

Submission of Annual Report for the Approval of the Ministry

01. The Overall percentage of the targets as per the Action Plan and Corporate Plan.

85%

02. The steps which have been introduced for the development of the rubber Industry.

Appeared under the Activities of Research Departments (pp 11 – 18)

03. The sections which have not reached to the expected level of progress.

Appeared under the Activities of Research Departments (pp 11 – 18)

04. The Percentage of Financial Progress (96.06) Reasons not to achieve the expected targets.

Due to the total recurrent and the capital budget allocations have not been released by the General Treasury.

05. The Steps which have been taken to rectify the draw backs shown in the 2012 Government Audit Report

Appeared under the Reply to Auditor General's Report 2012 (pp 70 – 78)

Rubber Research Institute of Sri Lanka

Dartonfield, Agalawatta

Vision

The Institute's vision is to emerge as the centre of excellence in providing high quality scientific technologies to the rubber industry.

Mission

The Institute's mission is to revitalize the rubber sector by developing economically and environmentally sustainable innovations and transferring the latest technologies to the stakeholders through training and advisory services

Objectives

- Increase productivity to international standards
- Increase national production of NR to meet the increasing demand
- Optimal and sustainable utilization of land, labour and other resources
- Maximize domestic value addition to rubber
- Encourage individual competency and self development of RRI personnel
and in the process, improve the organizational effectiveness of the institute

Policies

- Continuation of the research and extension activities on all aspects of rubber production and processing
- Continue to promote environmentally friendly and sustainable agricultural industry
- Transfer the developed technologies through training and advisory services

RUBBER RESEARCH BOARD

ANNUAL REPORT - 2012

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Report of the Chairman

Rubber Research Board

It is with great pleasure that I write this message on the occasion of the 2012 Annual Report of the Rubber Research Board which completed yet another successful year accomplishing a commendable service to the rubber sector. The RRB continued to guide the management and scientific staff of RRISL to enhance the quality of research and development, administration and financial management and its services to the rubber industry stakeholders including the smallholder sector. Further, the RRB recognized the significance of institutional image building and bridging the gaps that they may have existed between the stakeholders and the Institute.

During the year under review, eight (08) Board Meetings were held in order to address the needs of the Institute and the industry. The Rubber Research Board took necessary action for filling the vacant positions of six Research Officers, one Assistant Training Officer, eight Technical Officers, twenty nine Management Assistants and five Drivers

Expansion of rubber into non- traditional areas is one of the main themes focused by the Rubber Research Board during the last year as well with the aim of consolidating the rubber supply in the country to cater to the growing demand for rubber by local rubber based manufacturing industries. The training programmes were continued in all rubber growing districts paying special attention to Uva and Eastern provinces. In training programmes, the highest priority was given to the harvester training (tapping training) projects.

I wish to thank my fellow Board members for their invaluable contribution in steering the Institute's strategic direction and providing concentrated focus in achieving our challenging goals.

I also extend my appreciation to the Director for his contribution in achieving commendable results in the operations of RRISL. The unstinting support and dedication to work ethic by the Executive Management and the staff of RRISL is much appreciated.

Mr.J.Y.Peiris

Chairman

Rubber Research Board

RUBBER RESEARCH BOARD OF SRI LANKA

BOARD OF MANAGEMENT

Members appointed by the Hon Minister of Plantation Industries

Mr J Y Peries, Chairman, Rubber Research Board
Ms P C Madhuwanthi, Department of Policy Planning, General Treasury (w.e.f. 06.01.2012)
Mr S S Poholiyadda, Director Operations, Kegalle Plantations Ltd.
Mr R C Peiris, Chief Executive Officer, Kotagala Plantation Ltd.
Mr R A D S Ranatunge, Representative of Ministry of Plantation Industries
Mr M S Rahim, Representative, Colombo Rubber Traders Association
Mr Justin Seneviratne, Director, Lalan Rubbers (Pvt.) Ltd.
Mr H Chandrasiri, 90, Temple Road, Meewanapalana
Mr P W Kumara, Secretary/Director, Sri Lanka Council for Agricultural Research Policy
Mr Ranjith Athukorala, No.163 1/2, Castle Street, Colombo 8
Mr K C Fernando, Trade Union Representative, RRI

Ex-Officio Members

Dr W M G Seneviratne, Director, Rubber Research Institute
Mr R B Premadasa, Director General, Rubber Development Department
Mr S K L Obeysekera, Chairman, Planters' Association of Ceylon

STANDING COMMITTEES

Estates Committee

Mr J Y Peries, Chairman, Rubber Research Board
Dr W M G Seneviratne, Director, Rubber Research Institute
Dr C K Jayasinghe, Additional Director, RRI
Mr N B Seneviratne, Deputy General Manager, Eladuwa Estate, Matugama
Mr S de Livera, Manager, Paiyagala Estate, Paiyagala
Mr Tony Bertus, General Manager (Rubber), Agalawatta Plantations Ltd., No.10, Gnanartha Pradeepa Mawatha, Colombo 8
Mr S Doranegama, Superintendent, Pallegoda Estate, Dharga Town
Mr Jehan Perera, Senior Manager - Estates, Kuruwita Sub-station (up to 31st August 2012)
Mr S A R Samarasekera, Manager – Estate, Dartonfield Estate
Mr W Kularatne, Accountant, RRI (In attendance)

Audit and Management Committee

Ms P C Madhuwanthi, Department of Policy Planning, General Treasury - Chairman (w.e.f. 06.01.2012)
Dr W M G Seneviratne, Director, Rubber Research Institute

Mr R B Premadasa, Director General, Rubber Development Department
Mr R A D S Ranatunge, Representative of Ministry of Plantation Industries
Mr W Kularatne, Accountant, RRI – In attendance
Mrs S Senadheera, Internal Auditor, RRB – In attendance
Ms R M D S Ratnayake, Assistant Audit Superintendent, MPI – In attendance
Mrs B H P Balasooriya, Acting Secretary to the Board – In attendance

Scientific Committee

Mr J Y Peries, Chairman, RRB
Dr W M G Seneviratne, Director, RRI
Dr C K Jayasinghe, Additional Director, RRI
Dr (Mrs) P Seneviratne, Head, Plant Science Dept., RRI
Dr (Mrs) L Samarappuli, Head, Soils and Plant Nutrition Dept., RRI
Dr Anura Dissanayake, Head, Advisory Services Dept., RRI
Dr (Mrs) S P Withanage, Senior Research Officer, Genetics & Plant Breeding Dept., RRI
Dr (Mrs) D G Edirisinghe, Acting Head, Rubber Technology and Development Dept., RRI
Dr (Mrs) A H L R Nilmini, Head, Polymer Chemistry Dept., RRI
Dr S Siriwardena, Head, Raw Rubber Process Development and Chemical Engineering Dept., RRI
Dr A M W K Seneviratne, Botanist, Plant Science Dept., RRI
Dr (Mrs) T H P S Fernando, Assistant Plant Pathologist, Plant Pathology & Microbiology Dept., RRI
Dr R S Dharmakeerthi, Soils Chemist (Principal Research Officer) Soils & Plant Nutrition Dept., RRI
Dr V H L Rodrigo, Head, Biochemistry & Physiology Dept., RRI
Mrs K V V S Kudaligama, Assistant Biochemist, Biochemistry & Physiology Dept., RRI
Mrs A P Attanayake, Assistant Rubber Chemist, Raw Rubber & Chemical Analysis Dept., RRI
Mrs D Seneviratne, Assistant Rubber Chemist, RRI
Dr (Mrs) Wasana Wijesuriya, Biometrician, RRI
Dr S M M Iqbal, Agronomist, Adaptive Research Unit, RRI
Dr U Ratnayake, Senior Research Officer, Raw Rubber Process Development & Chemical Engineering Dept., RRI
Mr K K Liyanage, Research Officer, Genetics & Plant Breeding Dept., RRI
Dr (Mrs) E S Munasinghe, Research Officer, Adaptive Research Unit, RRI
Mr A H Kularatne, Regional Advisory Officer, Advisory Services Dept., RRI
Mrs R P Hettiarachchi, Research Officer, Soils & Plant Nutrition Dept., RRI
Mr J Perera, Superintendent, Dartonfield Group, RRI
Mr R Samarasekera, Estate Manager, Dartonfield Group, RRI

Dr N Yogaratnam, Consultant, NIPM, Athurugiriya
 Mr Sarath Seneviratne, Superintendent, Bibile Estate, Bibile
 Mr R C Peries, CEO, Kotagala Plantations Ltd., No.53 1/1, Sir Baron Jayathilaka Mawatha, Colombo 1
 Mr R V K S de Livera, Manager, Kotagala Plantations Ltd., Paiyagala Estate, Dodangoda
 Mr N M Amarasekera, No.37/9, Terrance Avenue, Mount Lavinia
 Mr D G Wickramasinghe, Director/General Manager, Low Country, Kelanivalley Plantations Ltd., Kiriporuwa Group, Yatiyantota
 Mr N B Seneviratne, Deputy General Manager, Namunukula Plantations Ltd., Eladuwa Estate, Matugama
 Mr Sriyan Wijesekera, Group Coordinator/General Manager - Rubber, Pussellawa Plantations Ltd., Free Lanka Management Company, No. 228, Havelock Road, Colombo 5
 Mr S S Poholiyadda, Director - Operations, Kegalle Plantations Ltd., No.310, High Level Road, Nawinna, Maharagama
 Mr A C Bertus, General Manager, Agalawatta Plantations Ltd., Superintendent, Atale Estate, Atale
 General Manager, Kahawatta Plantations Ltd., No.52, Maligawatta Road, Colombo 10
 Mr Viren Ruberu, Deputy Chief Executive Officer, Kahawatte Plantations Ltd., No.52, Maligawatta Road, Colombo 10
 Mr D P A Perera, Deputy General Manager, Balangoda Plantations Ltd., P.O. Box 8, Plam Garden, Ratnapura
 Mr Chirstoper Fernando, Executive Director, Malwatte Valley Plantations PLC, 280, Dam Street, Colombo 12
 Mr U H Bulugahapitiya, Group Manager, Vincit Estate, Waharaka
 Mr Yajith de Silva, General Manager – South, Watawala Plantations Ltd., No.60, Dharmapala Mawatha, Colombo 3
 Mr S A Eriyagama, General Manager, Kotagala Plantations Ltd., No.53, 1/1, Sir Baron Jayathilaka Mawatha, Colombo 1
 Director General, Rubber Development Department, P.O. Box 184, Vauxhall Lane, Colombo 2
 Mr D H Madawala, CEO, Hapugastenna Plantations Ltd., P.O. Box 08, Palmgarden, Ratnapura
 Secretary, Ministry of Plantations Industries, No.55/75, Vauxhall Lane, Colombo 2
 Mr B A Pradeep Lakshantha, Assistant Secretary, Ministry of Plantation Industries, No.55/75, Vaxhall Lane, Colombo 2
 Mr M R C Peiris, Consultant, No.16/2, Charlimont Road, Colombo 6
 Mr Anusha Perera, Pussellawa Plantations Ltd., 168, Negambo Road, Peliyagoda
 Mr G B S de Silva, Deputy CEO, Horana Plantations Ltd., No.8, Sir Chittampalam A Gardiner Mawatha, Colombo 2
 Mr A M A S Dhanasekera, Group Manager, Pussella Estate, Eheliyagoda

Mr Gunendra Sellahewa, Supplies Manager, Dipped Product, No.400, Deans Road, Colombo 10

Mr Asoka Jayasekera, Consultant – Rubber, 69/13a, Templers Road, Mount Lavinia

Dr M R N Fernando, Loadstar (Pvt.) Ltd., Minuwangoda Road, Ekala, Jaela.

Mr Christoper Seneviratne, Manager, Peenkanda Estate, Nivitigala

Mr D B S L Perera, Manager, Kumarawatte, Moneragala Estates, Monaragala

Mr M R Fernando, Superintendent, Malaboda Estate, Matugama

Mr U D Premathilaka, General Manager - Rubber, Kelanivally Plantations Ltd., 400, Deans Road, Colombo 10

Mr K A Amarathunga, Manager, Sunycroht Estate, Waharaka

Mr R A Alahakoon, Superintendent, Yatadola Estate, Matugama

Mr Bathiya Bulumulla, Deputy Chief Executive Officer, Elpitiya Plantations PLC, Aitken Spence Tower 1, Level 9, 305, Vauxhall Lane, Colombo 2.

Mr Nisala Jayawardena, Manager, Frocester Estate, Govinna

Mr L W L Gunawardena, CEO, Elpitiya Plantations Ltd., No.52, Maligwatta Road, Colombo 10

Mr T H Gamage, Manager, Madampe Estate, Rakwana

Mr M P H Gunaratne, Manager, Bentota Estate, Elpitiya

Mr S F Fernando, Group Manager, Dewalakanda Estate, Dehiowita

Mr J N Hettiarachchi, Manager, Dalkeith Estate, Baduraliya

Mr S W Karunaratne, No.36, Mallikarama Road, Ratmalana

Mr A G Geeth Kumara, General Manager, Talgaswella Estate, Talgaswella

Mr Mr N D Madawala, Superintendent, Weniwella Estate, Alawwa

Mr M D B Dasanayake, Manager, Opatha Estate, Opatha

Mr G J K Nakandala, Consultant, SAPL Association (Pvt.) Ltd., 375/26, Rathnarama Road, 4th Lane, Hokandara North

Mr A I B Rajasinghe, Superintendent, Galatura Estate, Kiriella

Mr A F Peries, General Manager – Estate Management, Lalan Rubbers (Pvt.) Ltd., No.198 B, Gnanendra Mawatha, Nawala

Mr D M D B Daswatte, Manager, Millewa Estate, Millewa

Mr C U Pallege, Senior Manager, Rayigam Estate, Ingiriya

Mr Athula Rajasinghe, Superintendent, Galatura Estate, Galatura

Mr A K D Rukmal, Superintendent, Pelmadulla Estate, Kahawatta

Mr Jeewantha Senarathne, Senior Manager, Rilhena Estate, Pelmadulla

Mr N P Seneviratne, Manager, Udapolla Estate, Deraniyagala

Group Senior Manager, Sapumalkanda Group, Deraniyagala

Mr R Seneneviratne, Group Manager, Halpe Estate, Tummodera

Mr Y N Samarasinghe, Manager, Poranuwa Estate, Kahawatta

Mr L P A N Seneviratne, Group Manager, Moraliya Estate, Ruwanwella

Mr A U A M Athukorale, Superintendent, Pambegama Estate, Parakaduwa

Mr K G Thilakaratne, Group General Manager, Mahaoya Group, Lalan (Pvt) Ltd., Dehiowita

Mr N Thilakaratne, Assistant Director (Dev.), Ministry of Plantation Industry,
No.55/75, Vauxhall Lane, Colombo 2

Mr R T Tennakoon, Manager, Padukka Estate, Padukka

Mr B H Weerakoon, Manager, Neuchatel Estate, Neboda

Mr M P K Udugampola, Deputy General Manager, Elston Estate, Puwakpitiya

Mr I D Weerakoon, Manager, Hunuwala Estate, Opanayaka

Mr K Fernando, Manager, Gulugahakanda Estate, Elpitiya

Mr S Doranegama, Superintendent, Pallegoda Estate, Yatadola

Mr C Seneviratne, Manager, Udabage Estate, Deraniyagala

Mr S C T Fernando, Manager, Uskvalley Estate, Baduraliya

Mr Ranil Fernando, Deputy General Manager, Kelanivalley Plantations PLC, No.400,
Deans Road, Colombo 10

Mr D C Samarasinghe, Manager, Arapolakanda Estate, Tebuwana

Mr Asitha de Costa, Managing Director, Sashrike Plantation Management Services
(Pvt.) Ltd., Warakattenne Estate, Warakattenne, Dehiowita

Mr C S Amarathunga, Kelaniya Estate, Yatiyantota

Mr B C Gunasekera, Group Manager, Panawatta Estate, Yatiyantota

Manager, Nottingham Estate, Mawathagama

General Manager, Agalawatta Plantations PLC, No.10, Gnanarthapradeepa Mawatha,
Colombo 8

Manager, Muwankanda Estate, Mawathagama

Mr Chamika Naranpitiya, Manager, Nakiyadeniya Estate, Watawala Plantations Ltd.,
Nakiyadeniya

Mr Rolly Douglas, Manager, Opatha Estate, Kahawatta

Mr I Senanayake. Group Senior Manager, Sapumalkanda Group, Deraniyagala

Mr Sudath Ariyaratne, Superintendent, Rambukkanda Estate, Ratnapura

Mr Eranda Welikala, Wee Oya Estate, Yatiyantota

Provident Fund Committee

Dr W M G Seneviratne, Director, Rubber Research Institute

Mr W D Wimaladasa, Elected Committee Member

Mr H H Jayasinghe, Elected Committee Member

Mr W Kularatne Accountant, RRI (In-attendance)

Chairman's Office & Board Secretariat

Chairman	- Mr J Y Peiris
Acting Secretary to the Board	- Mrs B H P Balasooriya

Lawyers

Attorney General
Attorney General's Department
(Government Institutions)
P O Box 502
Colombo 12

Auditors

Auditor General
Auditor General's Department
Independence Square
Colombo 7

Bankers

Bank of Ceylon
Corporate Branch
75, Janadhipathi Mawatha
Colombo 1

Bank of Ceylon
Agalawatta

Head Office and Laboratories

Darttonfield, Agalawatta

Telephones:

Director	034 - 2248457
Additional Director	034 - 2248458
Deputy Director Administration	034 - 3346118
General	034 - 2247426
	034 - 2247383
	034 - 3349999

Fax: 034 - 2247427

e-mail: dirri@sltnet.lk

Website: www.rrisl.lk

Rubber Research Institute - Substation

Nivitigalakele, Matugama

Genetics and Plant Breeding Department
Telephone: 034 - 2247368, 034 - 2247199
e-mail: rigpb@sltnet.lk

Rubber Research Institute - Substation

Kuruwita, Ratnapura

Telephone: 045 - 2262115, 045 - 3460537

e-mail: rrikuruwita@sltnet.lk

Rubber Research Institute - Substation

Polgahawela

Telephone: 037 – 3378191

Board Office and Rubber Chemistry & Technology Laboratories

Telewela Road, Ratmalana

Telephones:

Chairman 011 - 2635019

Director 011 - 2635142

Deputy Director Research (Technology) 011 - 2633351

General 011 - 2635851

011 - 2635852

Fax: 011 - 2605171

e-mail: dirrub@sltnet.lk

RUBBER RESEARCH INSTITUTE OF SRI LANKA

STAFF

DIRECTORATE

<i>Director</i>	W M G Seneviratne, BSc (SL), PhD (Essex)
<i>Additional Director</i>	C K Jayasinghe, BSc (SL), MSc (SL), MSc (Agric) (Aust.), PhD (SL)

RESEARCH DEPARTMENTS

Genetics and Plant Breeding

<i>Senior Research Officer</i>	Mrs S P Withanage, BSc Agric (SL), MSc (India), PhD (Malaysia)
<i>Research Officers</i>	K K Liyanage, BSc Agric (SL) Miss P V A Anushka, BSc Agric (SL)
<i>Experimental Officers</i>	K W Rupatunga (up to 30.10.2012) I D M J Sarath Kumara L S Kariyawasam T M S K Gunasekera H P Peries, Dip. Agric (Kundasale) Mrs A K Gamage, BSc (SL) B W A N Baddewithana, BSc (SL) (from 21.08.2012)
<i>Management Assistant (Clerical)</i>	Mrs S D P K L Peiris

Plant Science

<i>Head of Department</i>	Mrs G P W P P Seneviratne, BSc (SL), PhD (Bath)
<i>Principal Research Officer</i>	A M W K Senevirathna, BSc (SL), MSc (SL), PhD (Wales)
<i>Senior Research Officer</i>	*N M C Nayanakantha, BSc (SL), MSc (India)
<i>Research Officers</i>	Mrs D S A Nakandala, BSc Agric (SL) K A G B Amaratunga T U K Silva, BSc Agric (SL), MPhil (SL) P K S G Senarath Bandara, BSc (SL), PhD (Japan) (from 13.08.2012)
<i>Experimental Officers</i>	R P Karunasena Mrs G A S Wijesekera Mrs R K Samarasekera M K P Perera, BSc (SL) W D M N de Alwis, BSc (SL)

<i>Experimental Officers</i>	D L N de Zoysa P D Pathirana, BSc (SL) P K W Karunathilake, Dip. Agric (Ratnapura)
<i>Technical Officer (Research & Development)</i>	R Handapangoda, BSc Agric (SL)
<i>Management Assistants (Clerical)</i>	Mrs H D D E Jayawardena Mrs Aruni de Almeida

Plant Pathology and Microbiology

<i>Research Officers</i>	Mrs T H P S Fernando, BSc (SL), MPhil (SL), PhD (SL) Mrs M K R Silva, BSc Agric (SL), MSc (SL) Miss K M S Tennakoon, BSc (SL)
<i>Experimental Officers</i>	E B Fernando Mrs B I Tennakoon, Dip. Agric (Kundasale) Mrs E A D D Siriwardene, BSc (SL) S C P Wijayaratne, NDT Agric (Hardy) S R D P C Peiris, BSc (SL) E A D N Nishantha, Dip. Agric. (Ratnapura), BIS (Agric) (SL)
<i>Management Assistant (Clerical)</i>	Mrs K A D Y Madushani Lanka (21.05.2012)

Audio Visual Aids and Photographic Unit

<i>Audio Visual Aids Production Officer</i>	L W Amaratunge (up to 07.11.2012)
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Soils and Plant Nutrition

<i>Head of Department</i>	Mrs M L A Samarappuli, BSc Agric (SL), MSc (California), PhD (SL), F I Biol. (SL) (up to 30.05.2012)
<i>Principal Research Officer</i>	**R S Dharmakeerthi, BSc Agric (SL), MSc (SL), PhD (Canada) (from 08.09.2012)
<i>Research Officers</i>	Mrs R P Hettiarachchi, BSc (SL), MPhil (SL) Miss H G V K T Gunawardena, BSc (SL)
<i>Experimental Officers</i>	H D S P Perera, BSc (SL), MSc (SL) (up to 12.08.2012) Mrs S D C K Maheepala S N Silva P Karunadasa, BSc (SL), MSc (SL), M I Biol. (SL) (up to 23.05.2012) A H U Mitrasena T B Dissanayake

Experimental Officers

Miss V U Edirimanne, BSc (SL)
Miss A P Thewarapperuma
P D T C Gunatilleke, NDT (Agric)
J A Sarath Chandrasiri
Mrs Eranga de Silva, NDT (from 21.08.2012)
Mrs K A D L Rupasinghe Perera

*Management Assistant
(Stenography)*

Biochemistry and Physiology

Head of Department

V H L Rodrigo, BSc Agric (SL), MSc (Essex),
PhD (Wales)

Research Officer

Mrs K V V S Kudaligama, BSc (SL), MPhil (SL)

Experimental Officer

P D J Rodrigo

*Technical Officer (Research &
Development)*

R P S Randunu, BSc (SL)

*Management Assistant
(Clerical)*

Mrs H A Manoji Erandika

Advisory Services

Head of Department

D M A P Dissanayake, BSc Agric (SL),
PhD (Aberdeen)

Regional Advisory Officers

A H Kularatne, BSc Agric (SL), MSc (Reading),
MSc (SL)

P K K S Gunaratne, BSc Agric (SL)

R A D Ranawaka

Assistant Training Officer

Miss K G P Manahari (from 12.08.2012)

*Divisional Rubber Extension
Officers*

L L A Samarawickrama, BSc (SL) (up to 02.06.2012)

U L R A Perera (up to December 2012)

M G N Gunaratne

Rubber Extension Officers

D Weerasekera

W D T C Muniratne, Dip. Plant Ex. Mangt.

K V Nandanakumara

D R A M G Abeydissanayake

R M S Ratnayake, NDT Agric (Hardy)

D E P M Nanayakkara, Dip. Agric. (Aquinas)

W D Chandrasiri

M Dharmadasa, BSc (SL), MSc (SL)

J A J Perera

E G U Dhanawardena

Nihal Gamage, Dip. Agric. (Angunakolapelessa)

U N Jayasuriya

<i>Rubber Extension Officers</i>	G D N Seneviratne W C Siriwardena, Dip. Plant Ex. Mangt. S G G Wijesinghe N G Yasaratne I P L Kithsiri W M A S L Wanigasuriya, Dip. Agric (Aquinas) N L Dharmasena W P G D C P K Senanayake, NDT Agric (Hardy)
<i>Experimental Officer Management Assistants (Clerical)</i>	S M A Samarakoon, Dip. Agric. (Kundasale) Mrs M K Wijetilleke Mrs L Somawathi (up to 14.06.2012) Mrs C Gunatilleke Mrs J N R Jayasinghe Mrs S Nakandala (up to 16.08.2012) Mrs S M Kaluarachchi
Polymer Chemistry	
<i>Senior Research Officer</i>	Mrs A H L R Nilmini, BSc (SL), PhD (Cardiff)
<i>Research Officer</i>	A M K S P Adikari, BSc (SL), MPhil (SL) (from 13.08.2012)
<i>Experimental Officers</i>	Mrs D I R Denawaka, Dip. Rubber Tech. (PRI) Mrs W C M Kuruppu, Dip. Rubber Tech. (PRI), Certificate Rubber Tech. (Moratuwa) Mrs N Jayawardane, Dip. Agric. (Bibile)
<i>Technical Officer (Research & Development)</i>	Mrs H M H Dhanukamalee, BSc (SL) (from 21.08.2012)
Raw Rubber and Chemical Analysis	
<i>Research Officer</i>	Mrs A P Attanayake, BSc (SL)
<i>Experimental Officers</i>	Mrs I H K Samarasinghe, BSc (SL) (from 13.08.2012) Mrs L Wanigatunga Mrs H V K Gamage Mrs C S Lokuge Miss D M S Wijesekera, Dip. Rubber Tech. (PRI) L P P Vitharana K R N Karunatilleke, Dip. Rubber Tech. (PRI) (up to 29.02.2012) B Gunasiri W D Wimaladasa (up to 22.09.2012)
<i>Technical Officer (Research & Development)</i>	Miss S P Wijewardena, BSc (SL) (from 21.08.2012) Miss W M I Nuwangi, Dip. in Chem. (from 21.08.2012)

*Management Assistant
(Clerical)* Miss W D D Samanmali (from 16.01.2012)

Electronic Instruments Repair Unit

Instrument Technician L G P Lelwela

Rubber Technology and Development

Acting Head of Department Mrs D G Edirisinghe, BSc (SL), MSc (SL),
MPhil (UK), PhD (SL)

Research Officers **Mrs G D D Seneviratne, BSc (SL)
W D M Sampath, BSc (SL)

Experimental Officers Mrs M K Mahanama, Dip. Rubber Tech. (PRI)
Mrs S I Yapa, Dip. Rubber Tech. (PRI)
Mrs P C Wettasinghe, Dip. in Science
S L G Ranjith, Dip. Rubber Tech. (PRI)
P L Perera

Technical Officer (Research & Development) Mrs G M Priyanthi Perera, BSc (SL), MSc (SL)
V G M J Abeywardena, NDT (from 21.08.2012)

Raw Rubber Process Development and Chemical Engineering

Head of Department S Siriwardene, BSc (SL), MSc (Australia),
PhD (Malaysia)

Senior Research Officer R M U N Ratnayake, BSc (SL), PhD (Loughborough)
(from 01.06.2011)

Experimental Officers Mrs W K C Nalinie, Dip. Rubber Tech. (PRI)
T A S Siriwardene
E C D Senanayake
Mrs U M S Priyanka, BSc (SL), MSc (SL)
Mrs V C Rohanadeepa
A K D W Prasad

Technical Officer (Research & Development) Miss K G P M Dharmatilleke, BSc (SL)
(from 01.08.2012)

Management Assistant (Store Keeping) Mrs L Rukmanie (up to 10.11.2012)

*Management Assistants
(Clerical)* Miss H A Janani Lakshika (from 21.05.2012)
Mrs U K Akila Tharinduni (from 21.05.2012)

Biometry Section

Biometrician Mrs B W Wijesuriya, BSc Agric (SL), MPhil (SL),
PhD (SL)

<i>Experimental Officers</i>	Mrs H K D C S Munasinghe, NCT Polymer (Moratuwa), Dip. Rubber Tech. (PRI), Dip. Computer Science (IDM) O V Abeyawardene, Dip. Agric. (Kundasale)
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Adaptive Research Unit

<i>Principal Research Officer</i>	S M M Iqbal, BSc Agric. (SL), MPhil (SL), PhD (Essex)
<i>Research Officers</i>	Mrs E S Munasinghe, BSc Agric (SL), PhD (SL) Mrs B M D C Balasooriya, BSc Agric (SL)
<i>Technical Officer (Research & Development)</i>	P M M Jayatilleke, NDT (Agric.) (from 21.08.2012)
<i>Management Assistant (Clerical)</i>	Mrs M A Randima Srimalee (from 21.05.2012)

Agricultural Economics Unit

<i>Research Officer</i>	J K S Sankalpa, BSc (SL), MSc (SL) (from 13.08.2012)
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Polgahawela Sub-Station

<i>Experimental Officer</i>	E A T Senadeera
<i>Management Assistant (Accounting)</i>	Mrs W A C Weeramanthre

Moneragala Sub-Station

<i>Research Officer</i>	H D S P Perera, BSc (SL), MSc (SL) (from 13.08.2012)
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Library and Publications Unit

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<i>Administrative Assistant</i>	Mrs P Mandalawatta (up to 01.04.2012)
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(Clerical)*

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Mrs B D Niranjala
Mrs O W D Namali Udayanthi
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Mrs Thamosha Munasinghe (from 16.01.2012)
Mrs O W D Nilusha Udayanthi (from 21.05.2012)
Miss H N Kanchana (from 21.05.2012)
Miss A R M de Alwis (from 21.05.2012)
K A Dilan Sampath (from 21.05.2012)
Mrs J A H S Kumarie

*Management Assistant
(Stenography)
Translator*

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(Kundasale)

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Internal Audit Officer
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K C Fernando
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Miss H E H Perera (from 21.05.2012)
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Accounting Assistant
Management Assistants
(Accounting)*

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D D R Lankatilaka, BCom (SL)
Mrs Irene Perera
Mrs M Gunawardene
Mrs K Kapuge
Mrs R Handungoda
Mrs G P Kukulewithana
A V Nandasena
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Mrs C Dissanayake
A K D A Wickremasinghe

*Management Assistant
(Clerical)*

*Management Assistant
(Clerical)*

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Mrs S A Niluka Harshani (from 16.01.2012)
Mrs K K D Y L Ranaweera (from 16.01.2012)
Miss K K T L Jayasekera (from 16.01.2012)
J A J R Lakmal (from 21.05.2012)

Cashier

Mrs G A D D Jayawardena

Assistant Purchasing Officer

K D Sumanasena

DARTONFIELD GROUP

*Senior Manager - Estate
Experimental Officer
Management Assistant*

Jehan Perera (up to 30.09.2012)
S S Warnapura
K K P Gunawardena
H D D Achinda (from 21.05.2012)
M A N Sachith Pawinda (from 21.05.2012)
T D Harsha (from 21.05.2012)
D S K Ranaweera (up to 16.12.2012)

Factory Officer

Kuruwita Sub-Station

*Assistant Estate Superintendent
Management Assistants
(Clerical)*

S A R Samarasekera
D S Jayasinghe
K D P Senaratne (from 21.05.2012)

* On study leave overseas

** On no pay leave

RUBBER RESEARCH INSTITUTE OF SRI LANKA DIRECTOR'S REVIEW

W M G Seneviratne

Like in the year 2011, this year too high priority was given to rubber cultivation in the Northern and Eastern provinces as part of expansion rubber into non-traditional areas in the country. As such, assistance was extended to the Rubber Development Department to cultivate rubber in 135 ha with smallholder farmers in the Eastern province in the year 2012 particularly in Mahaoya and Padiyatalawa regions. Also, two adaptive research plots were established in a much drier area in Chelankaldy in the Batticaloa district. Rubber cultivation proven to be quite satisfactory in Mahaoya and Padiyatalawa and smallholders have already realized that their live hood income will dramatically enhance with the expansion of rubber Cultivation in comparison to their traditional cash crops farms.

As intercroops, Bananna, Cane palm was successful with immature rubber whilst *Dracaena*, Chinese grass, Cocoa, Croton and *Polycia* performed better under mature rubber.



Fig. 1. Involvement of the Sri Lanka Army to grow Rubber plants in the north with RRISL and the such rubber plants established in 2011 at 14SR Army camp in Oddusudan



Fig. 2. Rubber plants established in 2010 Vavuniya South with Banana as a intercrop

Fig. 3. Rubber Plantation in Vaunia south



Fig. 4: Scientific approach to grow rubber in the northern province

Rubber tapping in certain areas of Mahaoya and padiyatalawa regions have commenced tapping during the last year most of them are engaged in the their latex processing into RSS as can be witnessed in the following figures.



Fig. 5. Successful Rubber Plantation in Padiyatalawa region



Fig. 6. Small rubber processing unit at padiyatalawa



Fig. 7. Small conventional smoke house in Padiyatalawa

Many awareness programmes were conducted for farmers from Eastern province on latex harvesting and general rubber management practices at the RRISL during this year.



Fig. 8. Latex harvesting training programme and other general agro management practices of rubber cultivation for the rubber smallholders in the Eastern Province

Construction of the modern Auditorium started last year is now nearing completion which will be substantial support for institutional training and awareness programmes.



Fig. 9. Construction of Auditorium in Progress

The RRISL continued its research and development activities quite effectively as usual by its 4 technological departments, 9 agronomy departments and 2 supportive research units and highlights of achievements are summarized below;

One hundred and eighty six numbers of new genotypes were raised from 2012 annual hand pollination program. It has been used nine germplasm selections from 1981 IRRDB expedition as a male parent with an aim to widen the genetic diversity.

Six new promising clones and two HP selections were established along with two check clones at eastern province under the project evaluation at new clone for suboptimal conditions (eastern province).

Thirteen new selections from 200 HP program establish at Payagala estate for small scale level clonal evaluation (SSCT Trials). Several selections were made from small scale evaluations of 1990: Kuruwita, 1991: Pallegoda and 1991: Vogan. These selections are now taken to evaluate under Estate / RRI collaborative level. Overall performances were recorded in existing SSCT and ECT trials other than data on annual girth, monthly test tappings and volume measurement.

Girth, bark thickness and yield data of 2008 Hand pollination progeny were analyzed. Highest individuals were selected from each family for molecular characterization by mean of representing all thirteen different families.

Genetic diversity analysis of parents which used for 2012 HP program was carried with RAPD molecular markers. Nine accessions were grouped into two main clusters and further number of sub clusters formed in these main clusters indicated the high genetic

variability among parents. Therefore wide range of genetic diversity can be expected from the 2012 HP progeny.

Rejuvenated RRI 100 plants were issued to establish budwood nurseries to ensure sufficient rubber seed production for nurseries during 2020-2040 period as RRIC 100 has been identified as the best seed producer. It was also recommended to plant 1% of the total extent for a period of 10 years from 2012 to cover 10% with RRIC 100. Rejuvenation is being continued with RRIC 102, 121 and also with elite individuals giving extraordinary yields.

A new budwood nursery was established at Dartonfield with new RRISL 200 and 2000 series clones. More than 1500 plants and budwood from new clones were issued to stake holders for the purpose of establishing budwood nurseries and all budwood nurseries were weeded, pollarded and and manured.

An action plan was proposed for all RPC managed estates covering five main areas, namely harvesting, crop estimates, quality improvement of plants, immature upkeep and clonal composition. A positive respond was received and progress of all areas is being monitored. Primary goal of this exercise was to reach 3000kg/ha/year yield target with the clearings that are to be established. Training sessions, workshops and field visits were all conducted as planned, in this regard.

Introducing rubber to home garden was continued with another 1500 units in Hambantota, Ampara, Vavunia, Kilinochchi and Jaffna districts during NE planting season of 2012. Plant distribution was done along with awareness programmes. Progress of the 1500 units established in 2011 were monitored and found to be far too successful.

Island wide programme was planned to popularize rain guards among small holder farmers with the Rubber Development Department. Main focus was regularized harvesting.

A series of research projects have been initiated by the Plant Pathology department on biology, epidemiology, chemical control and biological control of diseases of rubber under research grant received during this year.

White root disease (WRD) survey is in progress and this survey will help to find out the gaps of knowledge to improve the management of highly destructive WRD.

Eight different commercial products of tebuconazole & hexaconazole were tested for efficacy under laboratory conditions. A survey is in progress to find WRD infections on the cover crop, *Mucuna*.

A bud wood nursery was established at Moneragala substation in view of screening the clones against economically important diseases particularly suitable for nontraditional areas.

Investigations were initiated to study the biology, pathogenicity and epidemiology of the pathogens. Responsible for the occurrence of *Ustilina* stem rot & Brown Root Disease which has become increasingly important at present

Thirteen research and development activities in relation to improvement of soil fertility, increasing fertilizer use efficiency, soil, water and nutrient conservation and weed control by the Soils and plant nutrition department.

Research on organic biochar made from rubber wood indicated that P and K fertilizer usage in young budding nurseries could be cut down up to 100% and yet obtain a high growth compared to the currently adopted fertilizer practices.

Site specific fertilizer recommendations for 3500 hectares of mature rubber were issued and approximately 2450 ha were surveyed for suitability of planting rubber under land selection programme.

Soil Science department analyzed approximately 1250 samples (5000 parameters) for outside organizations including 230 fertilizer samples for rubber growers to assure application of good quality fertilizers to their rubber lands.

Transfer of Technology and Advisory programmes, to promote selected technology packages, for improvement of land use productivity of the rubber smallholder sector was the "Thrust" area of activities of the Advisory Services Department. To achieve this objective, several types of special extension projects were conducted.

A national level tapper training programme was initiated in collaboration with NIPM and 42 such programmes were conducted to improve the tapping skills of 2056 rubber tappers

Commercial testing of newly recommended Low Intensity Harvesting systems continued. Harvesting system of S/4 d3 was applied in an extent of 6.7 ha in Rambukkanda estate, Rathnapura and found to be progressing well. According to short-term analyses, S/4 d3 and S/2 d4 systems bring down the cost of production by 21% and 23% providing an additional annual profits of about Rs. 30,000/= and Rs. 40,000/= per hectare, respectively. As such, both S/4 d3 and S/2 d4 systems were rather insensitive to any potential worker wage increase.

Several studies are in progress to model the impact of climate change on the rubber sector, analysis of meteorological data in existing rubber areas and in potential areas for expansion of rubber and application of GIS to demarcate vulnerable areas for climate change.

A pilot scale ultra-fast drying unit for crepe rubber unit was installed at the Dartinfield rubber factory. It was found that drying period could be reduced by more than 50% for crepe rubber without changes its raw rubber properties.

Three research programs on applications of nano filler in raw natural rubber were in progress in the year. One of them was aimed to develop a method based on layered nano materials to prevent extractable proteins from NR latex films. Industrial level trials have shown that the developed method could reduce the extractable protein level below the critical level for latex protein allergy.

A research program focused on modification of layered silicate has shown that layered nanomaterials can be effectively used to prevent blooming of sulphur and stearic acid in rubber compound formulation.

Writing of procedure manuals for effluent water testing to obtain accreditation for the effluent water quality testing laboratory was commenced.

Two new effluent treatment plants based on microbiological treatment process developed by the RRISL have commenced operation satisfactorily. Two other ETPS have commenced construction in crepe rubber factories and would be able to commenced operation during the year 2013.

“Power Mats” based on dipped product waste produced for the weed control of immature rubber, patented in 2010 received the Presidential Award for the best invention in the “Environment” category.

Two series of economical NR/polybutadiene rubber blend based middle layer solid tyre composites were prepared by varying the particle size of calcite/dolomite. Composites containing dolomite of 8 and 10 μ particle sizes exhibited high strength properties, elongation at break and resilience.

A series of NBR based composites was also prepared with five waste filler materials and their electrical and thermal conductivity as well as mechanical properties were evaluated and found to be satisfactory.

Rubber compound and product testing services were provided to the rubber products manufacturing industry and several small and medium scale entrepreneurs were given advice and assistance on setting up rubber based cottage industries.

A total number of four hundred and six samples of process raw rubber were tested for quality assessment as per customer specifications for both export and local consumption purposes. Three hundred and eighty seven numbers of raw rubber analysis certificates and Fifty one numbers of raw rubber analytical certificates of TSR samples were issued for grading and shipping purposes.

Four hundred and forty two numbers of latex samples were analyzed according to ISO international standards. Forty six samples of rubber chemicals and sixty eight number of bleaching agent samples were tested for their percentage purity assessment.

A suitable chemical to replace carcinogenic TMTD from preservation of natural rubber latex is being continued during this year satisfactorily.

Natural rubber was grafted with different acrylic monomers to introduce different cross-linking system in addition to sulphur curing system.

Total Dartonfield group covering 207.79 ha consisting of Dartonfield, Gallewatte and Nivitigalakele divisions. Total mature and immature extents are 174.85 and 32.99 respectively. A total crop of 191,590 has been harvested during the year 2012 which is an increase by 6994kg compared with the year 2011. The actual yield per hectare (YPH) was 1095.7 which is an increase by 79kg as against the previous year's YPH. The average intake per tapper (IPT) during the year was 8.3kg.

Latex crepe No.1X and RSS No.1 manufactured during the year were 82% and 95% respectively.

Total extent of rubber cultivation under Kuruwita substation is 84.11ha which has 71.29ha of mature rubber and 12.82ha of immature rubber. Total crop of 100,043 have been harvested during the year 2012 which is an decrease by 5% when compared with 2011. As such YPH was 1403.3 a decrease by 93kg as against year 2011.

Trends in the Sri Lanka rubber industry

Rubber production:

The natural rubber production in the country in 2012 increased up to 152,000 MT during the year. This is 3.9 % decrease over the 2011 production which is 157,800 MT Mts. This was mainly a result of the reduction in tapping days due to torrential rainfall and the decline in natural rubber prices from the highest ever prices recorded in 2011. The two largest contributors to total rubber production, Sheet Rubber and Latex Crepe Rubber, declined by around 2.4 per cent and 39 per cent to 59.2 mn kg and 36.6 mn kg, respectively. Lower rubber prices affected the better agriculture practices of rubber smallholders adversely, thereby affecting yield despite the fertilizer support programme. As a result, the yield in rubber declined to 1,459 kg per hectare in 2012 from 1,566 kg per hectare in 2011.

Asia, improved rubber production in other rubber producing countries and the build up of carryover stocks in the international market contributed to the decline in natural rubber prices. The average prices of both Ribbed Smoked Sheet 1 (RSS1) and Latex Crepe IX declined at the Colombo Rubber Auction (CRA) by 19 per cent to Rs.417 per kg and 29 per cent to Rs.411 per kg, respectively, in 2012 compared to 2011. During this period, export prices of RSS1 and Latex Crepe IX also declined by 24 per cent and 23 per cent to Rs.447 per kg and Rs.407 per kg, respectively.

Rubber extent:

As per the latest figures reported on the total rubber extent of the country is 130.8 hectares with total mature extent figured at 104,200 ha, while in the year 2011 total extent was 128,500 hectares. This increase of rubber extent during year 2011 is mostly taken place in nontraditional, Moneragala region.

In the year 2012, national productivity has come down marginally to 1492 kg of rubber per hectare from 1562 kg of rubber per hectare in 2011 according to published statistical data.

Replanting and new planting is being carried out steadily in the country and accounts to 2200ha and 2500ha according to ANRPC data however both are lower than that of 2011 figures accounts to 3528ha of replanting and 2449 new planting respectively as per IRSG published reports.

NR Rubber consumption, exports and imports :

NR consumption in 2012 in the country reported as 110.3 thousand MT as against 111.2 thousand MT in the year 2011 which is about 0.89% decrease. This is primarily due to contraction in demand from industries catering to the export market where Latex Crepe is used as one of the main inputs for high end products. Total NR exports in 2012 amounts to 49,500MT as against 47,700MT in the year 2011 while NR imports to Sri Lanka accounts to be 15,700 in 2012 where as in 2011 it was 16,500MT.

Total synthetic rubber consumption in 2012 was 28 thousand metric tones while in the year 2011 it was 37.6 thousand metric tones which is around 25.5% decrease.

Rubber manufacturing industry:

Export income from the rubber products in 2012 recorded a total of Rs. 103,921 million a remarkable increase from the year 2011 which was recorded as Rs. 98,090.8 million. According to custom figures.

Sri Lankan industry is dominated by solid tires and affiliated product exports which accounts to Rs. 68,671.9 63,605.4 million in 2012 which accounts to 66% of the total income from the rubber manufacturing sector in Sri Lanka. In 2011 the Tyre sector income was Rs. 63,605.4 million.

This continuous increase confirms that the steady development rubber manufacturing industry in the country.

Production of latex products such as latex gloves too continue to increase in the country and exports of these products earned Rs.22,546.07 million as against Rs. 20,082.8 million in the year 2011.

Exports of raw rubber:

In the year 2012, a total of 32,913.85 metric tons of raw hard rubber and centrifuged latex were exported and earned a foreign exchange earnings equivalent to Rs. 14,170 million according to custom figures. Crepe rubber exports 19,135MT were dominated raw rubber exports earnings accounted for 8106.07 millions, while exports of RSS 1,122.4 MT earned Rs 4816 millions while liquid concentrated latex exports of 2063MT metric tons earned 986 million rupees in the year 2012.

Achievements (2012)

- Production of 187 new genotypes from 2012 hand pollination programme
- Establishment of seven small holder/ RRI collaborative trials in Intermediate zone (Padiyathalawa) with new promising clones
- A low cost biochar stove was designed and a prototype was manufactured.
- A biofilm capable of being used as a biofertilizer for rubber nurseries was developed and its effectiveness was evaluated.
- Rubber plants established in 2010 and 2011 in Vavuniya South (Madukanda area) and Oddusudan of Mullattivu district by SLARMY have shown satisfactory growth confirming the feasibility of rubber cultivation in Northern region (Figure. 1 & 2).



Fig. 1. Rubber plants established in 2011 at ARMY (14SR). 2010 Vavuniya South



Fig. 2. Rubber plants established in 2010 Vavuniya South

- Intensive training programmes was conducted on tapping to stakeholders in Eastern Province (Figure 3)



Fig. 3. Latex harvesting training programme for the rubber smallholders in the Eastern Province

- Assisted to RDD to conduct awareness programmes on rubber cultivation in the Eastern Province to meet the target of 500 ha of new planting rubber 2012 (Figure 4).



Fig. 4. Awareness programme is in progress (Eastern Province)

- Successfully promoted of the rubber/sugarcane intercropping for livelihood improvement in the peasant community in Monaragala district (Figure 5).



Figure 5. Rubber/sugarcane intercropping at Monaragala

- Growth and quality parameters of cut foliage plants under rubber were found satisfactory in RRISL Sub station , Kuruwita.
- S/4 d3 Low Intensity Harvesting system was introduced to Regional Plantation Companies
- Financial assessment on short-term impacts of S/2 d4 & S/4 d3 low intensity harvesting system was completed
- 1500 Home garden units were established in moneragala district under new rubber planting method for non traditional areas.
- Popularization of the new tapping knife developed by RRISL which course minimum damage to the tree and introduction of suitable harvesting technology on case by case in order to achieve sustainable yields.
- Data were gathered to correct the clonal composition of RPCs. Budwood and budded plants of new clones were supplied to stakeholders throughout.
- Introduction of strategies to overcome high intensity tapping of RPCs.
- Newly introduced S/2 d4 and S/4 d3 Low Intensity Harvesting systems showed a reduction in cost of production by Rs.23/= and Rs.10/= and increased overall profits by Rs.38, 375/= per hectare and Rs.17,126/= per hectare and harvesters' income by Rs.120/= per day and Rs.60/= per day respectively.
- The site specific fertilizer recommendation programme for mature rubber provided fertilizer recommendation for 3100 ha in the estate sector

- Under the land selection programme, 2245ha of lands were surveyed for the land suitability for planting rubber
- Upgraded 833 rubber smallholdings as model rubber holdings
- Established 78 model rubber processing centers.
- Established a private - public partnership programmes for the development of the medium scale rubber growers in the country.
Introduced 286 new rubber tappers to the industry and upgraded tapping skills of 2122 rubber tappers.
- Introduced 27 trained village youths for land preparation lining and soil conservation aspects.
- Development of water proofing membranes out of polymer modified bitumen
- Development of pressure sensitive nano-reinforced adhesive with mercapto-grafted Polychloroprene rubber. A Patent was applied for this development and several trial samples were distributed among main adhesive manufacturers in order to get their comments
- Two workshops were conducted for Small scale manufactures entrepreneurs (SME) on development of natural rubber based adhesives and one workshop on rubber wood treatment was conducted for 25 graduates from VIDATHA centers
- More than 1000 samples were tested for polymer analysis using Flourier Transform Infrared Spectrophotometer(FTIR) and DSC instruments
- Presidential Award – 2010 was received on 26th January 2012 for the best invention in the “Environment” category for the “Power Mats based on Dipped Products Waste”.
- Conducted about twenty workshops / training programs for SME’s on manufacture of rubber based products.
- Research Grant (8600 USD) was awarded for the “Development of integrated management strategies for white root disease of Rubber (*Hevea brasiliensis*)” from International Foundation for Science, Stockholm, Sweden (IFS D/5127-1).
- Research Grant (4,165,000.00 Rs.) for the “Studies on White Root Disease of Rubber to Develop Improved Management Strategies” from National Research Council Sri Lanka (NRC – 11-039).
- A collar rot condition caused by the fungus *Pythium* sp. was spread in rubber nurseries during the year 2012 and immediate measures were undertaken to chemically control the disease minimizing further spread.
- Screening of the clones against powdery mildew was completed and the disease resistant / susceptible clones were identified.
- White root disease survey is successfully carried out to establish the present disease distribution, and other related information which will enable us to fill the information gaps by improving the adoption of management practices.

Activities of Research Department - 2012

Genetics and Plant Breeding Department

One hundred and eighty six numbers of new genotypes were raised from 2012 annual hand pollination program. It has been used nine germplasm selections from 1981 IRRDB expedition as a male parent with an aim to widen the genetic diversity.

Six new promising clones and two HP selections were established along with two check clones at eastern province under the project evaluation at new clone for suboptimal conditions (eastern province). The control trial of this evaluation was established at Bandaragama area. Totally eight smallholders are collaborating in these trials. Existing small holder trials at Kamburupitiya, Godagama and Kegall are performed well.

Thirteen new selections from 200 HP program establish at Payagala estate for small scale level clonal evaluation (SSCT Trials). Several selections were made from small scale evaluations of 1990: Kuruwita, 1991: Pallegoda and 1991: Vogan. These selections are now taken to evaluate under Estate / RRI collaborative level. Overall performances were recorded in existing SSCT and ECT trials other than data on annual girth, monthly test tappings and volume measurement.

Girth, bark thickness and yield data of 2008 Hand pollination progeny were analyzed. Highest individuals were selected from each family for molecular characterization by mean of representing all thirteen different families. Genetic diversity analysis of parents which used for 2012 HP program was carried with RAPD molecular markers. Nine accessions were grouped into two main clusters and further number of sub clusters formed in these main clusters indicated the high genetic variability among parents. Therefore wide range of genetic diversity can be expected from the 2012 HP progeny.

A young bud wood nursery was maintained with all recommended clones, new HP entries, and HP mother plants. All planting materials were produced for new experimental trials.

Plant Science Department

Rejuvenated RRI 100 plants were issued to establish budwood nurseries to ensure sufficient rubber seed production for nurseries during 2020-2040 period as RRIC 100 has been identified as the best seed producer. It was also recommended to plant 1% of the total extent for a period of 10 years from 2012 to cover 10% with RRIC 100. Rejuvenation is being continued with RRIC 102, 121 and also with elite individuals giving extraordinary yields. Experiments on irrigation systems for nurseries as well as for immature clearings were continued. Large scale commercial irrigation systems designed for Government rubber nurseries at Welikadamulla, Gurugoda and Kubukkana were successfully completed. Experiments on quality improvement of young buddings were continued. Only girth data could be collected from crown budding experiments. Yield data up to last year revealed that RRIC 121 as the crown impress the yield of the trunk of many clones. Out of chemicals tested, ZnSO_4 appears to give better result than currently recommended leaf cap or leaf folding methods to induce branches on young trees. Bud wood plants pollarded at 6" showed clear juvenile characters with compared to currently recommended 1' from the graft union. A new budwood nursery was established at Dartonfield with new RRISL 200 and 2000 series clones. More than 1500 plants and budwood from new clones were issued to stake holders for the purpose of establishing budwood nurseries and all budwood nurseries were weeded, pollarded and manured. Two low density trials were established at Galewttta and Nivithigalakele and also one in the intermediate zone with a small holder farmer. Yield data of the low density trial sustained to indicate economically more viable. Performance of high density trial at Kuruwita showed no deviation in conclusions so far. Economically important perennial crops introduced to the fence of rubber clearings performed as expected.

Cinnamon on the fence appears to be successful. Other intercropping trials with Cinnamon, rattan, rambutan, durian, jack and tea were maintained and harvesting was done. Intercropping trials with cash crops such as corn and water melon at Monaragala substation gave encouraging results. Field establishment rate of perennial species was high. Plant physiological studies were continued and data collection and maintenance of trials were attended. High frequency tapping of high yielding clones and also shorter tapping cuts, S/3 and S/4 with ethrel indicated comparative yields but higher percentage of brown bast. Girth at opening trial has so far showed convincing results which requires economical analysis for conclusions. More emphasis was given to correct the improper harvesting practices which leads to permanent damage to trees and thereby low rubber production in the future. Many RPC managed estates completed bark auditing and recommendations were issued with alternative methods for harvesting until the base panels are renewed.

An action plan was proposed for all RPC managed estates covering five main areas, namely harvesting, crop estimates, quality improvement of plants, immature upkeep and clonal composition. A positive response was received and progress of all areas are being monitored. Primary goal of this exercise was to reach 3000kg/ha/year yield target with the clearings that are to be established. Training sessions, workshops and field visits were all conducted as planned, in this regard.

Introducing rubber to home garden was continued with another 1500 units in Hambantota, Ampara, Vavunia, Kilinochchi and Jaffna districts during NE planting season of 2012. Plant distribution was done along with awareness programmes. Progress of the 1500 units established in 2011 were monitored and found to be far too successful. Island wide programme was planned to popularize rain guards among small holder farmers with the Rubber Development Department. Main focus was regularized harvesting.

Advisory visits made were mainly on issues related to harvesting. Poor growth was also reported mainly owing to quality of plants. Nursery inspection was continued and more attention was given to the quality of plants produced in government nurseries as a larger share is produced in them. Availability of a large number of unregistered nurseries continued to affect the productivity. Some estate owned nurseries produced best quality plants.

Polythene testing for rain guards and for poly bags was attended. More than 3000 technically specified tapping knives, colour coded marking plates and Ready Reckoner Charts were supplied to all requested.

Plant Pathology & Microbiology Department

Canopy diseases such as Powdery mildew, Colletotrichum leaf disease, Phytophthora leaf fall and Corynespora leaf fall disease were reported to be mild to moderate during the year. White root disease was continued to be very destructive and complaints were frequently received from growers. Mr. W. Amarathunga, Audio Visual Production Officer retired in November 2012, after 35 years of outstanding service to the institute. Mrs. D. Siriwardene, Experimental Officer participated in the training course on “Natural Rubber Cultivation, Management and Processing Technology” in China. Dr. (Mrs.) T.H.P.S. Fernando received two research grants from National Research Council (NRC Grant 11-39) and International Foundation for Science (D / 5127 - 1) to improve the management strategies for white root disease. Under the above grants a series of research projects have been initiated on biology, epidemiology, chemical control and biological control to fulfill the requirements. WRD survey is in progress and this survey will help to find out the gaps of knowledge to improve the management of WRD. Eight different commercial products of tebuconazole & hexaconazole were tested for efficacy under laboratory conditions. A survey is in progress to find WRD infections on the cover crop, Mucuna. Several plant species with potential antagonistic effect on *Rigidoporus microporus* were identified and studies were initiated to identify resistant plant species to *Rigidoporus microporus*. Preliminary investigations were completed on the development of an early detection method for WRD of rubber. Different materials tested for rubber plants against mammalian pests were monitored for effectiveness. Alternative chemicals are being

tested for the management of Patch canker, the bark cracking disorder. Experiments are in progress to test three new chemicals against cockchafer grub attack under laboratory and field conditions. A bud wood nursery was established at Moneragala substation in view of screening the clones against economically important diseases. Entomogenous fungus, *Beauveria* spp. was imported and was tested for the ability of biological control of cockchafer grubs. The occurrence of Ustilina stem rot & Brown Root Disease has become increasingly important; investigations were initiated to study the biology, pathogenicity and epidemiology of the pathogens. Screening of the clones against abnormal leaf fall was limited to certain localities. Two multiclonal clearings established with *Corynespora* disease resistant and susceptible clones at Kuruwita substation, Rathnapura are being monitored for average disease severity index. Seed samples collected from Kuruwita Estate showed low levels of germination mainly due to the presence of plant pathogenic fungi. A collar rot caused by *Phythium* spp. has been continuously reported to RRI from the rubber nurseries of Horana, Awissawella and Monaragala areas. Immediate steps were taken to chemically control the condition and advisory circulars were sent in view of stop spreading the condition. Germination beds from the government nursery, Gurugoda were contaminated with many saprophytic fungi dominated by the antagonistic fungus, *Trichoderma* spp. And appropriate measures were recommended to overcome the situation.

Soils and Plant Nutrition Department

Planned, promoted, implemented and monitored thirteen research and development activities in relation to improvement of soil fertility, increasing fertilizer use efficiency, soil, water and nutrient conservation and weed control. Research conducted using biochar made from rubberwood indicated that P and K fertilizer usage in young budding nurseries could be cut down upto 100% and yet obtain a high growth compared to the currently adopted fertilizer practices. A TLUD stove was designed from clay to produce biochar while obtaining cooking energy from rubberwood. In biofilm biofertilizer experiments, some bacteria and fungi species isolated from rubber root rhizosphere were found to solubilize sparingly soluble calcium phosphate with varying potentials and also that there is a possibility of using them as biofertilizers for nursery plants and cut down chemical fertilizer usage in rubber nurseries. Site specific fertilizer recommendations for 3500 hectares of mature rubber were issued and approximately 2450 ha were surveyed for suitability of planting rubber under land selection programme. The department also analyzed approximately 1250 samples (5000 parameters) for outside organizations including 230 fertilizer samples for rubber growers to assure application of good quality fertilizers to their rubber lands.

Biochemistry and Physiology Department

Commercial testing of newly recommended Low Intensity Harvesting systems continued. Harvesting system of S/4 d3 was applied in an extent of 6.7 ha in Rambukkanda estate, Rathnapura and found to be progressing well. According to short-term analyses, S/4 d3 and S/2 d4 systems bring down the cost of production by 21% and 23% providing an additional annual profits of about Rs. 30,000/= and Rs. 40,000/= per hectare, respectively. Both S/4 d3 and S/2 d4 systems were rather insensitive to any potential worker wage increase. Financial analyses also showed that cost of production of rubber is Rs.70-80/= higher in long-term perspective. Commercial application of gaseous stimulated control upward tapping was financially viable. No suitable alternative method to the traditional metrolac weighing of latex was found. A research project was granted by the National Science Foundation to identify suitable harvesting systems and to develop other agronomic protocols to cultivate rubber in Eastern and Northern provinces, respectively.

Advisory Services Department

Transfer of Technology and Advisory programmes, to promote selected technology packages, for improvement of land use productivity of the rubber smallholder sector was the “Thrust”

area of activities of the Advisory Services Department. To achieve this objective, several types of special extension projects were conducted.

Nearly 6300 advisory visits were made to solve problems in technology adoption in the rubber smallholder sector. Although it was observed that there is a growing demand for individual advisory visits on requests of farmers, it was unable to attend adequately and restricted to 1000 visits due to lack of sufficient field staff. However, this was overcome by introducing a novel group advisory approach called “Vihidum Sathkara” and 52 such programmes were conducted for the benefit of 48113 smallholders; in 24 rubber extension ranges. A national level tapper training programme was initiated in collaboration with NIPM and 42 such programmes were conducted to improve the tapping skills of 2056 rubber tappers. An extension strategy focused on farmer participatory development of rubber holdings was continued and 610 immature rubber holdings and 440 mature rubber holdings were upgraded as “model rubber holdings” to demonstrate the value of adopting recommended practices for productivity improvement. Extension/ Advisory support services were provided to motivate 684 rubber growers to rehabilitate their sub-standard rubber holdings. Mucuna cover crop was introduced in 437 immature rubber holdings. Thirty five farmer training programmes were conducted to educate 1060 rubber growers on White root disease control.

A new programme called “Erambumata Athwelak” was introduced to train village youths on contour lining, land preparation and planting aspects. One hundred and eighty five training programmes were conducted to improve knowledge and skills of 4888 rubber smallholders on rubber cultivation and processing aspects.

One hundred and one demonstration holdings were set up to demonstrate the value of using rain guards and 40 area specific intercropping demonstrations were set up to motivate rubber growers to establish intercrops as an extra income source during the immature period of rubber holdings.

One hundred and thirty one model rubber processing centers developed under supervision of Rubber Extension Officers are functioning well. A team of Rubber Extension Officers were mobilized for three days in the Monaragala district and conducted 06 extension programmes for the benefit of 434 rubber growers.

Rubber Technology & Development Department

“Power Mats” based on dipped product waste, patented in 2010 received the Presidential Award for the best invention in the “Environment” category. “Power Mats” were produced at a rubber product manufacturing company for two different applications. Cast films prepared out of natural rubber (NR) latex compounded with linseed oil, a plant based plasticizer exhibited a glossy appearance and a smooth surface finish. Strength properties of the films were higher than those of the films prepared with petroleum based white oil. Manufacture of rubberized-coir based fenders for dock yards and for protection of immature plants against animal attack was continued. Development of composites with NR latex foam and coconut fibre was initiated.

Three rubber composites were produced by mixing different types of compounded latex coated coconut fibres with virgin NR. Mechanical properties of the composites prepared with compounded NR latex coated fibres were higher than those of the composites prepared with compounded nitrile (NBR) latex and compounded neoprene latex coated fibres. Two series of NR / polybutadiene rubber blend based middle layer solid tyre composites were prepared by varying the particle size of calcite / dolomite. Composites containing dolomite of 8 and 10 μ particle sizes exhibited high strength properties, elongation at break and resilience.

An environmental friendly mechano-chemical modification process for ground rubber tyre (GRT) was developed using a natural product. Potassium hydroxide treated waste paper pulp incorporated NR compounds were prepared according to different mixing techniques and their properties were evaluated. A series of NBR based composites was also prepared with five waste filler materials and their electrical and thermal conductivity as well as mechanical properties were evaluated.

Rubber compound and product testing services were provided to the rubber products manufacturing industry and several small and medium scale entrepreneurs were given advice and assistance on setting up rubber based cottage industries.

Several workshops and training programs on “Rubber based products manufacture at cottage level” were conducted. Further, the staff was actively involved in organizing the stall and training students at national development and educational exhibitions.

Polymer Chemistry Department

A suitable chemical to replace carcinogenic TMTD from preservation of natural rubber latex is being investigated during this year. An effective chemical was identified after several trials with different chemicals. Even though development of volatile fatty acid is comparatively low with the new chemical discovered, reasons for low mechanical stability time resulted from natural rubber latex preserved using new chemical is still under investigation. A project started to analyze rheological property improvement of EPDM rubber compound in the presence of low-grade natural rubber such as skim and yellow fraction has been completed concluding some recommendations which can be used by rubber product development industries. Nano reinforced pressure sensitive adhesive was developed with a remarkable improvement of peel strength compared to market available same grade adhesives. A patent was applied for this innovation. A research was initiated to manufacture water proofing membranes using polymer modified bitumen.

Raw Rubber and Chemical Analysis Department

A total number of four hundred and six samples of process raw rubber were tested for quality assessment as per customer specifications for both export and local consumption purposes. Three hundred and eighty seven numbers of raw rubber analysis certificates and Fifty one numbers of raw rubber analytical certificates of TSR samples were issued for grading and shipping purposes. Four hundred and forty two numbers of latex samples were analyzed according to ISO international standards. Forty six samples of rubber chemicals and sixty eight number of bleaching agent samples were tested for their percentage purity assessment. Seventy seven numbers of polythene samples were analyzed for quality assurance and quality control purposes.

The department was also engaged in testing of certain rubber products for acetone extractable non rubber content and isoprene content.

A cyanide free test method which avoids the chemical hazards from using highly toxic potassium cyanide was validated throughout the year in order to confirm the applicability of the method. Trials were carried out with different Zinc ion concentrations to detect any deviations of results with Zinc ion concentrations.

With the main emphasis of identifying a easy and quick method for the determination of VFA number without using conventional time consuming method, A student from

Raw Rubber Process Development and Chemical Engineering Department

A pilot scale ultra-fast drying unit for crepe rubber unit was installed at the Dartinfield rubber factory. It was found that drying period could be reduced by more than 50% for crepe rubber. Raw rubber properties of the crepe rubber laces are comparable to that of crepe rubber dried in conventional drying system. A technological grant under “technological grant scheme support for technological development” of National Science Foundation has been approved for adaptation of this drying system at estate level. A series of mini coagulating tanks were designed and fabricated. Laboratory scale and field level trials were carried to assess the performance of this newly designed small scale natural rubber latex coagulating tanks. It was found that wet slabs of coagulum with uniform thickness could be obtained easily when these tanks are used.

Structure characterization of sludge powder prepared from sludge generated in the centrifuged latex processing factories was carried out using X-ray diffraction method. Investigations were carried out on the cure characteristics and vulcanizates properties of sludge powder

filled NR compounds. The results showed the need of modifying the sludge powder to be effective as filler for NR compounds.

Three research programs on applications of nano filler in raw natural rubber were in progress in the year. One of them was aimed to develop a method based on layered nano materials to prevent extractable proteins from NR latex films. Industrial level trials have shown that the developed method could reduce the extractable protein level below the critical level for latex protein allergy. The research program focused on modification of layered silicate has shown that layered nano-materials can be effectively used to prevent blooming of sulphur and stearic acid in rubber compound formulation. A competitive research grant was received by National Research Council to carry out a collaborative research project on the effects of hybrid nano-material systems on mechanical and flame retardant properties. Effect of organoclay which is one of the intended filler to be used, on the cure characteristics of NR composites were studied.

Writing of procedure manuals for effluent water testing to obtain accreditation for the effluent water quality testing laboratory was commenced. Departmental staff involved with routine trouble shooting activities, raw rubber processing projects, testing services and training programs requested from clients in a wide spectrum of fields were attended. In addition, Head of the department and other officers dynamically participated in selection process of crepe rubber processing factories and centrifuged latex processing factories for awards presented at the national plantation award ceremony held 2012.

Adaptive Research Unit

With the priority given to Eastern and Northern regions, assistance was given to the Rubber Development Department to cultivate rubber in 135 ha with smallholder farmers in the Eastern province. Also, two adaptive research plots were established in the dry zone coming under Batticaloa district. In North, arrangements were made to establish 10 demonstration plots of rubber in Vavuniya, Mullativu and Killinochchi districts with SLARMY. Analyses on SWOT were made on rubber cultivation in Vavuniya district. Planting sugarcane with rubber was found to be effective in adding value to the labour available in Monaragala district. Construction of a RSS processing centre was in progress in Polgahawela substation. Among the ornamental plants tested under rubber, Anthurium was found to be the most profitable crop as the rubber canopy provides required shade with no cost on artificial nets. Cane palm was successful with immature rubber whilst Dracaena, Chinese grass, Croton and Polycia performed better under mature rubber.

Agricultural Economics Unit

Agricultural Economics Unit aims to provide necessary information regarding domestic and international market updates on rubber and related products and appropriate guidance to make rubber farming and processing a profitable venture. Agricultural Economics unit committed to conduct researches on socio economic analysis and involve in multidisciplinary research collaborations with other research departments. Agricultural Economics Unit continued its assistance to other research departments through economic analysis in various forms during this year. The studies conducted during this year were focused on Sri Lankan rubber market and rubber products manufacturing companies. A database was prepared using available information on Rubber products manufacturing companies registered under the Ministry of Industries and Commerce, Board of Investment and various other sources. Economics Unit was engaged in a variety of outreach activities during this year in collaboration with the Biometry Section.

Biometry Section

The focus of the research and development programme of the Biometry section was based on three aspects; viz. research support, statistical methods and meteorology and climatology. During the year under review, research support provided to other departments included data analysis, interpretation of results and database management. On statistical methods, the

Biometry section was involved in research, focusing on Biometrical aspects especially on department, modification and application of statistical methodologies to suit the needs of the rubber sector. The disciplines covered were experimental designs, statistical methods for Economics and Social Sciences, time series methods and non-linear modeling.

Another area addressed in the research programme of the Biometry section was meteorology and climatology. Database on meteorological data collected in the station at Dartonfield and rainfall data collected in stations at Nivitigalakele, Galewatta, Polgahawela, Moneragala and Kuruwita were updated and provided the data for scientific purposes on request. Establishment of meteorological stations in the premises of regional advisory office in Kegalle and in sub-station at Moneragala and Kuruwita is in progress. Several studies are in progress to model the impact of climate change on the rubber sector, analysis of meteorological data in existing rubber areas and in potential areas for expansion of rubber and application of GIS to demarcate vulnerable areas for climate change.

Library and Publication Section

The librarian was in overall charge of both the Head Quarters Library at Dartonfield and Colombo Office library at Ratmalana. The Publications Section was under the direct supervision of the Library Assistant and Assistant Publications Officer.

Main functions of the Library and Publications Section such as processing and publishing of Institute's regular publications and disseminating of information on rubber and related areas have been carried out the year. Further, the library was able to supply almost all textbooks requested by the research personnel for their research and study purposes and the Publications Section launched three new publications.

We wish to record with appreciation the assistance of the National Science Foundation in digitizing the original local literature of RRISL. The Agricultural Information Network (AGRINET) continued their services throughout this year as well and they are organizing a user seminar at the RRISL next year to make the research staff aware of the information services offered by the AGRINET.

Dartonfield Group

The mature and immature extents of the Dartonfield Group were 174.85 hectares and 32.99 hectares respectively during the year.

A total crop of 191,590 Kg has been harvested during this season recording an increase of 6994 Kg. on previous year's crop.

The actual yield per hectare (YPH) achieved was 1095.7 Kg. and when compared with the same period last season YPH has increased by 79.3 Kg. The average intake per tapper (IPT) recorded during the year was 8.3 Kg.

The annual rainfall was 3622.6 mm with 195 wet days as against 3394.6 mm with 191 wet days during the last year.

The total number of Normal, Late, Rain guard and No tapping days recorded during the year were 229, 14, 68 and 54 days respectively.

The cost of production (COP) for the season was Rs.216.23 per kg. When compared with the last year it has decreased by Rs. 12.73 per kg. The net sale average (NSA) for the year was Rs.383.36 per kg. The profit per kg. was Rs.167.13 and profit made for the year was Rs. 32 million. Profit per hectare recorded for the year was Rs. 183,130.89.

Latex Crepe No.01X and RSS No.01 manufactured during the year were 82% and 95% respectively.

Kuruwita Sub - station

A total crop of 100,043 kg. have been harvested during the year. When comparing with the estimated crop it records a decline of 5%. The actual yield per hectare (YPH) achieved was 1,403.3 kg. when compared with the same period of the last year, YPH has decreased of by 93 kg.

The total number of Normal, Late, Rainguard and No tapping days recorded during the year was 243, 22, 77 and 24 days respectively.

The COP and NSA achieved for the year was Rs. 178.69 and Rs. 366.21 respectively giving a profit margin of Rs. 187.52 per kg. and a total profit of Rs. 18.7 million. Profit per hectare recorded for the year was Rs. 263,151.40

RUBBER RESEARCH BOARD OF SRI LANKA
STATEMENT OF FINANCIAL POSITION AS AT 31.12.2012

ASSETS		Note		2012 year		2011 year	
Non - Current Assets							
Property, Plant and Equipment		01		252,996,280.17			207,461,866.35
Working Progress -							-
- Effluent Treatment Plant				2,226,507.92			-
- Monaragala Nursery				4,950,638.72			4,625,057.39
- Moter Vehicles - (W.I.P)							
- Df Auditorium - (W.I.P)				22,298,921.62			12,163,879.78
Other Financial Assets -	RRI						
	KW Esta	1B		857,315.61		328,892.01	
	D'field Esta	1B - 11		<u>435,576.75</u>	1,292,892.36	<u>48,114.00</u>	377,006.01
				283,765,240.79			224,627,809.53
Investment (LT)	RRI	02		479,729.47			465,362.95
Current Assets							
Trade & Other Receivables -	RRI	3 - I		443,447.41		420,704.71	
Other Debtors	RRI	3 - II A I		1,286,278.99		1,286,278.99	
General Debtors	RRI	3 - II A2	19,994,385.66		24,640,491.38		
Doubtful Debts	RRI	04	<u>(1,074,162.13)</u>	18,920,223.53	<u>(1,074,162.13)</u>	23,566,329.25	
Debtors - Surety Bond	RRI	3 - II B		6,915,540.14		5,658,066.65	
	RRI	3 - II C		11,112,316.86		10,153,929.55	
	RRI	3 - III		6,943,267.38		4,869,574.17	
	KW Esta	3- IV	3,656,328.77		5,206,639.71		
	D/F Es	3- V	<u>9,317,520.13</u>	12,973,848.90	<u>4,645,096.12</u>	9,851,735.83	
Inventories/Stocks -	RRI	05	19,426,092.60		14,298,286.55		
	KW Esta	5 - I	447,913.67		145,093.29		
	D/F Es	5 - III	<u>976,684.81</u>	20,850,691.08	<u>1,164,609.18</u>	15,607,989.02	
Receivables	RRI	06		8,529,460.33		8,253,145.70	
Cash and Cash Equivalents	RRI	07	14,576,062.22		80,636,720.62		
	KW Esta		1,028,331.32		622,017.58		
	D/F Es		<u>440,318.60</u>	16,044,712.14	<u>72,066.30</u>	81,330,804.50	
Total Current Assets				104,019,786.76		160,998,558.37	
Current Liabilities							
Payables	RRI	8 A I	(22,980,427.95)		(32,122,698.03)		
	KW Esta	8 A II	(2,411,024.26)		(2,421,023.32)		
	D/F	8 A III	(9,760,697.73)	(35,152,149.94)	(10,157,123.72)	(44,700,845.07)	
Payable	RRI	8 - B		(5,819.87)		(24,095.87)	
Accured Expenses	RRI	9 - I	(8,187,422.51)		(7,463,345.65)		
	KW Esta				-		
	D/F Es	9 - III	<u>(246,486.98)</u>	(8,433,909.49)	<u>(139,649.58)</u>	(7,602,995.23)	
Current A/C-(Intertranceaction Between Divisions)-	D/F Es/K'wita	10	-	-	-	-	
Provision for Gratuity	RRI	11	(79,293,822.50)		(68,213,035.00)		
	KW Esta		(5,610,734.00)		(5,103,086.99)		
	D/F Es		<u>(15,488,915.00)</u>	(100,393,471.50)	<u>(15,451,337.50)</u>	(88,767,459.49)	
Povision for Audit Fees	RRI	12		(1,849,551.61)		(1,759,404.29)	
Total Liabilities				(145,834,902.41)		(142,854,799.95)	
Net Current Assets				(41,815,115.65)			18,143,758.42
Total Assets				242,429,854.61			243,236,930.90
Equity and Capital							
Non Current Liabilities							
Accumulated Fund				45,044,234.46		45,044,234.46	
Other Capital Grants		13	61,669,655.75			41,059,222.74	
Treasury Grant- Capital			297,066,000.00			251,066,000.00	
Treasury Grant - Cess			79,828,035.40			79,828,035.40	
Plantation Crop Devel. Fund			6,300,000.00	489,907,925.61		6,300,000.00	423,297,492.60
Reserves				(185,718,628.35)		(204,057,189.10)	
Deficit A/C Balance B/f(01/01/2012)				(68,627,910.49)		18,338,560.75	
Deficit for the Year				(254,346,538.84)		(185,718,628.35)	
Contingency Liability							
Surety Bond				6,868,467.84		5,658,066.65	
				242,429,854.61		243,236,930.90	
Accountant -RRI			Director - RRI		Chairman - RRB		

RUBBER RESEARCH BOARD OF SRI LANKA
Statement of Financial Performance
for the Year Ended 31/12/2012

	Note	Total		Total
		Rs'	Cts	Rs' Cts
		2012		2011
Recurrent Grant			185,705,000.00	183,100,000.00
Other Income	14		12,175,882.30	13,788,109.88
			197,880,882.30	196,888,109.88
Administration and Establishment Expenses				
Personal Emoluments	15	(173,625,991.83)		(152,151,428.01)
Travelling	16	(6,058,530.73)		(6,067,979.85)
Supplies and Consumable Used	17	(15,509,059.52)		(14,290,931.61)
Maintenance	18	(20,281,693.19)		(16,975,347.27)
Contractual Services	19	(52,565,895.14)		(29,845,198.61)
Research and Development	20	(17,540,839.75)		(16,433,759.91)
Depreciation and Amortisation Expenses	21	(18,813,151.73)		(16,627,373.91)
Other Operating Expenses	22	(8,226,245.64)		(7,429,951.58)
Total Operating Expenses			(312,621,407.53)	(259,821,970.75)
Surplus/Deficit from Operating Activities			(114,740,525.23)	(62,933,860.87)
<u>Less</u>				
Finance Cost				
Gain on Sales of Property Plant and Equipment				
Total non Operating Revenue (expenses)				
Net Surplus / Deficit before Extra Ordinary Items				
Extra Ordinary Items			-	-
Net surplus/deficit for the period			(114,740,525.23)	(62,933,860.87)
Add /- Substations Loss or Profits				
Profit on Dartonfield Estate	23		35,791,335.53	55,595,555.01
Profit on Kuruwita Estate	24		17,897,737.73	31,741,132.93
Kumarawatta Estse	25		(5,147,245.29)	(3,613,627.44)
Narampola Estate	26		(2,358,941.85)	(2,241,234.54)
			(68,557,639.11)	18,547,965.09
<u>Add</u>				
Prior Year Adjustment			(70,271.38)	(209,404.34)
			(68,627,910.49)	18,338,560.75

RUBBER RESEARCH BOARD OF SRI LANKA
CONSOLIDATED CASH FLOW STATEMENT
FOR YEAR ENDED 31ST DECEMBER 2012

	2012	2011
	Rs.	Rs.
A <u>Operational Activities</u>		
Operational Activities	(68,557,639.11)	18,547,965.09
<u>Add-</u>		
Depreciation	19,852,718.72	18,358,612.30
Amortization		(1,241,309.12)
<u>Less-</u>		
Interest on Investments	32,985.26	(30,220.00)
Sale of Rejected Item	31,669.00	(69,419.99)
Cash Received from vahical sale	479,569.93	
Operating Surplus/Deficit before Ajusting Working Capital's Movement	(48,160,696.20)	35,565,628.28
<u>Working Capital's Movements</u>		
Increase in Payables - Creditors		13,240,598.02
Increase in Accrude Expenses	830,914.26	1,343,925.01
Increase in Provisions Grativity	11,625,922.01	1,980,551.99
Increase in Stock	(5,242,702.06)	(3,175,133.39)
Increase in Receivables	(2,788,304.06)	(6,463,424.42)
Increase in Prepayment	(276,314.63)	84,730.99
Decrease Liability -Sury Bond		(3,370,883.04)
Decrease in Payable (8-B)	(18,276.00)	
Increase in Audit fees	90,147.32	413547.57
Decrease in Payables - Creditors (8-A)	(9,548,695.13)	
Net Cash Flows from Operating Activities	(5,327,308.29)	39,619,541.01
B <u>Investment activities</u>		
Interest on Investments	32,985.26	30,220.00
Sale of Rejected Item	31,669.00	69,419.99
Timber Sold	479,569.93	
Purchase of Plant and Equipment	(42,027,709.16)	(34,592,423.99)
Changes of Plant & Equipment		
Increase in Investments	14,366.52	(13,425.59)
Increase in WIP	(12,361,549.76)	(12,163,879.78)
Other Financial Assets (Projects Increase)	(915,886.35)	35,664.76
Increase Monaragala Project	(325,581.33)	(412,171.11)
Net cash flows from investing activities	(55,072,135.89)	(7,427,054.71)
C <u>Financial Activities</u>		
Project Receipts	(2,655,680.00)	(1,139,668.75)
Capital Grant (tresury)	46,000,000.00	31,900,000.00
Prior Year Adjustment	(70,271.38)	
Net Cash Flow from the Financing Activities	43,274,048.62	30,760,331.25
Net Increase/Decrease in Cash Flows	(65,286,091.76)	23,333,276.54
Cash and cash equivalents at beginning of the period	81,330,804.50	57,997,527.96
Cash and cash equivalents at end of the period	16,044,712.74	81,330,804.50

Rubber Research Board of Sri Lanka
Statement of Equity Changes as at 31.12.2012

Description	Accumulated Capital Fund	Cess Capital	Plantation Crop Development Fund	Treasury Capital Grant	Other Capital Grant	P & L	Total
Balance as at 01.01.2012	45,044,234.46	79,828,035.40	6,300,000.00	251,066,000.00	41,059,222.74	(185,718,628.35)	237,578,864.25
Less :-							-
Add							-
N.S.F.Grant							-
Funds received				46,000,000.00	20,610,433.01		66,610,433.01
Deficit for the year						(68,557,639.11)	(68,557,639.11)
Prior Year Adjustments							-
Omissioning error corrected at white root project						(70,764.10)	(70,764.10)
Omissioning error corrected - Salary						490.26	490.26
Omissioning error corrected - Salary						2.46	2.46
Balance as at 31.12.2012	45,044,234.46	79,828,035.40	6,300,000.00	297,066,000.00	61,669,655.75	(254,346,538.84)	235,561,386.77

Contingency Liability

6,868,467.84
242,429,854.61

RUBBER RESEARCH BOARD OF SRI LANKA

ANY OTHER DISCLOSURES

1. ACCOUNTING POLICIES

1.1 General Accounting Policies :

1.2.1 The accounts for the year end 31 December 2012 has been prepared in accordance with accepted accounting principles

1.2.2 There are no changes in the accounting policies and method of computation since year 2005 and the Financial Statements have been submitted in par with the statements published in the annual Report 2005.

1.3 Conversion of foreign exchange:

Foreign currency has been converted at prevailing rates

1.4 Government and other grants and subsidies:

1.4.1 Government and other grants and subsidies related to income have been taken in to the income statement considering the periods and with related costs

1.4.2 Government and other grants related to assets, have been presented in the balance sheet at their costs and non monetary grants presented at a fair value.

1.4.3 Replanting subsidies have been set off against replanting expenditure and net amount has been represented in the balance sheet under fixed assets.

1.5 **Consolidation Policies:**

1.5.1 The Rubber Research Board accounts comprise the consolidation of the activities of the R.R.I. plantations (Estates) managed by the Rubber Research Institute.

1.5.2 The Rubber Research Institute and estates have a common financial year which ends on 31 December.

1.5.3 The profits and losses of the plantations have been taken in to the Rubber Research Institute surplus/deficit account and reflected in the balance sheet.

1.5.4 The project Accounts have not been consolidated with the Rubber Research Institute Accounts, since they are separate entities. However, the balance of the relevant control Accounts have been incorporated.

2. Non Current Assets:

2.1 Lands

The Institute is the sole owner of all the lands except Kumarawatta Monaragala and Narampola, Alawwa.

2.1.1 Kumarawatta (Monaragala)

The extent of the land is 50 acres and this was taken over from the JEDB on 19 September 2006 under MOU on 30 years Lease agreement. Assessment value is Rs. 10,000,000/- for this Land.

2.1.2 Narampola (Alawwa)

The extent of this land is 106 Acres 02 Roods & 31 perches. This land was taken over on 14.12.2004 under MOU on a Rental agreement.

- When preparing MOU agreement between RRI and JEDB the Narampola Lands has been monetary valued as Rs. 16,000,000/-
- Development cost for those lands is reflected as additions during the year.

2.1 A sum of Rs. 796,781.68 which was included in to the total value of the building is the construction cost of the building Narampola, Alawwa.

2.3 In accordance with MOU agreement RRI has to pay Rs. 640,000- annually as rental for Narampola Estate, Alawwa.

Rs. 400,000/- annually as and rental for Kumarawatta Estate, Monaragala.

- Since Owner's Right for these lands (Narampola and Kumarawatta) are in question rental payments are delayed

No fixed Assets have been kept as surety for loans.

3.1 **Depreciation Policy**

- Fixed Asset will not be depreciated in the purchasing year, but it will be fully depreciated in the disposal year.
- "Reducing balance method" is applied by the institute for deprecation of assets.
- Lease assets or build up assets in lease lands are not depreciated.
- Value of the Non current Assets have been reflected in the balance sheet on written down value basis.

Depreciation will be made from the following year.

3.2 Non Current Assets have been stated at written down value basis Rates of the depreciation are as follows:-

3.3 Item	Percentage
Buildings	3.5 %
Furniture, Fixtures & Fittings	20.0
Power and Water supply	10.0
Laboratory apparatus	20.0
Motor Vehicles	20.0
Documentary films	20.0
Periodicals and Journals	20.0
Earth slip project	3.5
Rubber in bearing	5.0
Machinery & Tools	10.0
Tea in bearing	5.0
Cinnamon	5.0

4. Work in Progress

4.1 Nursery -Monaragala

The Nursery has been established from out of Cess Fund. The management has decided to commence the depreciation from the following year after completion of the Nursery work and write off the fund proportionately.

5. Current Assets

5.1 Debtors & Other Receipts

5.1.1 The amount of Rs. **6,915,540.14** is shown as Surety Bond Debtors is the balance due from Bond Defaulters. Contingency liability a/c is a Parallel A/c to the Surety Bond Debtors A/C. This has generated due to foreign scholarships.

5.1.2 Other debtors amounting to Rs.**1,286,278.34** is also generated out of the Bond defaulters. The legal action has not been taken by the Institute against them so far, due to some documentary lapses.

5.1.3 Bad & doubtful debts. of Rs. 830,936.88 and Provision for Bad & Doubtful Debts. Rs. 1,074,162.13

Although request has been made from the Ministry in 2009 for writing off the above, but the approval has not yet been given by the Ministry so far.

6. Stock Valuation

6.1.1 Rubber Stock has been valued on Market Price

6.1.2 Other Stock Items

Those are valued on cost basis

- 6.1.3 (1) Rubber Stock amounting to 9,918,610/- has been physically verified.
- (2) Stationery stock amounting to 251,069/- has been physically verified.
- (3) Since the general stock amounting to 9,256,413.60 is been verifying at the Time of finalise the annual accounts, sdjustments will be made in 2013.
- (4) Stock of Kuruwita and Dartonfield which were shown under note 5 II and 5 III has been physically verified.

7. Liabilities

7.1 Contingency Liability

The amount of Rs. 6,868,467.84 shown as contingency liability in the balance sheet as at 31.12.2011 represents a provision made on Surety Bond in connection with Foreign Scholarships which were identified as income to be taken in to the profit. A part of the provision will be taken in to profit annually. This was done for rectification of a principle error.

7.2 Contingency Liability (Debtors)

Although the Surety Bond defaulters should be disclosed by a note to the Balance Sheet, it has been debited to the debtors account and credited to the sundry income account at the time of breach of contract in the previous years. Since the non-receipt income and credited to contingency Liability account to be rectified the error.

At the time of refund the bonded amount, it will be debited to the Cash Book and credited to the Debtors account. Further it will be debited to Contingency Liability Account and credited to Sundry Income Account. Then the contingency Liability Account will be closed gradually.

7.3 Gratuity

Gratuity Provision have been calculated applying SLAS – 16 and Provisions have been made in the accounts for retirements gratuity, payable under the payment of gratuity Act. No. 12 of 1983 in respect of all eligible employees for the period of service under the Institute. Gratuity Provisions includes the provisions for newly absorbed Rubber

Development Department staff to the New Advisory Services Dept of the Rubber Research Institute.

8. Writing off long outstanding balance

This matter has been referred to the ministry after Board approval. Ministry has not given the consent to write off these balances as yet. Instructions have been given by Rubber Research Board and the AMCom to carry out further investigations in connection with outstanding Debtors and Creditors Balances. Investigation are been carrying out as per the instructions given by the RRB and AMCom

Medicinal Plant Project (Dr. 1,109.12)

National Institute of plant management (Dr. 71,349.88)

CARP Project (Dr. 219,701.03)

DFID Project (Cr. 542,618.53) (Project was over 2002)

CARP Project (Dr. 14,149.13)

Climate change Project (Dr. 7,000.00) (Cr. 5,637.68)

University of Essex – UK (Cr. 21,731.55)

Rubber/Care/ Cinnamon Project (Dr. 14,466.24)

09 Research & Development Expenditure:

Research and development expenditure have been charged to departmental expenditure for the period which they are incurred, including the RRI New Advisory Services Department.

10. Adoption and implementation of Sri Lanka accounting standards in accordance with SLAS were made w.e.f. 01.01.2000, in submitting financial statement and reports.

11. New planting /replanting /crop diversification expenditure

The above categories of expenditure have been capitalized in the accounts with effect from 1993. Depreciation will be made on maturity.

12. Categorising Expenditure against Budget Format.

Laboratory Working expenses and Field Working expenses have been shown under Research and Development Expenditure in the Statement of Financial Performance. In the Budget Format, Laboratory working expenses have been shown under Supplies and Field working expenses have been shown under services (Note 20)

Other Operating Expenses are the value of service rendered from the Estates (Dartonfield and Kuruwita) to the Rubber Research Institute except Rent for Narampola and Kumarawatta. These expenses are charged to the Rubber Research Institute from the Monthly accounts of Dartonfield and Kuruwita Estate (Note – 22)

Dartonfield

Agalawatta

Rubber Research Board of Sri Lanka
Notes to the Accounts for the Year Ended 31/12/2012

Note 01 - Non Current Assets schedule
Assets

	Cost as at 01.01.2012	Additional during the year 2012	Vehicles Sales bber Came into Tapp	Total as at 31/12/2012	accumulative Depreciation as at 31.12.2012	Depreciation for the year 2012	accumulated Depreciation as at 31/12/2012	Written down value as at 31/12/2012
Road Development Df.	2,661,017.77	725,507.35		3,386,525.12			-	3,386,525.12
Land - Df.	1,010,704.74			1,010,704.74			-	1,010,704.74
- N'kele	357,805.89			357,805.89			-	357,805.89
- Galewatta	1,865,476.48			1,865,476.48			-	1,865,476.48
- Kuruwita	732,681.96			732,681.96			-	732,681.96
- Rathmalana	270,760.81			270,760.81			-	270,760.81
Lease Land - Alawwa (55 years lease)	662,365.75			662,365.75			-	662,365.75
- Monaragala (99 years lease)	106,650.00			106,650.00			-	106,650.00
Buildings - Df. H.Q	24,651,447.27	23,810.00		24,675,257.27	4,932,955.60	690,147.21	5,623,102.81	19,052,154.46
- Df. Estate	3,430,943.82	148,989.54		3,579,933.36	446,957.60	104,439.52	551,397.12	3,028,536.24
- N'kele	2,542,572.04	1,017,058.40		3,559,630.44	211,396.02	81,591.16	292,987.18	3,266,643.26
- Galewatta	383,575.16	330,030.13		713,605.29	45,404.54	11,835.97	57,240.51	656,364.78
- Kuruwita	2,814,293.37	79,912.44		2,894,205.81	290,747.79	88,324.10	379,071.89	2,515,133.92
- Rathmalana	14,751,924.09	2,632,501.92		17,384,426.01	2,488,956.40	429,203.87	2,918,160.27	14,466,265.74
- Alawwa	796,781.68			796,781.68	80,768.07	25,060.48	105,828.55	690,953.13
- Monaragala	14,063,760.94	675,918.98		14,739,679.92	488,402.07	475,137.56	963,539.63	13,776,140.29
Machinery & Tools - Df.	459,729.42			459,729.42	175,429.38	28,430.00	203,859.38	255,870.04
- N'kele	31,050.00			31,050.00	16,693.91	1,435.61	18,129.52	12,920.48
- Df. Estate	803,086.13	99,000.00		902,086.13	399,727.14	40,335.90	440,063.04	462,023.09
- Kuruwita	109,300.50			109,300.50	16,296.21	9,300.43	25,596.64	83,703.86
- Rathmalana	2,697,390.00			2,697,390.00	1,404,118.87	129,327.11	1,533,445.98	1,163,944.02
- Alawwa	13,045.50			13,045.50	3,535.33	951.02	4,486.35	8,559.15
Laboratory Equipments - Df.	53,489,311.73	8,430,792.57		61,920,104.30			-	61,920,104.30
- Rathmalana	54,099,922.73	11,873,892.79		65,973,815.52	55,329,206.82	11,129,416.59	66,458,623.41	(484,807.89)
- N'kele	3,387,055.31	868,174.00		4,255,229.31			-	4,255,229.31
Motor vehicles - H.Q	57,644,665.17	21,666,000.00	385,000.00	78,925,665.17	38,245,031.17	3,568,914.33	41,813,945.50	37,111,719.67
- Df. Estate	1,443,598.00			1,443,598.00	880,365.10	112,646.58	993,011.68	450,586.32
- Kuruwita	365,960.00			365,960.00	168,865.11	39,418.98	208,284.09	157,675.91
Power & Water Supply - Df.	391,631.60	1,119,552.00		1,511,183.60	179,934.68	21,169.69	201,104.37	1,310,079.23
- N'kele	29,995.00			29,995.00	15,461.41	1,453.36	16,914.77	13,080.23
- Kuruwita	209,824.09	19,007.30		228,831.39	19,155.69	19,066.84	38,222.53	190,608.86
- Rathmalana	272,067.00			272,067.00	125,180.12	14,688.69	139,868.81	132,198.19
- Monaragala	1,695,132.00			1,695,132.00	459,380.77	123,575.12	582,955.89	1,112,176.11
- Alawwa	90,685.00			90,685.00	24,575.64	6,610.94	31,186.58	59,498.42
Furniture & Fixtures & Office Equipment -Df. H.Q	15,492,737.48	4,508,855.20		20,001,592.68	8,906,138.62	1,317,319.77	10,223,458.39	9,778,134.29
- N'kele	1,266,513.46	60,919.62		1,327,433.08	862,934.28	80,715.84	943,650.12	383,782.96
- Kuruwita	222,879.50	221,926.25		444,805.75	129,184.32	18,739.04	147,923.36	296,882.39
- Rathmalana	4,594,244.31	1,552,495.04		6,146,739.35	2,479,114.89	423,025.88	2,902,140.77	3,244,598.58
(vote No-01.07.06 +01.08.06) - Alawwa	151,827.00	159,011.89		310,838.89	73,464.38	15,672.52	89,136.90	221,701.99
- Df. Estate	567,280.21	11,544.40		578,824.61	337,075.67	46,040.91	383,116.58	195,708.03
- Monaragala	1,138,451.63	91,700.00		1,230,151.63	206,292.33	186,431.86	392,724.19	837,427.44
Others Assets - Df. H.Q	3,449,615.27	635,801.00		4,085,416.27			-	
- Df. Estate	7,900.00	20,295.64		28,195.64			-	
- Rathmalana	274,494.60	234,882.42		509,377.02			-	
- N'kele	7,819.00	10,975.00		18,794.00	1,211,023.14	328,282.11	1,539,305.25	5,575,474.84
- Kuruwita	627,375.36	31,030.80		658,406.16			-	
- Alawwa	2,500.00			2,500.00			-	
- Monaragala	124,140.00	1,687,951.00		1,812,091.00			-	
Library Percodicals Journals & Sub etc.	6,649,672.72	666,250.41		7,315,923.13	4,113,274.96	507,279.55	4,620,554.51	2,695,368.62
Rubber Replanting Df & K'wita	34,132,269.34	5,682,400.48	1,350,311.32	38,464,358.50			-	38,464,358.50
Rubber in bearing Df & k'wita	12,084,629.65	1,350,311.32		13,434,940.97		604,231.48 ★	604,231.48	12,830,709.49
Tea Replanting K'wita	2,112,558.73	1,461,519.78		3,574,078.51		105,627.94 ★	105,627.94	3,468,450.57
Replanting Cinnamon K'wita	770,744.31			770,744.31		38,537.22 ★	38,537.22	732,207.09
Replanting Pepper	106,848.01			106,848.01			-	106,848.01
Earth Slip Project	139,543.30			139,543.30	32,069.24	3,761.59	35,830.83	103,712.47
Documentary film	3,723.33			3,723.33	2,994.54	145.76	3,140.30	583.03
Total	332,263,978.16	68,098,017.67	1,735,311.32	398,626,684.51	124,802,111.81 ★★★	20,828,292.53 ★★★	145,630,404.34	252,996,280.17

2011.01.01 Accumulated Depreciation	=	124,802,111.81 ★★★	2012 Total Depreciation	=	20,828,292.53 ★★★
2011 year Depreciation	=	20,079,895.89 ★★	2012 Replanting Depreciatin Transfer to the Estate A/C	=	748,396.64 ★
	Rs.	<u><u>144,882,007.70</u></u>		Rs.	<u><u>20,079,895.89 ★★</u></u>

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note (1 - B) Other Financial Assets

Note 1B -i Kuruwita

	Rs. 2012	Rs. 2011
2011 Young Budding Nursery		11,153.65
2010 Young Budding Nursery	5,903.65	
2012 Young Budding Nursery	428,468.96	
2007/2008 Young Budding Nursery		
2007 Bud Wood Nursery	6,550.13	
Bud wood Nursery 2012		45,908.53
Banana Trail	47,548.48	47,548.48
Cinnamon Bearing A/c	206,648.66	224,281.35
Bud wood Nursery 2008	12,627.83	
Bud Wood Nursery 2011	16,442.65	
2013 Young Budding Nursery	133,125.25	
Total	857,315.61	328,892.01

Note 1B -ii Dartonfield Estate

	Rs. 2012	Rs. 2011
Galewatta Replanting 2012		31,998.60
N'Kele Replanting 2012		16,115.40
2012/2013 Young Budding Nursery NK	151,239.77	
Df Young Budding Nursery 2012/2013	127,582.19	
G/W Young Budding Nursery 2012/2013	156,754.79	
	435,576.75	48,114.00

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

<u>Note - 02</u>	<u>Investment</u>	<u>2012 Year</u>	<u>2011 Year</u>
		Rs	Rs
	Bank Of Ceylon Agalawatta C/29 200835	200,000.00	200,000.00
	National Savings Bank-City Branch A/C No.1-0002-04-5806-06	262,017.89	249,228.52
	National Savings Bank-Matugama FD No.2-0045-10-18736		
	National Savings Bank-Matugama FD No.2-0045-01-58658	17,711.58	16,134.43
		<u>479,729.47</u>	<u>465,362.95</u>

<u>Note-03 i</u>	<u>Trade & Other Receivables</u>	<u>2012 Year</u>	<u>2011 Year</u>
	<u>Deposits</u>	Rs.	Rs.
	Telecom	6,000.00	6,000.00
	Electricity	90,500.00	90,500.00
	Post Master General	32,325.41	9,582.71
	Sundry	2,005.00	2,005.00
	M.P.C.S. Moratuwa	50,000.00	50,000.00
	New Bambalapitiya Service Station	4,000.00	4,000.00
	Ceylon Oxygen Co. Ltd.	113,316.00	113,316.00
	Tender	2,000.00	2,000.00
	Lanka Filling station-Narahenpita	15,000.00	15,000.00
	Leo Freight Services(Pvt) Ltd	3,801.00	3,801.00
	M.P.C.S. Matugama (Fuel)	74,500.00	74,500.00
	Samaranayake Saha Samaranayake	50,000.00	50,000.00
		<u>443,447.41</u>	<u>420,704.71</u>

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

	2012	2011
Note-3-ii-a 1		
Trade & Other Receivables		
Other Debtors		
Thurul Warnakula	936,278.34	936,278.34
D.E.D.E.I.N.Perera	350,000.65	350,000.65
	1,286,278.99	1,286,278.99
Note-3-ii-a 2		
General Debtors		
General Debtors	19,994,385.66	24,640,491.38
Note-3 ii B		
Bond Debtors		
H .H. Thalgaswatta	74,402.56	146,402.56
B.P.Weera rathna	1,825,654.55	1,825,654.55
N.A.A.D.Wickramarathna	7,244.78	7,244.78
JAGSG Gunawardana	83,084.18	358,201.18
Samanthie P Herath	894,289.87	792,044.07
SMCE Silva	1,635,005.85	1,635,005.85
Nalinda P Wicramasinghe	10,643.54	10,643.54
MDRG Gunathilaka	2.00	2.00
MS Ranasinghe	500,600.00	882,868.12
G.V.L.Nilmini	1,884,612.81	
	6,915,540.14	5,658,066.65
Note-3 ii C		
DEBTORS		
Provident Fund Control A/C RRI	7,314,716.40	6,604,515.61
Interest Receivable	12,568.50	8,416.44
NSF RG 2005/AG/14		
Bad & Doubtful Debtors	830,936.98	830,936.98
CARP Control Account	14,149.13	14,149.13
National Science Foundation	148,368.76	148,368.76
Medicinal Plant Project -2	219,701.03	219,701.03
Medicinal Plant Project -1	1,109.12	1,109.12
Rubber/Cane Cinnamon Project	14,466.24	14,466.24
CARP Project No 12/477/357	27,719.01	27,719.01
NRESA	5,400.00	5,400.00
Staff Fire Wood Issues		
Salaries Payable A/C	3,188.97	3,188.97
NSF Grant RG/2006/EPSPD/01	116,007.83	116,007.83
Training Centre	980,412.61	980,412.61
NSF Grant	296,410.00	296,410.00
ANRPC	40,454.53	40,454.53
Sandee Project	5,294.02	5,294.02
CARP -12/607/457	30,454.20	30,454.20
Medical Fund Loan		
Nurseries	21,744.96	21,744.96
Handy Craft Project	65,495.25	65,495.25
RRI/TRI/CRI/Symposium		
Rubber Cocoa Cinnamon Project	7,000.00	7,000.00
Ministry of Science & Technology	41,687.50	41,687.50
NSF Grant RG/1010/AG/01		16,490.50
NSF Grant RG/2005/AG/07		
NSF Grant RG/2008/AG/02	137,327.92	147,527.92
S.P.H.D.P	224,821.00	52,200.00
Humate Plus Experiment		
International Work Shop on White Root Discecs		454,778.94
RRI/CRI/TRI Symposium	552,882.90	-
	11,112,316.86	10,153,929.55
Note-3 iii		
LOAN RECEIVABLES		
	2012	2011
Motor Car / Motor Car Repair Loan	537,500.00	595,000.00
Motor Cycle Loan	266,070.94	211,928.40
Personal/Distres/Study Loan	2,683,537.84	2,067,656.25
New Personal Loan	3,452,380.76	1,960,738.36
Staff Medical Fund Loan	3,777.84	34,251.16
	6,943,267.38	4,869,574.17

Rubber Research Board of Sri Lanka
Note to the Accounts for the Year 31/12/2012

Kuruwita Estate
Trade & Other Receivable

Note-3-iv

	Rs.	Rs.
	2012	2011
Check Roll	21,476.74	13,262.67
Staff Electricity	3,507.44	4,369.84
Festival Advance(Labour)	80,400.00	82,100.00
Festival Advance (Staff)	165.00	1,065.00
Motor Cycle Loan "	25,523.66	45,516.38
Postage	135.00	315.00
St.Joachime Estate	61,903.21	187,829.93
Dartonfield Group		1,302,756.37
S.H.P.E.D.Programme	5,390.00	385,000.00
Sundry Debtors	17,626.49	3,976.49
Lalan Rubber (pvt)Ltd		3,175,448.03
Book Allowance		5,000.00
Hewij Rubber Industries	3,440,201.23	
	3,656,328.77	5,206,639.71

Dartonfield Estate
Trade & Other Receivable

Note 3-v

	Rs.	Rs.
	2012	2011
Adaptive Research Unit		4,536.00
Check Rol	52,031.78	53,030.44
Deposit A/c	2,690.00	2,690.00
Electricity Receivable	952.24	366.00
J.D. & Sons	8,502,490.83	2,779,981.68
Labour Festival Advance (Sinhala)	189,450.00	179,100.00
National Institute of Plantation Management	66,066.14	66,066.14
Personal Loan	54,165.80	9,583.18
Postage Stamp	500.00	500.00
Pry Mounth Rubber Industrial	6,100.00	6,100.00
Festival Advance - Staff	10,000.00	10,000.00
John Keels Ltd		
Tamil Festival Advance	273,600.00	223,200.00
Vogen Estate	86,925.84	43,186.22
Insurance Cash in Transists		12,881.46
Rubber Development Dept		1,181,375.00
Festival Advance Christmas	72,000.00	72,500.00
Tea Research Insititute		
Baur & Co. Ltd	547.50	
	9,317,520.13	4,645,096.12

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note - 04 **Doubtful debtors**

Provision for bad & doubtful debts have not been made since year 2002. A balance of Rs.1,074,162.13 is appeared in the accounts for last 07 years. Arrangements will be made to write-off this this balance by obtaining the approval of the Rubber Research Board.

Note - 05
Inventories/ Stocks

		2012	2011
		Rs.	Rs.
Stock - Dartonfield	-	9,918,610.00	4,871,242.00
Stationary		251,069.00	355,703.76
Stock - General		9,256,413.60	9,071,340.79
Total		19,426,092.60	14,298,286.55

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note 5 -ii - Kuruwita Estate Stock

<u>Fertilizer</u>	2012		2011	
	Qty.(kg)	Rs.	Qty.(kg)	Rs.
Urea	62.5	1,374.60	58.7	842.52
M.O.P.	67.5	1,485.00	76.45	1,275.72
Kieserte	164.3	4,798.69	242	14,939.90
VPLC 885	50	1,200.00		
T 200			50	1,392.76
T 750			43	1,072.04
Dolomite	74	461.31	244	1,734.27
T.S.P	130	10,065.12	130	10,065.12
Epson Soalt				
Di-Amonia Suphate	274.9	7,415.16	345.5	9,319.99
Sulphate of potash	294.3	8,930.90	357	10,816.81
Sulphate of Amonia	307.1	10,922.60	369	13,133.62
E.R.P			220	3,172.74
9.11.11.14	50	1,216.00		
<u>Chemical</u>				
Contaf				
<u>Other items</u>				
Barbedwire	625	119,285.00	300	54,000.00
Tar			Ltrs 20	1,860.82
Diesel			Ltrs 118.26	1,093.30
Polythene		53,831.17		
Epson Soalt	437	10,705.88	518	12,690.17
Zine Sulphate	6	1,200.00	6	1,200.00
Sulpher		836.00	4	418.51
Glyfosate	4	2,578.12		
Brunolium	35	23,979.38		
Equi Broom	4	380.00		
L.P.Gas	1	2,288.00		
Billet	1.3	4,420.00		
Marco	0.4	430.00		
Tapping Knives	42	24,605.00		
Jack timber (Regaie)	31.5	4,620.00		
Jack Plank	210	80,112.50		
Jack Pole (3x4)	80	27,450.00		
Timber-Alostonia	390	33,305.00		
T/Cello			Nos 24	1,200.00
E/Bulls	12	900.00	Nos 12	840.00
Red Powder	10	1,000.00	10	1,000.00
China Clay	705	8,118.24	275	3,025.00
		447,913.67		145,093.29

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note 5-iii - Stock Value - Dartonfield Estate

Item	Qty (Kg)	Value (Rs)
Formic Acid	175kg	36,024.90
Value of Formic Acid	19.4kg	7,487.48
Value of Sodium Bi Sulphite	4.4kg	880.61
Value of Nexobleeth	7.1kg	19,523.11
Sodium Bisulphite	200kg	40,001.45
Maxi Crop	01bot	340.00
Bullet	01bot	384.00
Redoxy	2.5kg	14,422.00
Ethral	19lits	15,298.94
Mata	200gm	341.66
Brunolium Plantanium	34lits	24,786.00
Sodium Sulphite	145kg	30,686.59
Urea	933kg	21,246.55
Policer	800ml	2,200.00
Weedol	40lits	23,744.00
Marco	400g	430.00
Kieserite	93kg	2,399.86
Cinnamon Manure	50kg	14,862.80
E.R.P	42kg	554.76
V.P.L.C.880	750kg	18,750.00
Dolomite	12kg	77.91
N.P.K.12.14.14	48kg	1,206.25
M.O.P	860kg	19,536.23
H.E.R.P	725kg	12,525.57
Sulper	50kg	5,000.00
Thinner	06lits	1,538.71
Brilliant Whitel	05lits	1,167.27
Golden Brown	08lits	6,140.00
Wire Nails	3.750kg	695.00
PVC Socket 4"	05nos	475.00
Cement	05bags	4,383.33
White Paint	08lits	4,550.00
Fire Wood	02lits	1,178.33
Bend 4"	01no	140.00
Green Paint	08lits	4,796.00
Rain Guard Sealent	580kg	97,440.00
Chain	01no	2,700.00
Poultry Mesh	01roll	3,475.00
Weighing scale	01no	225.00
Clay Powder	200kg	3,500.00
F/Starters	04nos	140.12
Dust Mask	04nos	343.35
Balt & Nut	06nos	112.00
Fence Posts	133nos	63,895.68
Eckel Brooms	01nos	880.00
Torch Battery	03nos	174.00
Coir Brooms	13nos	1,146.44
Brass Screws	200nos	1,290.00
P.V.C. Pipe 2 1/2	1.5length	6,885.00
Visikatte	02nos	275.00
Polythene 300 g x 24	1073.5kg	270,262.36
Epoxy Thineer	04lits	969.23
Clear Polythene 300g x 24	8.950kg	2,148.00
Plain Sheet	01no	1,331.25
Tar	1800lits	173,390.01
Tapping Knife	07no	4,027.06
Red Powder	01kg	476.00
Marking Plate	09nos	3,825.00
Total		976,684.81

RUBBER RESEARCH BOARD OF SRI LANKA

Notes to the Accounts for the Year Ended 31/12/2012

Note 06 - Receivables

	2012	2011
	Rs.	Rs.
RDD / ASD / RRI Control A/C.	1,798,731.57	1,564,672.58
Festival Advance	287,200.00	289,450.00
Travelling Advance	43,500.00	32,000.00
A.S.D.Building Complex	5,214,500.00	5,214,500.00
Staff Salary Advance	5,350.00	5,350.00
RRI Departments - Sundry	1,200.00	1,200.00
Graduate Trainees Reimbursable	627,983.56	627,983.56
Security Deposits	31,150.00	31,150.00
RDD/ Nurseries RRI Main Control A/C	98,910.15	98,910.15
E T F	47,632.69	46,322.18
Insurance	34,356.64	35,814.51
Pre Payments T.Premaratne,Suranga Motors Ampara	150,000.00	150,000.00
NIPM	71,349.88	71,349.88
Graduate Trainees Payment	84,442.84	84,442.84
Cheques Purchase Advance	29,750.00	
Cash Purchase Advace A/C		
Payment in Advance A/C	3,303.00	
Petty Cash Advance A/C	100.00	
	8,529,460.33	8,253,145.70

RUBBER RESEARCH BOARD OF SRI LANKA				
Notes to the Accounts for the Year Ended 31/12/2012				
Note -07 CASH AT BANK AND IN HAND				
			2012	2011
	Cash at Bank	Cash in Hand	TOTAL	
Bank of Ceylon - Cor.Branch	4,923,355.97		4,923,355.97	51,902,802.34
A/C No.1837				
Bank of Ceylon - Agalawatta	9,652,706.35	(0.10)	9,652,706.25	23,422,831.12
A/C No.335976				
Dartonfield Estate	439,238.92	1,079.68	440,318.60	72,066.30
A/C No.335978				
Kuruwita Estate	1,028,071.82	259.50	1,028,331.32	622,017.58
A/C No.4320540				
Cash in Transist - Kuruwita Estate			-	5,311,087.16
Rathmalana Office			-	-
	16,043,373.06	1,339.08	16,044,712.14	81,330,804.50

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RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012
CREDITORS 2012

Note 08-A i

	2012	2011
	Rs.	Rs.
Creditors Ledger Control A/C (C L C)	13,721,518.77	26,062,940.02
<u>RECEIPTS IN ADVANCE</u>		
Provident Fund Account - RDD	1,879,234.75	1,675,945.67
Tender Deposits	1,468,152.84	1,522,402.84
Canteen Deposits	13,500.00	13,500.00
Contract Deposits	15,350.00	15,350.50
Abatement Payable	8,850.56	9,814.94
Workmen's Compensation -Insurance Corp:		
Ru: Ban: Intercropping Programme Ecology UK (D F I I)	542,618.53	542,618.53
Receipt-in -Advance A/C (J.I C.A)	208,297.09	208,297.09
Plant Science Intercropping Unit (Essex U.K)	21,731.55	21,731.55
National Science Foundation NSF/RAP/2001/RRI/01	705.96	705.96
NSF - SIDA/98/EP01	95,014.85	95,014.85
Recipt in Adr(Welfare)	595.00	595.00
NSF - PG/99/C/7	5637.68	5637.68
Biometry Project - Climate Change on Rubber	16,338.28	16,338.28
Sundry		9,189.80
NSF RG 2012/AG/06	926,999.00	
NSF RG 2012/AG/10	710,384.10	
NSF RG 2005/AG/08		
NSF RG 2005/AG/07	5,776.52	5,776.52
Centre for Poverty Analysis	1,841.25	1,841.25
Salaries Payable A/C		
NSF Grant RG/2006/SPR/06	331,501.00	356,001.00
RRI/TRI/CRI Symposium		
Lapsed Cheques A/C	165,338.68	165,338.68
Medical Feund Resurve RRI Staff	7,158.50	5,470.50
RDD Nursery - Gampaha	45,000.00	45,000.00
Receipt in Advance (stamp)	271,645.00	271,645.00
RDD (Salary Arrears)	92,837.57	92,837.57
RDD Staff Payments & Recoveries Control A/C	1,621.72	1,621.72
Receipt in Advance Insurance		
N.S.F.Grant RG/2010AG/01	13,518.25	
International Work Shop on White Root Diseces	70,542.66	
NSF Project RE/2008/AG/02		
Vitex Project	9,288.79	9,288.79
National Workers Congress	67,497.50	67,497.50
Moratuwa University	473,210.00	283,020.00
Staff Fire Wood A/C	9,195.74	8,945.74
R.D.D.Kegalle	23,318.75	23,318.75
Insurance Claim Received	19,285.71	19,285.71
N.S.F.Grant RG/2010AG/01		
Plantation Development Project	543,237.59	543,237.59
Humate Plus Experiments	22,101.50	22,489.00
Payee Tax	40,395.75	
White roat Diseases Research Project Sweden Grant	951,546.51	
Postgraduate Institute of Peradeniya	24,640.00	
G.S.I.Mapping of Tea & Rubber Lands on Galle Dis.	155,000.00	
	22,980,427.95	32,122,698.03
	Note-08 B	
Pavable		
Payable	5,819.87	24,095.87

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note - 08 -A -ii -Kuruwita - Payables

	<u>2012</u>	<u>2011</u>
Check Role Wagers	1,099,940.00	1,170,021.64
CEB	16,687.83	15,117.10
Sundry Creditors	31,883.00	6,520.00
Govnt Department & Estate Corporation		
Sri Lanka Telecom Ltd		2,315.10
EPF Payble	325,027.83	327,089.09
EPF Payble	44,321.96	44,603.05
Unclimed Wagers		
Holiday Pay	510,954.30	493,207.51
Attendance Bonus	56,350.00	63,800.00
LJEW		20,944.00
JSS		135.00
RRI Recriation Club	670.00	670.00
Rural Bank		11,500.00
National Savings Bank		3,000.00
Death Donation Welfare	2,208.45	4,850.00
Deposits	54,662.00	49,662.00
Receipt in Advance	19,549.74	18,270.92
RRI Provident Fund	30,464.69	18,271.40
Seetawaka Tinkers	16,500.00	12,250.00
Pay-Cards		
Palanda Hardware		25,085.00
Kuruwita M.P.C.S	33,978.60	29,655.60
S.L.N.S.S	37,160.00	9,540.00
Donations	23,000.00	23,000.00
Thrift Society	3,120.00	
Agrovseve		2,500.00
New Kalani Hardware		460.00
Vishwa Shakthi Welfare	43,800.00	34,500.00
Un paid coins A/C	35,196.98	34,055.91
Casual Staff Salary	20,321.75	
Sri Lanka Telecom Ltd	4,128.75	
Dialog Television Ltd	1,098.38	
Total	<u>2,411,024.26</u>	<u>2,421,023.32</u>

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012
Dartonfield Estate
Note 8 - A - iii - Payables

	Rs. 2012	Rs. 2011
Attendance Bonus	243,444.32	240,033.34
Buddhist Society	575.00	250.00
Check Roll	3,943,845.62	3,738,849.20
Commission on Cash Transport	31,033.75	30,351.25
Samaranayaka & Samaranayaka	9,602.00	2,476.50
Ceylon Electricity Board	4,840.12	11,057.27
C.W.C.	1,524.00	8,382.00
C.S.C. & W.U.	480.00	900.00
C.P.M.S.U.	7,400.00	3,100.00
E.P.F.	911,991.43	855,534.72
E.T.F.	148,349.84	136,765.00
Holiday Pay	1,759,058.64	1,474,070.04
Horticulture Society	80.00	40.00
Insurance Corporation of Sri Lanka	428.40	214.20
Janatha Fertilizer Enterprises	298,577.50	298,577.50
Kovil Fund - Dartonfield	47,000.00	2,600.00
Kovil Fund - Galewatta	4,800.00	2,700.00
Kalyani Trading (Pvt)Ltd	8,745.00	8,234.00
L.J.E.W.U.	3,264.00	5,925.00
L.E.W.U.	60.00	60.00
New Mahinda Stores	11,166.00	2,639.00
National Savings Bank	2,200.00	1,300.00
New Paper Agent	3,110.00	740.00
RRI Welfare Society Colombo	33,640.00	19,760.00
Refundable Deposits	42,796.00	42,796.00
RRI Club	4,404.00	2,534.00
Staff Provident fund	152,321.67	139,728.21
S.L.N.S.S.	68,960.00	5,280.00
C.E.S.U		400.00
Thrift Society	10,248.00	5,124.00
Transport Agent		39,432.81
Unpaid Wagers	120,772.80	115,892.15
Welfare Society - Gallewatta		3,550.00
Welfare Society - Dartonfield	60.00	60.00
Welfare Society - H.O	63,308.00	8,270.95
Wijegunawardana & Sons	7,335.00	136,419.00
Agalawatta Auto Service	10,820.00	14,780.00
Agalawatta Motors	2,700.00	7,505.00
Institute Medical Fund		90.00
Profit Bonus - 2012	1,685,225.64	2,686,517.89
Jagath Stores	855.00	34,240.00
Staff Salaries		5,994.69
Sundry Creditors	33,587.00	63,950.00
Medical Officer Payment		
Staff Mortgage Bank	33,012.00	
B.O.C.Loan Recoveries	3,720.00	
Chanlo Hardware	45,357.00	
	9,760,697.73	10,157,123.72

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Accrued Expenses

Note -09

09-i RRI	2012	2011
Unknown Balance	-	-
Overtime 2008 December	66,456.63	66,456.63
Overtime 2012 December	517,039.53	627,084.47
Travelling & Subsistance 2012 Dec	323,926.35	529,804.55
Rental - Kumarawatta 2006 - 400,000/-		
2007 - 400,000/-		
2008 - 400,000/-		
2009 - 400,000/-		
2010 - 400,000/-		
2011 - 400,000/-		
2012 - 400,000/-	2,800,000.00	2,400,000.00
Rental - Narampola 2006 - 640,000/-		
2007 - 640,000/-		
2008 - 640,000/-		
2009 - 640,000/-		
2010 - 640,000/-		
2011 - 640,000/-	-	
2012 - 640,000/-	4,480,000.00	3,840,000.00
	8,187,422.51	7,463,345.65

Kuruwita Estate (09-ii)

News Paper Bill

Incentive Pay for Field Staff

Commision on Cash Carring AES

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Dartonfield Estate (09-iii)

Overtime, Travell. & Subsis. - Dec'2012	84,786.98	62,429.58
Labour Charges - December 2012	154,440.00	77,220.00
Workers welfare	1,420.00	
Meals supply to Tappers	3,940.00	
Tea Supply to police officers	100.00	
Sharperning Tapping Knivers	1,800.00	

	246,486.98	139,649.58
Grand Total	8,433,909.49	7,602,995.23

Note - 10 (Inter Transaction Accounts - Current A/C)

	RRI	K/W	D/F	Total
Dartonfield	(14,325,999.52)		14,325,999.52	-
Kuruwita	(2,031,868.89)	2,031,868.89		-
RRI	(16,357,868.41)	2,031,868.89	14,325,999.52	-

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Provision for Gratuity

Note - 11

	2012	2011
RRI	79,293,822.50	68,213,035.00
Kuruwita	5,610,734.00	5,103,086.99
Dartonfield	15,488,915.00	15,451,337.50
Total	100,393,471.50	88,767,459.49

Provision were made for 536 employees including Dartonfield and Kuruwita Estate details are available in the JE 836 and Estate Accounts Schedules

Provision for Audit Fee

Note - 12

	2012	2011
Beyond 2012.01.01	1,759,404.29	1,345,856.72
Provision for 2012	454,902.32	413,547.57
Paid 2010	(364,755.00)	
Total	1,849,551.61	1,759,404.29

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note-13	OTHER CAPITAL GRANTS - 2012			
Other Capital Grants	Value as at 01.01.2012 Rs.	Additions During Year Rs.	Depreciations on Grants Rs.	Value as at 31.12.2012 Rs.
Accumulated Fund				
O.D.A. Grant	5,606.79			5,606.79
Government Grant	2,101,169.00		298,985.10	1,802,183.90
Australian Grant	165,221.00			165,221.00
World Bank Grant	4,739,779.82			4,739,779.82
UNDP Grant	2,571,866.95			2,571,866.95
UNICEF Grant	10,000.00			10,000.00
CRI /TRI Grant	334,058.64			334,058.64
NARESA Grant	1,345,912.39			1,345,912.39
UNDP Research Grant	2,510,441.46			2,510,441.46
Tea Board Grant	445,343.40			445,343.40
SRRP I Grant	21,366.45		4,795.16	16,571.29
ARP Project	4,811,350.63		127,967.98	4,683,382.65
CARP Grant	54,738.94			54,738.94
ARP II Capital Grant				-
Medicinal Plant Project Grant	21,055.83		2,979.24	18,076.59
Reserve Capital				-
NERESA Grant	5,600.00			5,600.00
SRRP II - Grant	8,097,510.03		197,862.37	7,899,647.66
Treasury Grant (Capital)	25,881.84	21,650,000.00		21,675,881.84
N.S.F. Grant	947,575.38		259,680.75	687,894.63
D.F.I.D. Grant	188,636.79		127,194.88	61,441.91
Staff Grant Comfort room	10,696.70		232.45	10,464.25
European Union Grant	14,021.73		2,373.92	11,647.81
Centre for Poverty	3,311.61		598.21	2,713.40
Environment Project Phase II	5,304.61		995.52	4,309.09
Cess Fund Capital				-
Climate Change Project	5,037.45		873.41	4,164.04
3rd Symposium Grant	75,140.00		15,028.00	60,112.00
Agricultural Research	12,542,595.30			12,542,595.30
	41,059,222.74	21,650,000.00	1,039,566.99	61,669,655.75

RUBBER RESEARCH BOARD OF SRI LANKA					
Notes to the Accounts for the Year Ended 31/12/2012					
Note-14 - OTHER INCOME - 2012		Non Research	Research	Total Rs.	
				2012	2011
	Interest On Institute Loans	198,828.71		198,828.71	157,525.61
	Sales Of Publication	312,539.00		312,539.00	319,854.60
	Sale Of Processed Rubber/Analytical Charges		31,950.00	31,950.00	57,981.26
	Busfare Recoveries	301,758.85		301,758.85	285,818.76
	Sundry Receipts	2,904,324.38		2,904,324.38	6,311,231.57
	Claims From Insurance Corporation			-	37,287.50
	Suppliers Registration Fees			-	-
	External heavy vehicles entering to RRI Premises			-	3,550.00
	Sale of bud wood/stumps		450,700.00	450,700.00	169,620.00
	Effluent Treatment- B/C Dept.		14,250.00	14,250.00	6,500.00
	Testing of Soil Samples		82,404.00	82,404.00	78,010.00
	Testing of Rubber - Polymer			-	1,291,900.00
	Testing of Rubber - Rubber Technology		134,150.00	134,150.00	115,150.00
	Testing of Rubber - RRP Dept.		551,075.00	551,075.00	329,975.00
	RRI Timber Sold /Utilized			-	-
	Kuruwita Guest House Occupational Charges	1,800.00		1,800.00	22,332.00
	Sale of Rejected Items	31,669.00		31,669.00	69,419.99
	Soil & Foliar analysis Fee		261,766.58	261,766.58	248,141.19
	Kiosk	1,900.00		1,900.00	375.00
	Interest on Investments	32,985.26		32,985.26	30,220.00
	Sale of Tapping Knives		3,035,360.00	3,035,360.00	1,773,975.00
	Use of RRI Vehicles for Projects	342,025.90		342,025.90	345,584.80
	Profit on Training Programmes	251,264.50		251,264.50	425,494.73
	Guest House Charges - D/F	197,398.00		197,398.00	55,321.00
	Sail Foliar Survey		850,432.90	850,432.90	1,095,703.93
	Waste Rubber of RRI Depts Sold			-	268,779.56
	Tapping Panel Making plantes sale		16,575.00	16,575.00	179,250.00
	Re pellent for wild Boar and Procupine		5,000.00	5,000.00	15,400.00
	Income Rain Gard			-	93,708.38
	Sale Vehicle Income	727,625.22		727,625.22	
	Testing T.S.R.Samples		645,350.00	645,350.00	
	Testing and Analitical Fees Polymer Chemistry		792,750.00	792,750.00	
				-	
		5,304,118.82	6,871,763.48	12,175,882.30	13,788,109.88

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note -15 PERSONAL EMOLUMENTS

EXPENDITURE STATEMENT - 2012

Research Departments	Emoluments	P.F.	E.T.F.	Medical Fund	Over Time	House Rent	Total
Plant Science	9,758,571.40	1,440,846.19	275,059.41	1,801,679.20	358,606.31	55,876.79	13,690,639.30
Plant Pathology	5,352,320.75	943,904.36	160,572.80	974,115.30	119,028.10	44,062.53	7,594,003.84
Genetics & Plant Breeding	6,560,920.10	1,071,253.75	193,511.00	1,136,059.06	123,503.25	41,569.68	9,126,816.84
Soils & Plant Nutrition	8,779,089.62	1,319,062.28	250,815.77	1,592,244.21	211,002.35	61,343.88	12,213,558.11
Raw Rubber & Chemical Analysis	4,505,837.40	738,887.43	135,605.87	810,154.31	68,068.22	54,366.07	6,312,919.30
Bio-Chemistry & Physiology	3,035,905.36	415,844.52	83,169.01	393,214.44	9,457.43	11,907.99	3,949,498.75
Electronic Laboratory	542,306.84	81,346.05	16,269.23	99,503.95	35,875.48	5,280.00	780,581.55
Adaptive Research Unit	4,115,683.00	614,139.14	122,827.96	717,742.22	137,956.46	59,875.49	5,768,224.27
Rubber Technology	4,979,565.49	747,057.28	149,411.63	740,477.45	82,371.43	49,738.07	6,748,621.35
RRPD & CE Dept	6,026,098.84	995,686.24	173,215.02	732,720.83	203,080.52	64,371.55	8,195,173.00
Bio Metry	2,065,480.91	289,344.35	57,868.95	362,960.25	12,294.95	15,072.00	2,803,021.41
RRI New Advisory Services Dept	16,785,692.86	2,774,926.65	500,431.04	1,862,587.50	75,675.56	165,728.67	22,165,042.28
Training Centre	705,731.56	106,838.03	21,367.60	115,840.25	24,859.62	4,540.66	979,177.72
Polymer Chemistry	4,799,996.17	710,388.87	141,775.40	664,549.50	82,056.27	50,163.88	6,448,930.09
Agriculture Economics	158,147.64	23,722.14	4,744.42	16,837.00			203,451.20
SUB TOTAL	78,171,347.94	12,273,247.28	2,286,645.11	12,020,685.47	1,543,835.95	683,897.26	106,979,659.01
Other Departments							
Library & Publication Unit	1,989,092.28	290,315.38	58,062.20	381,965.11	162,845.61	15,840.00	2,898,120.58
Director's Office	2,419,994.00	333,761.58	66,752.33	383,591.99		12,100.00	3,216,199.90
Internal Audit	1,926,827.66	269,798.83	53,959.80	336,091.93	39,534.17	15,898.07	2,642,110.46
Board Office	4,592,804.22	432,726.54	87,817.62	404,115.84	238,237.61	36,534.20	5,792,236.03
Administration	10,504,999.89	1,624,442.07	289,866.09	1,815,798.40	557,224.82	102,554.19	14,894,885.46
Finance (Accounts)	6,753,481.84	1,094,930.37	208,882.71	1,375,240.25	953,188.76	36,986.59	10,422,710.52
Stores	1,318,267.56	196,239.66	39,247.96	235,025.25	99,563.48	15,373.55	1,903,717.46
Maintenance (Work Section)	16,347,750.96	2,557,024.15	495,628.96	3,117,642.91	2,235,781.45	122,523.98	24,876,352.41
SUB TOTAL	45,853,218.41	6,799,238.58	1,300,217.67	8,049,471.68	4,286,375.90	357,810.58	66,646,332.82
Grand total	124,024,566.35	19,072,485.86	3,586,862.78	20,070,157.15	5,830,211.85	1,041,707.84	173,625,991.83

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note-16 - TRAVELLING

Research Departments

2012

2011

Travelling & Subsistence

Plant Science	640,335.50	661,919.25
Plant Pathology	275,873.50	241,703.50
Genetics & Plant Breeding	378,767.75	460,537.50
Soils & Plant Nutrition	334,055.25	401,347.25
Raw Rubber & Chemical Analysis	45,238.88	60,657.00
Bio-Chemistry & Physiology	87,545.75	80,808.25
Electronic Laboratory	2,838.00	2,775.00
Adaptive Research Unit	70,070.25	108,233.36
Rubber Technology	109,325.00	99,744.50
RRPD & CE Dept	139,343.75	174,929.18
Bio Metry	37,281.00	31,647.00
Polymer Chemistry	52,965.00	66,345.75
Agriculture Economics	5,500.00	500.00
Sub Total	2,179,139.63	2,391,147.54

Other Departments

Library & Publication Unit	23,775.00	17,927.00
Director's Office	34,925.10	42,965.50
Internal Audit	21,357.00	16,884.00
Board Office	511,604.42	466,527.50
Administration	150,395.00	95,395.50
Finance (Accounts)	90,845.50	80,670.75
Stores	47,175.00	60,040.00
Maintenance (Work Section)	1,325,701.75	1,172,478.14
RRI New Advisory Services Dept	1,667,272.33	1,715,148.56
Training Centre	6,340.00	8,795.36
Sub Total	3,879,391.10	3,676,832.31
Grand Total	6,058,530.73	6,067,979.85

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note -17 - SUPPLIERS AND CONSUMABLES

	Research Departments	Other Expenses
	2012	2011
Plant Science	107,231.04	69,085.61
Plant Pathology	171,023.62	7,652.33
Genetics & Plant Breeding	79,399.43	79,812.91
Soils & Plant Nutrition	91,993.34	62,949.17
Raw Rubber & Chemical Analysis		64,121.41
Bio-Chemistry & Physiology	106,399.33	12,745.52
Electronic Laboratory	1,100.00	
Adaptive Research Unit	60,961.20	28,568.62
Rubber Technology	12,308.00	16,064.50
RRPD & CE Dept	13,644.00	11,304.00
Bio Metry	36,353.80	73,032.44
Polymer Chemistry	1,566.75	
SUB TOTAL	681,980.51	425,336.51
Other Departments		
Library & Publication Unit	675,227.95	1,205,579.33
Director's Office	79,216.22	73,554.90
Internal Audit	9,455.73	60,992.28
Board Office	630,799.30	461,514.80
Administration	532,905.16	2,118,606.32
Finance (Accounts)	240,444.01	467,990.04
Maintenance (Work Section)	225,148.46	286,076.74
RRI New Advisory Services Dept	815,132.51	728,651.60
Training Centre	781,640.15	703,325.98
Stores	5,275.08	8,743.27
SUB TOTAL	3,995,244.57	6,115,035.26
L.P gas for Bungalows	517,374.05	422,896.00
Fuel & Lubricants	8,600,996.79	5,993,060.26
Stationery and Office Requisites	1,062,179.90	800,194.21
Medical Expenses	651,283.70	534,409.37
SUB TOTAL	10,831,834.44	7,750,559.84
GRAND TOTAL	15,509,059.52	14,290,931.61

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

Note-18 - MAINTENANCE

	2012	2011
	Rs.	Rs.
Office & General Building Repair & Maintenance	2,853,784.91	1,471,038.31
Bungalows	1,649,193.56	948,427.78
Bungalow Premises & Compounds	7,230,137.19	6,542,537.66
Furniture, Fixtures & Fittings	84,550.00	97,970.00
Institute General Building Premises & Compounds	1,335,540.32	1,132,111.77
Maintenance of Bungalows Appliances		
RRI Ratmalana Building Premises Upkeep-Maintenance	153,983.78	334,945.64

OPERATIONAL EXPENDITURE VEHICLES.

Servicing of Vehicles	327,822.29	332,985.22
Diesel Taxes		
Repairs & Maintenance	6,607,060.55	6,072,309.19
Maintenance of Plant and Machinery.	39,620.59	43,021.70
Maintenance of Vehicles Tools		
	20,281,693.19	16,975,347.27

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012

ADMINISTRATION - GENERAL CHARGES - 2012

Note-19 -

CONTRACTUAL SERVICES

	2012	2011
	Rs.	Rs.
Legal Expenses	147,239.00	40,920.00
Audit Fees	350,641.55	322,886.03
IRRDB Germplasm Subscription	715,938.00	557,961.75
Entertainment Expenses	198,372.50	166,118.00
Insurance Ggeneral Covers(Excluding vehicles)	861,548.02	887,659.94
Welfare and Recreation	160,768.45	184,728.81
Railway Concessionary Season Tickets	25,360.00	22,520.00
Conference/Seminars	3,265,466.50	4,129,837.00
Bank Charges	187,684.39	252,079.06
Security Charges - RRI	4,033,189.90	2,383,977.31
Parking Fees	230.00	3,800.00
Postage	127,860.30	189,793.10
Telephone	2,582,232.86	1,932,564.98
Advertisements	847,548.80	580,081.60
Transport & Handling Charges	4,044.05	500.00
Sundries & Utility Services	886,751.90	605,431.05
Exhibition		
Staff Training & Development	367,158.00	344,699.00
Fees For Interview Pannels	8,805.00	7,500.00
Provident Fund Expenses-RRI Component	41,489.91	45,706.48
Public Relations	14,923.88	34,374.38
Honorarium to Members Attending AFCOM	102,000.00	45,396.75
Police Escort Expenses	18,000.00	18,000.00
Fax Charges		
Inland Revenue Stamp Duty	108,300.00	52,530.00
Customs Duty/ clearing Charges		56,159.00
Deyata Kirula Exhibition	212,850.52	412,333.62
Centenial Celebration Expenses		100,261.69
Photo Copier Maintenance	181,795.04	144,393.98
Fees For Medical Exdenditure		
Gratuity for the Year	23,859,214.72	5,076,155.00
Staff Disiplinary Inquiry Expences		26,468.00
Computer Package of Accouts		
Computer net Work		
Power Supply & Maintenance allied	8,972,087.97	7,656,889.01
Water Supply & Maintenance allied	832,928.03	663,844.02
Environmental Protection	4,389.52	2,992.03
Upkeep & Maintenance of Guest Houses (DF & KW)	1,732,761.57	1,675,241.53
Revenue Licences, Insurance Covers, Fitness fees &	1,220,035.38	831,222.92
External Vehicles Hired	327,670.02	216,008.74
Rent & Taxes	166,609.36	146,430.00
Payee Tax		27,733.83
	52,565,895.14	29,845,198.61

RUBBER RESEARCH BOARD OF SRI LANKA
Notes to the Accounts for the Year Ended 31/12/2012
EXPENDITURE -RESEARCH AND DEVELOPMENT

Note -20 Research Departments

	Laboratory Working	Field Working 2012	Total	Laboratory Working	Field Working 2011	Total
Plant Science	577,002.20	2,801,766.86	3,378,769.06	206,842.47	2,159,795.52	2,366,637.99
Plant Pathology	737,771.43	825,239.88	1,563,011.31	594,949.38	671,082.19	1,266,031.57
Genetics & Plant Breeding	409,155.14	3,343,913.30	3,753,068.44	140,507.34	3,558,113.32	3,698,620.66
Soils & Plant Nutrition	1,019,851.83	513,600.29	1,533,452.12	1,201,086.50	752,080.90	1,953,167.40
Raw Rubber & Chemical Analysis	319,999.98	-	319,999.98	552,846.01		552,846.01
Bio-Chemistry & Physiology	52,863.40	450,582.01	503,445.41	37,984.58	841,942.92	879,927.50
Electronic Laboratory			-			-
Adaptive Research Unit	2,464.00	98,544.87	101,008.87	3,500.00	382,776.66	386,276.66
Rubber Technology	105,335.60	662,926.94	768,262.54	188,439.75	463,764.23	652,203.98
RRPD & CE Dept	246,769.14	520,294.96	767,064.10	505,700.25	720,633.35	1,226,333.60
Bio Metry		445,672.96	445,672.96	172,825.27		172,825.27
Polymer Chemistry	135,274.69	501,611.35	636,886.04	410,976.68	112,639.10	523,615.78
Modified Tapping Knives			-			
Manufacturing Charges - Plant Sc.De		2,375,544.12	2,375,544.12		2,044,550.00	2,044,550.00
Tapping Marking Plates Expenses			-		215,800.00	215,800.00
TOTAL	3,606,487.41	12,539,697.54	16,146,184.95	4,015,658.23	11,923,178.19	15,938,836.42
Negenahira Navodaya		1,282,735.49	1,282,735.49		494,923.49	494,923.49
Northern Provice Expenses		111,919.31	111,919.31			
	3,606,487.41	13,934,352.34	17,540,839.75	4,015,658.23	12,418,101.68	16,433,759.91

RUBBER RESEARCH BOARD OF SRI LANKA

Notes to the Accounts for the Year Ended 31/12/2012

Note-21

Depreciation of Non Current Assets

Category of Assets	Perce-	Rs.	Depreciation method
	tage	2012	2011
Buildings	3.5%	1,905,739.87	1,869,613.27
Furniture, Fittings & Office Equipment	20%	2,087,945.82	2,138,315.78
Power & Water Supply	10%	186,564.64	195,985.56
Machinery & Tools	10%	209,780.07	214,100.08
Lab Apparatus	20%	11,129,416.59	9,240,004.87
Motor Vehicles	20%	4,025,427.11	4,097,170.89
Library Books	20%	507,279.55	342,451.67
Documentary Film	20%	145.76	182.20
Earth Slip Project	3.50%	3,761.59	3,898.00
Other assets	10%	328,282.11	256,889.98
Total		20,384,343.11	18,358,612.30
Less:			
Dartonfield Estate		(303,929.39)	(312,193.47)
Kuruwita Estates		(227,695.00)	(177,735.80)
		19,852,718.72	17,868,683.03
Less: Amotrization		(1,039,566.99)	(1,241,309.12)
		18,813,151.73	16,627,373.91

RUBBER RESEARCH BOARD OF SRI LANKA

Notes to the Accounts for the Year Ended 31/12/2012

Note -22 Other Operating Expenses

	2012	2011
Rent for Narampola & Kumarawatta	1,040,000.00	1,040,000.00
Telephone Messenger	305,246.12	314,677.05
Medical Centre Labour	398,606.90	324,265.86
Sanitation	677,592.81	450,707.39
Roads, Fences & Boundaries	1,694,710.34	2,288,650.70
Watchmen & Gate Watchers	4,110,089.47	3,011,650.58
Everporate Decated Expences		
	8,226,245.64	7,429,951.58

RUBBER RESEARCH BOARD OF SRI LANKA
Dartonfield Group Estate Working Account for the Year Ended 2012

Note 23

	2012		2011	
Sales of Rubber Kg 192058		70,413,834.34		97,412,650.19
<u>Less :-</u>				
Cost of Sales				
2012.01.01 Stock	4,871,242.00		6,386,410.00	
Revenue Expenditure	41,550,192.38		42,264,732.74	
Rubber Sale Broker Charges	950,856.03		1,189,753.01	
	<u>47,372,290.41</u>		<u>49,840,895.75</u>	
<u>Less :-</u>				
2012.12.31 Stock (kg 25688)	9,918,610.00	37,453,680.41	4,871,242.00	44,969,653.75
		32,960,153.93		52,442,996.44
<u>Add :-</u>				
Sundry Receipts		101,534.43		3,066,867.84
		<u>33,061,688.36</u>		<u>55,509,864.28</u>
<u>Add :-</u>				
Sale of rice	5,900.00		4,320.00	
Young Budding Plants Sale	2,100.00		25,516.03	
Rubber Replant Subsidy	486,397.94		154,359.38	
Up rooted Rubber Trees Sales	1,824,724.00			
Tea Green Leaf Sale	1,299,164.02		601,044.96	
Pineapple Sale		3,618,285.96		785,240.37
		<u>36,679,974.32</u>		<u>56,295,104.65</u>
<u>Less :-</u>				
<u>Expenditure</u>				
Tea Green Leaf Expenditure	871,254.04		668,862.00	
Pine Apple Expenditure				
Anthurium Expenditure	8,821.00		4,899.50	
Cinnamon Expenditure			9,152.00	
Paddy Field Expenditure	8,563.75	888,638.79	16,636.14	699,549.64
Net Profit	Rs.	<u><u>35,791,335.53</u></u>	Rs.	<u><u>55,595,555.01</u></u>
Expenditure on Rubber Replantings Amounting	Rs 4,293,111.65			

RUBBER RESEARCH BOARD OF SRI LANKA

Kuruwita Estate Working Account for the Year Ended 2012

Note 24

	2012	2011
Sales of Latex & Scrap (kg 100003)	34,456,466.12	46,922,280.72
<u>Less :-</u>		
Revenue Expenditure	17,876,372.38	16,058,437.20
	16,580,093.74	30,863,843.52
<u>Add :-</u>		
Sundry Receipts	355,187.83	50,031.04
	16,935,281.57	30,913,874.56
<u>Add :-</u>		
Bud Wood Nersery Income		50,477.75
Rubber Replanting Subsidy	738,783.26	299,214.38
Tea Income	138,135.92	150,834.18
Young Budding Nursery Income	85,536.98	307,685.06
Cinnamon Income		
Anthurium Income	962,456.16	19,047.00
	17,897,737.73	31,741,132.93
<u>Less :-</u>		
Passion Fruit Expenditure		
Net Profit	Rs. 17,897,737.73	Rs. 31,741,132.93

Expenditure on Rubber Replantings Amount is Rs. 1,389,288.83

RUBBER RESEARCH BOARD OF SRI LANKA

Kumarawatta Estate Working Account for the Year Ended 2012

Note 25

	2012	2011
Sales of Income	392,176.50	1,116,840.00
<u>Less :-</u>		
Maintenance Cost	(5,539,421.79)	(4,730,467.44)
Loss for the Year	Rs. <u><u>(5,147,245.29)</u></u>	<u><u>(3,613,627.44)</u></u>

RUBBER RESEARCH BOARD OF SRI LANKA

Narampola Estate Working Account for the year ended 2012

Note 26

	2012	2011
Sales of Sundry Cros	39,156.08	208,456.00
Rubber Re-Planting Subsidy	46,582.85	
	85,738.93	208,456.00
<u>Less :-</u>		
Maintenance Cost	(2,444,680.78)	(2,449,690.54)
	Rs. <u><u>(2,358,941.85)</u></u>	<u><u>(2,241,234.54)</u></u>



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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය }
 எனது இல } LP/E/RRB/FA/2012
 My No }

ඔබේ අංකය }
 உமது இல }
 Your No. }

දිනය }
 Date } 19 February 2014

The Chairman
 Rubber Research Board of Sri Lanka

Report of the Auditor General on the Financial Statements of the Rubber Research Board of Sri Lanka for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.

The audit of Financial Statements of the Rubber Research Board of Sri Lanka for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 8(2) of the Rubber Research Ordinance (Cap. 439) as amended by the Act, No. 11 of 1956. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Board on 09 September 2013.

1:2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

අංක 306/72 පොල්දූව පාර,
 බත්තරමුල්ල, ශ්‍රී ලංකාව

இல. 306/72, பொல்துவ வீதி,
 புத்தரமுல்லை இலங்கை

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

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

1:4 Basis for Qualified Opinion

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

2. Financial Statements

2:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Rubber Research Board of Sri Lanka as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles .

2:2 Comments on Financial Statements

2:2:1 Accounting Deficiencies

The following observations are made.

- (a) The stocks of other goods valued at Rs.10,932,081, except the stock of rubber had been taken into accounts on the book value instead of the value according to the annual verification of goods. As such it was observed that the losses arising from damage, losses, etc., had not been disclosed in the financial statements.
- (b) Even though the value of latex sales of the Kuruwita Estate for the year 2012 amounted to Rs.36,622,548 only a sum of Rs.34,456,466 out of that had been brought to the financial statements. As such sales had been understated by a sum of Rs.2,166,082.
- (c) The depreciation on motor vehicles totalling Rs.1,280,021 and the sum of Rs.778,178 received from the sale of motor vehicles relating to the Dartonfield and Kuruwita Estates had not been adjusted to the cash flow statement.

2:2:2 Accounts Receivable and Payable

The following observations are made.

- (a) Action had not been taken for the recovery of the debtor balances older than 05 years amounting to Rs.16,326,874 relating to 405 debtors included in the debtors balance as at the end of the year under review amounting to Rs.28,196,205.
- (b) Action had not been taken either for the recovery or the write off of the advance of Rs.5,214,500 paid by the Rubber Research Board of Sri Lanka to the Department of Consultancy Services in the year 1985 for the construction of a building.
- (c) Action had not been taken even by 15 July 2013 for the recovery of Rs.1,798,731 recoverable from the Department of Rubber Development on behalf of the employees of the Rubber Research Board of Sri Lanka holding membership of Provident Fund of the Board attached to the Department of Rubber Development.

- (d) A sum of Rs,627,984 receivable from the Ministry of Plantation Industries for the training of graduates had been shown continuously in the financial statements without taking action for the recovery.
- (e) Action had not been taken either for the recovery or write off of the security guarantee debtors balances older than 15 years amounting to Rs.4,746,939 on which no legal action had been taken for recovery.
- (f) Action had not been taken for the recovery of a sum of Rs.2,989,277 recoverable from three security guarantee debtors who had defaulted the payment of installments.
- (g) The confirmations in support that the recoveries are being made from the 21 debtors amounting to Rs.2,228,588 existing over periods exceeding 06 years and included in the debtors balance amounting to Rs.11,112,317 shown in Note 3(ii)(c) to the financial statements, had not been furnished.
- (h) Action had not been taken either for the settlement or write off of 19 balances amounting to Rs.1,976,077 included in the advances payable amounting to Rs.9,258,909 shown in the Note No. 08-A-I and the two balances amounting to Rs.341,373 included in the creditor balance of the Dartonfield Estate amounting to Rs.9,760,698.
- (i) Out of balances recoverable amounting to Rs.443,447 shown in Note 3.1 to the balance sheet, the deposit balances amounting to Rs.101,306 receivable from 06 institutions had been balances older than 07 years and any confirmation that those are being recovered had not been furnished to audit.



2:2:3 Lack of Evidence for Audit

The evidence indicated against the following items of account had not been furnished to audit.

<u>Items of Account</u>	<u>Value</u>	<u>Evidence not made available</u>
	Rs.	
(a) Fixed Assets	398,626,685	Register of Fixed Assets
(b) Normal Debtors	19,990,736	Confirmation of Debtors Balances.
(c) Balances Receivable from Dartonfield Estate	8,502,490	Confirmation of Debtors Balances
(d) Advances received	9,258,909	Creditors Age Analysis

2:2:4 Non-compliance with Laws, Rules, Regulations and Management Decisions

Even though a motor vehicle of the Board released for duties of the staff of the Minister of Plantation Industry had run 4,091 kilometres within 01 month and 04 days, the Daily Running Charts and the Monthly Performance Summary had not been furnished to audit in terms of Financial Regulation 1645.

3. Financial Review

3:1 Financial Results

The operating results of the Board for the year under review after taking into account the grants amounting to Rs.185,705,000 received from the Treasury amounted to a deficit of Rs.68,557,639 as against the surplus of Rs.18,547,965 for the preceding year after taking into account the grants amounting to Rs.183,100,000 received from the Treasury. The financial results for the year under review as compared with preceding year indicated a deterioration of Rs.87,105,604 and represented 475 per cent. The increase of the establishment and administrative expenditure of the Board by 20 per cent as compared with the preceding year, the decrease of the profits of the Dartonfield and Kuruwita Estates by 36 per cent and 44 per cent respectively as compared with the preceding year and the increase of the loss of Kumarawatta by 42 per cent as compared with the preceding year had impacted the deterioration.

3:2 Analytical Financial Review

The following observations are made.

- (a) The total income of the Board for the year under review including the grants received from the Treasury amounted to Rs.197,880,882 and as compared with the total income of the preceding year amounting to Rs.196,888,110 represented an increase of 0.5 per cent.
- (b) The total expenditure of the Rubber Research Board for the year under review amounted to Rs.312,621,408 and as compared with the total expenditure of Rs.259,821,971 for the preceding year represented an increase of 20 per cent.
- (c) The overall profit earned from the 04 Estates of Dartonfield, Kuruwita, Kumarawatta and Narampola in the year under review amounted to Rs.46,182,886 and that amounted to Rs.81,481,826 in the preceding year. As such the decrease of profit for the year under review had been 43 per cent. The decrease of the gross average sale prices per kilogram of rubber by 17 per cent as compared with the preceding year, the unfavorable weather conditions and the health problem of the employees in year 2012 had impacted the decrease in the profit.

3:3 Legal Actions Instituted against or by the Board

- (a) Three employees had filed 05 cases in Courts claiming compensation for the termination of services and no consensus had been reached with regard to the compensation payable.
- (b) The Board had filed a case in the Matugama Courts against a person claiming compensation amounting to Rs.730,000 for the failure to return a lorry of the Board taken out for construction of the lorry body.



4. Operating Review

4:1 Performance

(a) Performance on Production of Latex

Details of production of latex of Kuruwita Estate and Dartonfield Estate are shown below.

Latex Tapping Estate	Rubber	Year 2012			Year 2011				Difference	
	Cultivated									
	Extent	Production per Hectare	Total Production in the year	Value of Production	Rubber Cultivated Extent	Production per Hectare	Total Production in the year	Value of Production	<u>Quantity</u> (Decrease/ Increase	<u>Value</u> Decrease/ Increase
	Hectare	Kilogrammes	Kilogrammes	Rs.	Hectare	Kilogrammes	Kilogrammes	Rs.	Kilogrammes	Rs.
Darton- field	174.85	1,096	191,590	73,448,195	181.61	1,016	184,596	94,080,018	6,994	(20,631,823)
Kuruwita Estate	71.29	1,403.32	100,043	36,622,548	68.79	1,495	102,825	45,534,926	(2,782)	(8,912,378)



The following observations are made in connection with the above information.

- (i) The production of latex per hectare of the Dartonfield Estate as compared with the Kuruwita Estate had decreased by 479 kilogrammes in the year 2011 and by 307 kilogrammes in the year 2012. The increase of latex production per hectare of the Kuruwita Estate as compared with the Dartonfield Estate had been mainly due to the cultivation of the Kuruwita Estate being research cultivations, the use of rain covers, weather conditions, location of land, easy maintenance due to lesser extent of land and the age of the cultivation.
 - (ii) As compared with the year 2011, the latex production of the Dartonfield Estate in year under review had increased by 80 kilogramems per hectare.
 - (iii) As compared with the year 2011, the latex production of the Kuruwita Estate in the year under review had decreased by 92 kilogrammes per hectare. The Board is of opinion that it was due to the health problems of the employees and unfavoruable weather conditions.
- (b) Out of the 84 Projects implemented by the Department 10 years ago, the progress of 12 Projects had been below 25 per cent.

4:2 Management Inefficiencies

- (a) According to the Service Certificate produced by the officer recruited to the post of Administrative Officer of the Rubber Research Board, possession of 3 ½ years experience in a similar post in a private company during the years 2005 to 2009 had been stated. Nevertheless, it was confirmed that he had received training during 06 months in that company and the Employees Provident Fund returns confirmed that he had served in two institutions during the relevant period. As such it was confirmed that the Service Certificate produced was a counterfeit documents.

- (b) An agreement for a sum of Rs.288,838,759 had been entered into with a contractor company on 28 September 2011 for the construction of an Auditorium in the Dartonfield Office of the Rubber Research Institute at Agalawatta. According to the agreement the Auditorium should have been constructed within 270 days. But the contract had not been completed even by August 2013. The clause for recovery of liquidated damages had not been included in the agreement. As construction work had been done before testing the suitability of the land, a retaining wall had to be constructed at an additional cost of Rs.2,007,487 to ensure the safety of the building. Construction work had not been subjected to regular supervision of a responsible officer. Cracks of walls, non-completion of the ceiling and dampness of ground floor walls were observed due to such situation.

4:3 Transactions of Contentious Nature

The following observations are made.

- (a) The Latex valued at Rs.17,341,672 had been sold to a private company over a period of 06 months without entering into an agreement.
- (b) A stock of 3,360 kilograms of rain cover gum had been purchased for Rs.564,480 from a private company without inviting quotations. It was observed in audit that if the rain cover gum had been purchased from another company the gum could have been purchased for Rs.382,800 thereby a sum of Rs.211,680 could have been saved.
- (c) Salaries had been paid to labourers without checking their identity and the salaries of certain labourers had been paid to other persons without the written permission from them. Salaries had been paid to certain employees without obtaining confirmation from the Supervisory Officer that their duties have been performed properly. It was observed in audit that such practices could provide opportunities for commuting frauds by introducing fictitious names.

- (d) The "Rubber Banana Inter-crop Programme" directed by the officer recruited to the post of Additional Director had been scheduled for commence in the year 1998 and completion in the year 2001. Nevertheless, the officer had obtained a sum of Rs.168,000 in the year 2002 as well by adding a sum of Rs.14,000 per month from that fund to the salary. Even though the institution had informed that the project was completed in the year 2003, the relevant file required for the examination of the Project Completion Report to confirm that had not been furnished to audit.
- (e) The driver attached to the Chairman of the Rubber Research Board of Sri Lanka had been attached on daily paid basis. Nevertheless, a sum of Rs.29,949 had been paid as salary and overtime for the days in which he had obtained leave.

5. Accountability and Good Governance

5:1 Corporate Plan and Action Plan

A Corporate Plan for the years 2013 to 2017 had been prepared. The financial information of the preceding years had not been included in the Corporate Plan to facilitate comparison with the forecasts for the ensuing years. The financial value of the physical targets to be achieved during the period of 05 years had not been shown separately.

5:2 Budgetary Control

The utilization of provisions under 05 Objects of the year under review had exceeded estimated expenditure in the ranges of 5 per cent to 75 per cent. Even though the capital expenditure for the year under review had been estimated at Rs.57 million, the actual expenditure amounted only to Rs.27.31 million. As such 52 per cent of the estimated capital expenditure had not been utilized. Therefore, the budget prepared by the Board for the year under review had not been made use of as an effective instrument of management control.

6. Systems and Controls

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

- (a) Budgetary Control
- (b) Fixed Assets Control
- (c) Stock Control
- (d) Accounting
- (e) Research work Administration
- (f) Purchases

H.A.S. Samaraweera
Auditor General

-/dk.

Observation for the report of the Auditor General on the Financial Statements of the Rubber Research Board of Sri Lanka for the year ended 31 December 2012 in terms of Section 14(2) (c) of the Finance Act. No. 38 of 1971

No	Audit observation	Replies
2.2 2.2.1	Comments on financial Statements Accounting Deficiencies	
(a)	The following observations are made The stocks of other goods valued at Rs. 10,932,081, except the stock of rubber had been taken into accounts on the book value instead of the value according to the annual verification of goods. As such it was observed that the losses arising from damage, losses, etc. had not been disclosed in the financial statements.	Book value had been taken as the final stock instead of the physical stock due to stock verification had not been finished when final accounts were prepared. However adjustment had been made after completion of stock verification.
(b)	Even though the value of latex sales of the Kuruwita estate for the year 2012 amounted to Rs. 36,622,548 only a sum of Rs. 34,456,466 out of that had been brought to the financial statements. As such sales had been understated by a sum of Rs. 2,166,082.	Latex sale value of Kuruwita estate, Rs. 36,622,548 in 2012 was an estimated value. Rs 34,456,466 was the actual value stated under financial statement
(c)	The depreciation on motor vehicles totaling Rs. 1,280,021 and the sum of Rs. 778,178 received from the sale of motor vehicles relating to the Dartonfield and Kuruwita Estates had not been adjusted to the cash flow statement.	As shown in the Audit report, this will be rectified in preparing accounts for year 2013.
2.2.2	Accounts Receivable and Payable The Following observations are made.	
(a)	Action had not been taken for the recovery of the debtor balances older than 05 years amounting to Rs.16,326,874 relating to 405 debtors included in the debtors balance as at the end of the year under review amounting to Rs.28,196,205.	Most of debtor balances were recovered but credited other receivable accounts instead of debtor account. Necessary arrangements will be made to rectify those accounts.
(b)	Action had not been taken either for the recovery or the write off of the advance of Rs.5, 214, 50 paid by the Rubber Research Board of Sri Lanka to the Department of Consultancy Services in the year 1985 for the construction of a building.	Rubber Research Board consisted of two departments namely Advisory Services Department and Rubber Research Institute before 1994. Advisory Services Department started to construct a new building at Galewatta in 1983 and had taken this amount as an advance. Advisory Services Department was attached to RDD in 1994 but above advance was stated in RRI accounts. This situation was mentioned in audit reports annually and a request was made by RRB through MPI to treasury to take a decision. Decision has not been received yet

(c)	Action had not taken even by 15 July 2013 for the recovery of Rs.1,798,731 recoverable from the Department of Rubber Development on behalf of the employees of the Rubber Research Board of Sri Lanka holding membership of Provident Fund of the Board attached to the Department of Rubber Development.	This amount built up by maintenance expenditure of RRI Provident Fund and the Bonus paid to the retired officers who were absorbed to Rubber Development Department as per the PF rules. Those expenditure had not been refunded by RDD since 2002. Several requests have been made to RDD but not settled as yet.
(d)	A sum of Rs.627,984 receivable from the Ministry Of Plantation Industries for the training of graduates had been shown continuously in the financial statements without taking action for the recovery.	This amount had been paid to graduates who recruited to the MPI. A report had been made and forwarded to the appointed committee to take decisions to write off. Action will be taken to write off according to the committee recommendation.
(e)	Action had not been taken either for the recovery or write off of the security guarantee debtors balances older than 15 years amounting to Rs.4,746,939 on which no legal action had been taken for recovery.	Action had been taken to recover the balance. Due to some defects it had not been recovered yet. Mr. S.M.C.E. Silva Rs. 1,635,005.85 Documents had been forwarded to Attorney General Department to take legal action. Letter of demand had been sent to accused 1,2 and 3. All had returned due to incorrect addresses. A request was made to Attorney General to re-direct the letter of demand with correct addresses. However letter of demand sent to 2nd accused from institute had been returned back. Mr. Thurul Warnakula 936,278.34 Attorney General Department had informed to the institute that lack of surety bond letter in the personal file, legal action could not be taken. The matter forwarded to board of Directors and they advised to Internal Auditor for audit that who are the responsible officers in this regard and report the results. Mr. P.B. Weeraratne 1,825,654.55 According to the letter No C/209/94/RRI(KGD) and dated 28.11.2006 from Attorney General's Department stated that due to lack of correct addresses of Mr. Weeraratne and his sureties the case had taken to hold on.

		Mr.D.E.D.I.N. Perera 350,000.65 Attorney General's Department informed that the legal action could not be taken due to lack of enough information in this regard. Until the addresses of accused find the case to hold on.						
(f)	Action had not been taken for the recovery of a sum of Rs.2,989,277 recoverable from three security guarantee debtors who had defaulted the payment of installments.	Recoverable balance of Rs. 2,989,277 under surety bonds are being received except Rs. 1,884,612.81 bond value of Mrs G.V.L. Nilmini.						
(g)	The confirmations in support that the recoveries are being made from the 21 debtors amounting to Rs.2,228,588 existing over periods exceeding 06 years and included in the debtors balance amounting to Rs.11,112,317 shown in Note 3(ii) (c) to the financial statements, had not been furnished.	Most of receivable items belong to different projects. Action will be taken to write off from the book after a search further.						
(h)	Action had not been taken either for the settlement or write off of 19 balances amounting to Rs.1,976,077 included in the advances payable amounting to Rs.9,258,909 shown in the Note No.08 – A – I and the two balances amounting to Rs.341,373 included in the creditor balance of the Dartonfield Estate amounting to Rs.9,760,698.	These balances (Rs. 1,976,077) are payable to many projects. Some projects are not in progress and those organizations have not inquired from us. Rests of creditors too have not inquired. If any of them inquired action will be taken to pay after scrutinize. A sum of Rs 298,577/= out at the Dartonfield Estate creditors balance of Rs 341,373/= has been shown in the account since 2002 as a payable to janatha Pohora Enterprises. This has not been paid since the particular institution has not been claimed. The balance of Rs 42,769/= are refundable deposits which were not claimed. This will be paid on requests of the depositors.						
(I)	Out of balances recoverable amounting to Rs.443,447 shown in Note 3.1 to the balance sheet, the deposit balance amounting to Rs.101,306 receivable from 06 institutions had been balances older than 07 years and any confirmation that those are being recovered had not been furnished to audit.	Services are being still taken by the six institutes out of eleven. Therefore, those deposits should be kept further. Deposits of other institutes will be arranged to recover.						
2.2.3	Lack of Evidence for audit The evidence indicated against the following item of account had not been furnished to audit. <table> <tr> <th><u>Item of Account</u></th><th><u>Value</u></th><th><u>Evidence not made</u></th></tr> <tr> <td>a. Fixed Assets</td><td>398,626,685</td><td>Register of fixed assets</td></tr> </table>	<u>Item of Account</u>	<u>Value</u>	<u>Evidence not made</u>	a. Fixed Assets	398,626,685	Register of fixed assets	Detailed schedule of the fixed assets is given in note 01A of fixed assets sub register. Action has been taken to update the fixed Assets Register.
<u>Item of Account</u>	<u>Value</u>	<u>Evidence not made</u>						
a. Fixed Assets	398,626,685	Register of fixed assets						

	b. Normal Debtors 19990,736 Confirmation of Debtors Balances c. Balance receivable 8,502,490 from Daronfield Estate Confirmation of Debtors Balances d. Advances received 9,258,909 Creditors Age Analysis	Confirmation of balance will be obtained from all debtors and render to you in next year. It should be received from the Dartonfield estate by rubber sale amounting Rs. 8,502,490.80. It can be credited within one week Creditor type was clear according to the 08Aii and 08Aiii of accounts. Payable balances stated in the statement are wages of estate workers and payables for organization with day today dealings. A time analysis has not been prepared as these are recovered within a short period.
2.2.4	Non - compliance with Laws, Rules, Regulation and Management Decisions Even though a motor vehicle of the Board released for duties of the staff of the staff of the Minister of Plantation Industry had run 4,091 kilometers within 01 month and 04 days, the Daily Running Charts and Monthly Performance Summary had not been furnished to audit in terms of Financial Regulation 1645.	That vehicle was released without fuel to Ministry of Plantation Industries on written requests (copies are attached) for duties of staff of the Minister. Since running charts are included with RRI visits only, it has not been filled for external users.
3.3	Legal Action Instituted against or by the Board a. Three employees had field 05 cases in Courts claiming compensation for the termination of services and no consensus had been reached with regard to the compensation payable.	Three employees had filed 03 cases in the court for termination of service and present situation of them is as follows. 1. Case No 35/MG/28/11 the complaint of former Experimental Officer Mr. P.A.C.R. Puhambugoda. Mr. P.A.C.R. Puhambugoda was suspended due to misconduct duties when he worked at RRI as an experimental officer after a formal inquiry. Mr. Puhambugoda filed the case 35/MG/28/11 at Labour Tribunal, Matugama and inquired nearly two years at Matugama. This is now being progressed at Labour Tribunal at Kalutara. 2. Case No. 1/2013-Former Superintendent of Dartonfield Estate Mr. Jehan Perera has filed a case at Labour Tribunal at Ratmalana on his suspending. Eight sessions have now been conducted from 2013. Witness

	b. The Board had field a case in the Matugama Courts against a person claiming compensation amounting to Rs.730,000 for the failure to return a lorry of the Board taken out for construction of the lorry body.	recording has been completed from Mr. J. Perera as the proponent. Action will be taken according to the decision taken by labour tribunal. 3. Case No 7094/11 Mr. Ajith Premakumara, against the termination of the service of Kangkani, and suspended The case filed at Labour Tribunal, Ratnapura on the above by Mr. Ajith Premakumara is now being inquired from 28.02. 2012. Witness recording has been completed. According to that the three cases are being inquired and consensus has not been achieved on payment of compensation. The tender was offered to Mr. Suranga Premaratne, PA/202/08, Suranga Motors, Piriven place, Ampara who has quoted the lowest price to construct the body of the Ashok Layland lorry No 42-2063 belongs to the institute. Two months have been granted for this from the date of signing the agreement. Two extensions were granted until 20.05.2005 on his written request. SSP of Ampara on 10.08.2005 and Attorney General on 10.01.2006 were informed due to the failure of doing this job. After that, a letter of demand requesting Rs. 568,400 and the lorry was sent through the Lawyer Mr. Ananda Vijaya after informing the Matugama Police. Due to the negligence of the contractor, a case was filed at Matugama District Court demanding Rs. 717,600 and court charges. The court decision was to pay Rs. 717,600 to the RRISL by the contractor. Although a written decision was sent to the contractor by the Lawyer Mr. Ananda Vijaya, payment was not done by the contractor. On legal advice, a report on contractor's assets was taken through the Grama Niladari of W/89/F Saddatissapura and Divisional Secretary of Ampara and produced to the court by the Lawyer Mr. Ananda Vijaya. The decision was to sell the assets of the contractor and
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4.2 (a) (b)	Management Inefficiencies According to the Service Certificate produced by the officer recruited by the officer recruited to the post of Administrative Officer of the Rubber Research Board, possession of 3 ½ years experience in a similar post in a private company during the years 2005 to 2009 had been stated. Nevertheless, it was confirmed that he had received training during 06 months in that company and the Employees Provident Fund returns confirmed that he had served in two institutions during the relevant period. As such it was confirmed that the service Certificate produced was a counterfeit documents. An agreement for a sum of Rs.288,838,759 had been entered with a company to construct an auditorium in Dartonfield, Rubber Research Institute at Agalawatta. According to the agreement the Auditorium should have been constructed within 270 days. But the contract had not been completed even by August 2013. The clause for recovery of liquidated damages had not been included in the agreement. As construction work had been done before testing the suitability of the land, a retaining wall had to be constructed with an additional cost of Rs.2,007,487 to ensure the safety of the building. Construction work had not been subjected to regular supervision of a responsible officer. Cracks of walls, non – completion of the ceiling and dampness of ground floor walls were observed.	recover the money to be paid by the contractor. Mr. L.P.K.W. Welewatta was recruited on 15.08.2011 according to the SOR and following the correct methodology of the institute. Approval was granted to the interview board, and the interview board was consisted with Chairman, RRB, Director, RRI, Deputy Directors of Research and Administration, RRI, and a representative from the Ministry of Plantation Industries. Approval of Ministry of Plantation industries has obtained to recruit Mr. Weliwatta to the post. An audit query was made against an unnamed petition against Mr. Weliwatta's experience to the post. The institute followed appropriate methods to correct the situation. A letter has been sent on 2009.10.20 with a copy of the service certificate to Managing Director of Nasna Impex Pvt. Ltd. who has issued the certificate. Nasna Impex Pvt. Ltd. has confirmed that was issued from the company but there were no service records at the company. However, a letter has been sent again on 2013.03.07 to rectify the signature of the letter. We received a letter dated 07.03.2013 from the company confirming that the signature of the service certificate is of a former Manager of the company. Objective of the construction of Auditorium was to technology transfer via training programmes to officials in rubber sector, rubber growers and related personnel in the rubber industry as well as students of universities, technical institution and school children. Research officers and experimental officers are the resource persons in this regard and they train them while doing the day today duties. Therefore the auditorium should be constructed close to the institute. Only the land available very close to institute was selected for this purpose. On the recommendation of Engineer Mr. A. C. Kanaheraarachchi of RDA,
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		Agalawatta as the Chairman of the Technical Evaluation Committee of this construction and on RRB approval a retaining wall was constructed to increase the space at the basement without filling soil. According to the procedure of procurement 8.9.3, agreement signed on 17.08.2011 took as a written document without signing a fresh one for above changes. With the agreement of the treasury, Cabinet approval had been granted to release Rs. 32.5Mn for the construction of this Auditorium and the approved amount for the contractor was Rs. 28,838,758.93 (with VAT). Directors of RRB on 25.04.2012 have approved Rs. 2,007,487.00 for the construction of the said retention wall according to the consultation of the Engineer to increase the space for the basement without filling soil. Accordingly, the total expenditure for construction of the auditorium was Approved amount for contractor Rs. 28,838,758.93 Approved extra amount Rs. 2,007,487.00 Approved total amount Rs. 30,846,245.93 Internal workers have not been taken to construct the retention wall but they were used to build a terrace between auditorium and the green house.
4.3	Transaction of Contentious Nature The following observations are made.	
(a)	The Latex valued at Rs.17,341,672 had been sold to a private company over a period of 06 month without entering into an agreement.	Field latex of Kuruwita estate was sold to Kiriporuwa Factory up to September 2010. Due to violations of the above buyer, estate could not sell latex to the said buyer. A sudden decision had to be taken immediately to sell latex to a reputed buyer. A considerable time period must be taken to normal procedure of procurement. Therefore one of the

		reputed latex buyers in the country, Lalan Rubbers Pvt. Ltd. was temporary selected with an agreement on the recommendation of the Estate Committee.
(b)	A stock of 3,360 kilograms of rain cover gum had been purchased for Rs.564,480 from a private company without inviting quotations. It was observed in audit that if the rain cover gum had been purchased from another company the gum could have been purchased for Rs.382,800 thereby a sum of Rs.211,680 could have been saved.	Rain guard sealant was purchased from Bitumix Engineering by the Superintendent on Director's approval of the price per Kg of sealant. A copy of the quotation is attached.
(c)	Salaries had been paid to labourers without checking their identity and the salaries of certain labourers had been paid to other persons without the written permission from them. Salaries had been paid to certain employees without obtaining confirmation from the Supervisory Officer that their duties have been performed properly. It was observed in audit that such practices could provide opportunities for commuting frauds by introducing fictitious names.	90% of labourers present their national ID for salary payment. Rest of the 10% present their daily attendance cards. This is not the correct way of rectifying their identity. Action will be taken to rectify it. Salary of a worker who cannot attend during the payment time is given to a worker nominated by him/her in writing with the signature of the nominee on the pay sheet. That method had been practiced for many years but on any complain from workers yet. Salary sheets are handed over to field officers few hours prior to pay the salary to get signatures of the workers. This is done to minimize the time of keeping money in order to secure money. According to the advice of Audit Officers, signature will be taken hereafter at the time of salary payment. Field officers are the supervisory officers of the field workers but workers allotted to bungalows are supervised by the officers occupied in the bungalow. Only one worker has signed "in' & out" of the name card at once. The worker and the Field Officer were advised in writing after pointing out this by Auditors.
(d)	The "Rubber Banana Inter – crop Programme "directed by the officer recruited to the post of Additional Director had been scheduled for commence in the year 1998 and completion in the year 2001. Nevertheless, the officer had obtained a sum of Rs.168,000 in the year 2002 as well by adding a sum of Rs.14,000 per month from that fund to the salary. Even though the institution had informed that the	The approval was granted by the chief officer of the project to pay fuel stipend within 2002. A copy of the letter is attached.

	project was completed in the year 2003, the relevant file requires for the examination of the Project Completion Report to confirm that had not been furnished to audit.	
(e)	The driver attached to the Chairman of the Rubber Research Board of Sri Lanka had been attached on daily paid basis. Nevertheless, a sum of Rs.29,949 had been paid as salary and overtime for the days in which he had obtained leave.	This driver has been assigned to the Chairman, Rubber Research Board. The Chairman grant approval only for duty reported days. Driver has taken an extra payment for seven days and arrangement has been done to recover it from him.
5		
5.1	Accountability and Good Governance Corporate Plan and Action Plan A Corporate Plan for the years 2013 to 2017 had been prepared. The financial information of the preceding years had not been included in the Corporate Plan to facilitate comparison with the forecasts for the ensuing years. The financial value of the physical targets to be achieved during the period of 05 years had not been shown separately.	Financial information and expected physical targets for past years will be presented separately. But the financial information relevant to separate fields (such as Plant Science, Plant Breeding etc.) have been discussed in the corporate plan.
5.2	Budgetary Control The utilization of provisions under 05 objects of the year under review had exceeded estimated expenditure in the ranges of 5 per cent to 75 per cent. Even though the capital expenditure for the years under review had been estimated at Rs.57 million, the actual expenditure amounted only to Rs.27.31 million. As such 52 per cent of the estimated capital expenditure had not been utilized. Therefore, the budget prepared by the Board for the year under review had not been made use of as an effective instrument of management control.	According to the budget of 2012, salary increase, increase of fuel prices, new projects for expand rubber cultivation in North & Eastern provinces, increase of labour wages to maintain bungalows, gratuity payment etc. caused for these fluctuations. Only Rs 46 Mn has been received though the estimate was Rs. 57.4 Mn for the year 2012. Of that, Rs. 37.27 Mn was spent on capital and the rest was used for maintenance of Polgahawela and Monaragala substations, nursery at Monaragala and for cultivation of rubber in North and East. Money has been allocated for these under capital expenditure.
6	Systems and Controls Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Board from time to time. Special attention is needed in respect of the following areas of control. (a) Budgetary Control (b) Fixed Assets Control (c) Stock control (d) Accounting (e) Research work Administration (f) Purchases	Special attention will be drawn to these sections