulting from a material misstatement, as fraud may involve collusion, forgery, intentional omissions, or the override of internal control.
- Obtained an understanding of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the institution to cease to continue as a going concern.

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

I communicate with those charged with governance regarding significant audit findings, major deficiencies in internal controls and other matters that I identified during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 The National Audit Act, No. 19 of 2018 contains special provisions relating to the following requirements.

2.1.1. As per the requirements laid down in Section 12 (a) of the National Audit Act, No. 19 of 2018, I obtained all necessary information and explanations for the purpose of the audit and as shown by my audit, proper financial reports had been maintained by the Fund.

2.1.2 As per the requirement laid down in Section 6 (1)(d) (iii) of the National Audit Act, No. 19 of 2018, the set of financial statements presented by the Fund, is consistent with the preceding year.

2.1.3 As per the requirement laid down in Section 6 (1)(d) (iv) of the National Audit Act, No. 19 of 2018, the set of financial statements presented by the Fund, includes the recommendations made by me in the previous year.

2.2 On the courses of action followed and the evidences received and in the restrictions of quantitative matters, nothing was brought to my notice to make the following statements.

2.2.1 As per the requirement laid down in Section 12 (f) of the National Audit Act, No. 19 of 2018, the Fund has not complied with any applicable written law or other general or special directions issued by the governing body of the Fund except for the following observations.

In accordance with the Treasury Operations Circular No. 1/2008 dated 03 March 2008, although the reinvestments should be made in Treasury bonds or bank deposits for two years or more subject to the interest rate paid by the Central Bank of Sri Lanka and the Treasury for the medium-term when the investments in public bank had been matured, investments had been made in short-term deposits in a public bank for 06 months from the year 2017 and the amount of investment as at 31st December 2020 was Rs.9,201,093.

- 2.2.2 As per the requirement laid down in Section 12 (g) of the National Audit Act, No. 19 of 2018, the Fund has not complied with powers, duties and functions of the Fund except for the following observations.

Powers, Duties, Functions

Observations

In Section 13 of the Thurusaviya Fund Act,
No. 23 of 2000,

- (a) To inculcate in rubber smallholders the habit of savings and uplift their social status and economic conditions
- (b) To promote necessary investments related to the rubber industry
- (c) To acquire, improve or establish rubber processing units, rubber factories and other facilities required to convert the yield of rubber small holdings into products
- (d) To promote and enhance sales of the rubber products processed in such rubber processing units or factories

Actions had not been taken to achieve these objectives

- 2.2.3 As per the requirement laid down in Section 12 (h) of the National Audit Act, No. 19 of 2018, the resources of the Fund had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

2.3 Other Audit Observations

(b) Although no training was conducted in three districts during the year under review, 10 types of torches, toolbags, T-shirts and tools worth Rs.1,719,984, which were purchased to distribute among the rubber tappers who were to participate in the trainings, were remaining unused in the warehouse until May 2021.

(c) Outstanding balances amounting to Rs.826,109 from advances and loans provided to

30 Thurusaviya societies in 04 districts of Kalutara, Kegalle, Ratnapura and Gampaha have been in arrears for a period of 05 years but have not been recovered. Also, it had not been confirmed whether these societies were at the active level by the year under review.

- (d) As at 31st December of the year under review, there were 815 registered Thurusaviya societies in 14 districts with the purpose of uplifting the social status and economic conditions of the rubber smallholders and out of these societies, inactive societies had not yet been identified.
- (e) Although the Ministry of Plantation had ordered the Thurusaviya Fund to acquire 130 Rural Rubber Clusters and 31 Group Processing Centers established under the Smallholder Plantations Entrepreneurship Development Programme (SPEnDP) in Moneragala District from the year 2011 to 2016 to operate effectively, actions had not been taken to acquire until the end of the year under review.
- (f) The Fund had parked a motor vehicle worth Rs. 2,000,000 which had been received by the Fund from the Presidential Secretariat during the year under review.
- (g) The loan amounted to Rs.1,000,000 provided to 02 Thurusaviya societies last year at 4% interest on the settlement basis of Rs.500,000 each for a period of six months, had not been recovered within the period of 06 months. Further, no action had been taken to calculate the interests and penalties on the loan amount of Rs.300,300 due as at 31st December of the year under review.
- (h) The construction of 02 Rubber Sheet Processing Centers in Arapola and Ganepalla was started in the year 2005 and 2008 respectively at a cost of Rs.1,000,184. However, more than 15 years had passed from the date of commencement of the constructions of two processing centers, but constructions had not yet been completed

W.P.C. Wickramarathna
Auditor General