

SUGARCANE RESEARCH INSTITUTE



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Hon. Minister of Sugar Industry Development,
Ministry of Sugar Industry Development,
Section C, 11th floor,
Sethsiripaya second stage,
Battaramulla.

Hon. Minister,

**Annual Report of the Sugarcane Research Institute for the
period of 01.01.2012 to 31.12.2012**

On behalf of the board of governors of the sugarcane Research Institute, I am submitting herewith the Annual Report for the year 2012 of the Institute.

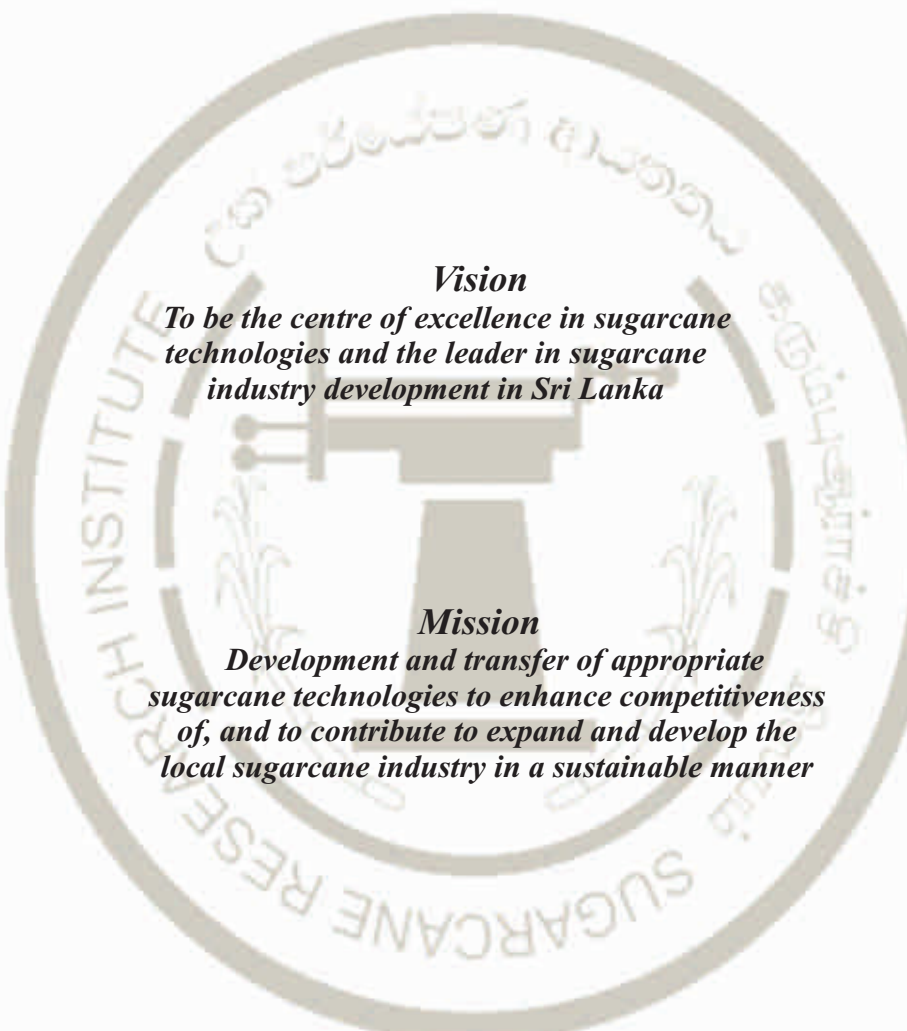
Yours faithfully,
Sugarcane Research Institute



S.K. Cyril,
Chairman
Board of Governors
31.12.2013

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The logo of the Sugarcane Research Institute is a circular emblem. It features a central illustration of a sugarcane field with a traditional water-lifting device (a 'kudam') in the foreground. The text 'SUGARCANE RESEARCH INSTITUTE' is written in English around the bottom half of the circle, and the name is also written in Sinhala and Tamil at the top. The background of the slide is a light gray with a faint, large-scale version of this logo.

Vision

To be the centre of excellence in sugarcane technologies and the leader in sugarcane industry development in Sri Lanka

Mission

Development and transfer of appropriate sugarcane technologies to enhance competitiveness of, and to contribute to expand and develop the local sugarcane industry in a sustainable manner

Board of Governors

Mr S K Cyril	Chairman	Appointed member
Mr T L T A Sunil De Silva	Member	Appointed member
Mr P R G L C Wijewarnasuriya	Member	Appointed member
Mr Hasitha Gunawardane	Member	Appointed member
Ms P Chamika Maduwanthi	Member	Nominated member of the Ministry of Finance
Ms R M C M Herath	Member	Nominated member of the Ministry of Minor Export Crop Promotion
Dr N C Kumarasinghe	Member	Director (<i>Ex-Officio</i> -member)

Chairman's Review

During the year 2012, the research and development and man power and infrastructure development activities of the institute were carried out according to the Corporate Plan 2012-2016.

A long-term research program consisting of sugarcane crop improvement, crop and resource management, crop nutrition, crop protection, farm mechanisation and processing and product development and a technology transfer and development program were continued with the aim of development of appropriate technical know-how aiming at increasing sugarcane yields, sugar recoveries, reducing costs, producing value-added products with minimum adverse effects on the environment and promotion of their adoption to contribute to the development of the sugar industry in a sustainable manner.

The most remarkable achievement in research and development includes the release of three new sugarcane varieties, namely, SL 90 6237, SL 95 4443 and SL 96 128 for commercial cultivation. All these are high-cane and sugar-yielding varieties and recommended for both irrigated and rain-fed cultivation. SL 90 6237 is a variety highly adaptable to harsh environments and highly resistant to smut disease and has an excellent ratooning ability. Action was taken to produce foundation seedcane of these varieties for further multiplication by the sugar industries for commercial cultivation and promotion of farmers for cultivation. Cultivation of these new varieties will increase sugarcane yields and sugar recovery rates in future.

Currently, nearly 42% of the area under sugarcane is cultivated with locally-bred new sugarcane varieties which are adaptable to local environments. Even though the new varieties have not increased average sugarcane yields in the country, the diversification of sugarcane plantations with improved varieties has served to protect the industry from devastating white leaf disease (WLD) which spread in cane plantations from the early 90s and the wide-spread woolly aphid outbreak after 2006. Had the SRI-bred varieties were not available, sugarcane crop would have been completely devastated and farmers and sugar mills would have been badly affected. The tolerance of SL 83 06 to WLD and woolly aphid saved the sugar industry from being collapsed. Further, had there were no varieties to face this situation, cane yield would have significantly reduced causing significant income losses to farmers and sugar mill

In addition, the fertiliser recommendations for Sevanagala was revised based on the nutrients availability in the soil and the crop requirements for achieving targeted yields. The application of the recommended fertiliser will increase sugarcane yields and sugar recoveries, maintain soil fertility in the long run and minimise environment pollution. Training programmes were also conducted for improving the knowledge of soil fertility management.

The control of the devastating pest, sugarcane woolly aphid, was achieved by regularly observing the pest status of sugarcane plantations, augmenting the natural enemies, such as *Dipha aphidivora* and *Micromus* sp. and by conducting awareness programmes for farmers and sugar industry officials for preserving the natural enemy populations. The management of the sugarcane woolly aphid by natural means was environment friendly and has no any cost to sugarcane farmers and industries. In addition, regular pest and disease surveys were conducted and necessary instructions were given to sugar industries and farmers for containing spread of pests and diseases.

The construction of a two-wheel tractor mounted, low-cost and easy operating fertiliser applicator that automatically adjusts the fertiliser dropping rate according to the speed of the tractor was successfully

completed. Action was also taken to fabricate SRI-developed tyne cultivator and the furrow opener at the SRI workshop and distribute among farmers and farmer organisations at a subsidised rate to promote the use of these farm implements.

In addition, action was taken to promote adoption of cultivation of short duration crops such as green gram, cowpea, ground nut, cucumber, sweet melon, etc. with sugarcane to increase farmer income. Necessary facilitation was also made for the expansion of jaggery industry in Passra area in Badulla district by expanding sugarcane area with new sugarcane varieties, coordinating for providing financial assistance, improving the knowledge of the millers on high-quality jaggery production, etc.

Multiplication of planting material was also continued in Kilinochchi district to establish a sugarcane cultivation and small-scale processing cluster at pilot scale to revitalise the sugarcane industry there. In maha 2012, eight hectares of lands belonging to 23 farmers were planted with sugarcane using the planting material obtained from the 7 nurseries established in farmers fields in the previous year.

The infrastructure development program was lagged behind and the necessary formalities were done to obtain the approval for the main development activities. The preliminary activities for the development of the sugarcane breeding sub-station at Enselwatte were continued. Another 05 ha was developed for the production foundation seedcane of the recommended varieties to promote them among farmers/sugar industries. Two single cabs were purchased and arrangements have been made to purchase two double cabs and two tractors for research purposes.

A significant achievement in manpower development was strengthening the staff position by filling the vacancies of the Deputy Director (Research and technology Transfer), six Research Officers, two Technical Officers, three drivers, two tractor drivers, one Mechanic and six General Workers. In addition, two Research Officers were awarded scholarships, one for MSc in the University of South Pacific, Samoa and the other for PhD in the University of Agriculture Science, Karnatage, India. Two Research Officers and a Development Officer were also provided with an opportunity to visit the Indian Institute of Sugarcane Research in Lucknow for two weeks for familiarisation in sugarcane cultivation and jaggery production. In addition, many training opportunities were provided to all levels of staff to improve their knowledge and skills and the scientific, technical and administrative staff were provided with opportunities for attending relevant seminars and conferences for their professional development. The institute also contributed research papers for two symposia; annual symposium of minor export crops jointly organised by the Ministry of Minor Export Crop Promotion, Department of Export Agriculture, Sri Lanka Cashew Corporation and the Sugarcane Research Institute and the 4th symposium of plantation crop research jointly organised by, Tea, Rubber, Coconut and Sugarcane Research Institutes.

The Institute also strengthen its links with the Indian Institute of Sugarcane Research and the Shakarganj Sugar Research Institute and the Punjab Agriculture Research Board (PARB) in Pakistan enabling the institute for the collaboration for research to train its scientific staff.



S.K.Cyril
Chairman

Director's Review

The Sugarcane Research Institute continued its services of development of sugarcane technologies and dissemination of knowledge and technical know-how for the development of the sugarcane industry of Sri Lanka during 2012, for the 28th consecutive year. The research program was a long-term one, and it consisted of sugarcane crop improvement, crop and resource management, crop nutrition, crop protection, farm mechanisation and processing and product development.

A significant achievement of the research program was the recommendation and release of three superior sugarcane varieties for commercial cultivation. These varieties are SL 90 6237, SL 95 4443 and SL 96 128. With these three varieties, the total number of sugarcane varieties recommended and released by SRI increased to 15. Out of these varieties, SL 90 6237 is a variety adaptable to harsh conditions and highly resistant to smut disease. It is a better ratooning variety under both rain-fed and supplementary irrigated conditions. The Technology Transfer and Development Division promoted the adoption of new sugarcane varieties by providing seedcane for multiplication, conducting field demonstrations to convince the farmers and sugar industry officers of the benefits of new varieties and distribution information sheets to provide the information on these varieties. To provide seedcane of the newly-recommended sugarcane varieties for further multiplication by sugar industries/farmers, a foundation seedcane farm of 5.5 ha established in 2011 was maintained and development of another 5 ha of land was completed. Total of 65 tonnes of seedcane was harvested from the foundation seedcane nursery and provided to the Sevanagala Sugar Industries for further multiplication.

The Crop and Resource Management division was able to confirm the possibility of improving soil conditions in degraded sugarcane lands in Sevanagala by mulching plant crops with gliricidia leaves. Furthermore, it confirmed that the spaced transplanting method is an economically viable propagation and planting method of sugarcane. It was also found that sugarcane tops-based rations can successfully be used for feeding dairy cattle.

Under sugarcane crop nutrition, the fertiliser recommendation for sugarcane cultivation at Sevanagala under both irrigated and rain-fed conditions were revised based on the availability of nutrition in the soils and their removal by the crop. The necessary advice was given to Sevanagala Sugar Industries to apply the revised fertiliser rates to increase sugarcane yields and minimise costs.

The implementation of the crop protection program made possible containing spread of the devastating pest, sugarcane woolly aphid and the deadly disease, sugarcane white leaf disease. The Institute regularly undertook survey and surveillance of pests and their natural enemies and diseases in commercial sugarcane-growing areas throughout the year and necessary instructions were given to sugar industries and farmers to control pests and diseases. More emphasis was paid to conserve natural predators of sugarcane woolly aphid to contain its spread. In addition, training sessions were conducted by the Technology Transfer and Development Division with the assistance of the Crop Protection Division to improve the farmers' and sugar industry officials' knowledge on the sugarcane pest and disease management.

The development of sugarcane machinery and sugarcane processing and product development programs were adversely affected due to the dearth of research staff. Research Officers were recruited for these researches towards the end of the year and hence only very limited work could be carried out during the year under review. The work on the fertiliser applicator was completed and 20 units of tyne cultivator and

10 units of furrow openers were produced for distribution among farmers for the promotion of their use. Nine tyne cultivators were provided to farmers at Pelwatte at a concessionary rate. In addition, the jaggery production unit including crusher, chimney and the furnace were completely renovated and brought to proper working order.

In addition to the activities for promoting new sugarcane varieties, farm machinery and control of pests and diseases, training and demonstration programmes for farmers and sugar industry officials were carried out to educate them on spaced planting techniques, soil fertility management, intercropping and other crop management practices. The Development Officers based at Buttala, Siyambalanduwa, Hingurana and Passara maintained a close link with SRI and the sugar industries and the farmers.

The improvement and expansion of cottage-level jaggery industry in Passara area has shown a remarkable progress. The total area under sugarcane with SRI-developed varieties was increased and necessary facilitation was provided to obtain financial assistance through coordination with the banks in the area. Knowledge on jaggery production was also provided to farmers and jaggery millers by conducting training and demonstration sessions.

Scaling up of planting material to set-up a pilot-scale sugarcane cultivation and processing unit in Kilinochchi was continued. The planting material obtained from the 07 farmers who cultivated sugarcane in the previous year was planted in about 08 ha belonging to 23 farmers in maha 2012.

Man power development has shown a significant progress during the year under review. Total of 23 staff positions including Deputy Director (Research and Technology Transfer), Research Officer, Technical Officer, Driver, Tractor Driver, Mechanic and General Worker were filled. Two Research Officers were sent on postgraduate training and two Research Officers and a Development Officer were given opportunities for short-term training in India. In addition many opportunities of training and attending seminars, workshops, etc were provided to all levels staff to improve skills relevant to their job.

The institute could also strengthen its links with the Indian Institute of Sugarcane Research and the Ayub Agricultural Research Institute, the Shakarganj Sugar Research Institute and the Punjab Agriculture Research Board (PARB) in Pakistan for collaboration of research and training of staff.

The above Director's review is based on the Report submitted by the Deputy Director (Research and Technology Transfer) who was attending the duties of the Director/CEO, during the course of the year.



Dr N.C. Kumarasinghe
Director/CEO

Divisional Reports

Crop Improvement Division

Staff

Mr A Wijesuriya BSc (Agric.), MPhil, PhD
Ms A M S Perera BSc, MSc
Ms D Manel BSc (Agric.), MSc
Mr W H Jayasinghe BSc
Ms A L C Kumari
Mr D Weerasinghe
Ms L D D P Gunaratne Dip.(Agric.)
Mr W G M J Perera
Mr S H Karunaratne

Principal Research Officer and Head
Research Officer
Research Officer (on study leave from 30.07.2012)
Research Officer (from 14.08.2012)
Technical Officer
Technical Officer
Technical Officer
Lab/Field Attendant
Lab/Field Attendant

Achievements

- Release of three sugarcane varieties, namely, SL 90 6237, SL 95 4443 and SL 96 128 for commercial cultivation.
- Providing true seeds generated from 200 commercial crosses to Pakistan.
- *Ex-situ* conservation of *Saccharum* germplasm consisting of 1,342 accessions at the Sugarcane Breeding Sub-station at Enselwatte.
- Collection of ninety-six different sugarcane accessions (94 *Saccharum officinarum*, 1 *Saccharum spontaneum* and 1 *Erianthus arundinaceus*) through a germplasm collection expedition conducted in Matale, Kandy and Nuwaraeliya districts.
- Evaluation of 217 accessions (locally-collected and imported) for breeding values.
- Making 1,463 crosses at the Sugarcane Breeding Sub-Station, Enselwatte, using field lantern and solution crossing techniques.
- Identification of 43 true hybrids from inter-specific crosses involving *S. spontaneum* as male parent and commercial hybrids or *S. officinarum* as female parent and 4 true hybrids from inter-generic crosses involving *Erianthus arundinaceus* as male parent and *S. officinarum* as female parent.
- Identification of five superior sugarcane varieties of 2000 series, namely SL 00 354, SL 00 401, SL 00 589, SL 00 619 and SL 00 652, based on the performance of plant crop of 24 promising varieties at Uda Walawe, Pelwatte and Hingurana.
- Development of 5,820 sub clones through sugarcane callus culture technique.
- Production of 2,143 disease-free plants of two varieties, namely, SL 95 4430 and SL 95 4033.
- Production of 563 disease-free plants of 33 varieties imported from Pakistan.
- Provision of disease-free plants for sugarcane industry development in Killinochchi district.
- Molecular biological characterisation of 74 accessions using enzymes ME, GDH, MDH and peroxidase.
- Determination of proven crosses and proven parents for directional breeding using sugarcane cross prediction.



- Estimation of quantitative genetic parameters such as heritability, genetic correlations, expected response to selection of yield components of sugarcane.
- Establishment of a 05.5-ha seedcane nursery of 06 commercial varieties, namely, SL 83 06, SLI 121, SL 95 4033, SL 95 4430, SL 96 328, Co 775 and SL 96 128 at Uda Walawe and supply of sixty five tonnes of seedcane to Sevenagala Sugar Industries.
- Establishment of a variety verification trial and a primary seedcane nursery of 4 ha at Kantale.
- Determination of shelf life for sugarcane jaggery.

Crop and Resource Management Division

Staff

Dr W R G Witharama BSc (Agric.), MPhil, PhD
 Mr A L C De Silva BSc (Agric.), MPhil
 Mr L M J R Wijayawardhana BSc (Agric.) MPhil
 Ms W K M T Kumari BSc (Agric.)
 Mr K A Ariyaratne
 Mr W G Nimal
 Mr P B G S Sandanayake Dip.(Agric.)
 Mr S M D N D Seneviratne Dip.(Agric.)
 Mr W A U Priyantha
 Mr. G. Thilakarathne
 Mr. W.M.A.K.Priyashantha
 Mr M S N Wijesiri

Principal Research Officer and Head
 Senior Research Officer
 Research Officer
 Research Officer (from 14.08.2012)
 Farm Superintendent
 Technical Officer
 Technical Officer
 Technical Officer (from 14.08.2012)
 Technical Officer
 Tractor Driver (from 20.01.2012)
 Tractor Driver (from 10.07.2012)
 Lab/Field Attendant

Achievements

Research

- Identification of better rationing sugarcane varieties; SL 90 6237 and SL 93 945 under both rainfed and supplementary irrigated conditions and SL 92 4918 for supplementary irrigated conditions.
- Confirmation that mulching with cane trash and *gliricidia* leaves in plant crop of sugarcane significantly increases cane yield under rain-fed conditions.
- Confirmation that spaced transplanting is an economically viable large-scale propagation and planting method of sugarcane.
- Providing 50 t of hot water-treated seedcane of eight varieties of 1997 and 1998 series to Sevanagala, Pelwatta and Hingurana Sugar Industries for evaluation in large-scale fields.
- Establishment of a 8-ha (20 ac) sugarcane plantation in 23 farmer fields in Kilinochchi in Mahaseason 2012 using 50 tonnes of seedcane obtained from 07 multiplication plots established with SL 83 06 in 2011.
- Confirmation that sugarcane tops-based rations can successfully be used for feeding of dairy cattle.



Services for research

- Making arrangements for repairing of D3 and D4 irrigation channel in the research farm of SRI.
- Preparation of 15 ha for field trials.
- Rehabilitation of the field road network in the research trial area.
- Establishment of a new electric fence in the D4 seedcane nursery area.
- Supply of 185 tonnes of cane harvested from abandoned trials to Sevanagala factory and 25 tonnes to Green Velly (Pvt) Ltd for making fresh juice drink.
- Harvesting 65 tonnes of seedcane from the foundation seedcane nursery for Sevanagala Sugar Industries.



Crop Nutrition Division

Staff

Mr H A S Weerasinghe BSc, MPhil, MI Biol.
Ms H Sivasegaram BSc (Agric.)
Mr A P J Mohotti
Mr G S Udawatte
Mr J Gunasiri
Mr P W D Kulatunga

Research Officer-In-Charge
Research Officer (from 20.08.2012)
Technical Officer
Technical Officer
Lab/Field Attendant
Lab/Field Attendant

Achievements

Research

- Revision of the fertiliser recommendation for Sevanagala sugarcane-growing lands.
- Determination of the optimum N requirement for the plant crop two new sugarcane varieties, SL 96 128 and SL 96 328. It was within 150-200 kg/ha.

Analytical services

Analysis of 1,776 cane samples for brix, pol and fibre contents for the divisional and other programs of the institute.



Crop Protection Division

Staff

Mrs V K A S M Wanasinghe BSc (Sp)
Mrs A N W S Thushari BSc (Sp)
Ms K M G Chanchala BSc (Agric.)
Mr M K D Ubesena
Ms M P Shiromi Dip.(Agric.)
Mr M R Premalal
Mr D M T Piyaratne

Research Officer-In-Charge
Research Officer
Research Officer (from 21.05.2012)
Technical Officer
Technical Officer (from 14.08.2012)
Lab/Field Attendant
Field Attendant

Achievements

Research

- Identification of the near-commercial variety SL 97 1442 as highly susceptible to woolly aphid infestation based on the pest incidence at Uda Walawe and Pelwatte.
- Observation of higher percentage of woolly aphid incidence in the sugarcane varieties SL 00 859, SL 00 127 and SL 00 401 at Uda Walawe and Hingurana.
- Screening of 45 varieties for smut disease and 38 varieties for leaf scald disease.
- Inspection of pest and disease incidence on locally-collected sugarcane varieties during germplasm collection expedition.
- Releasing fifty nine (59) varieties imported from Pakistan for further research activities after inspecting for quarantine pests and diseases for two years.
- Destruction of three varieties (ROC 23, VN 84-4137, QD 93 159) imported from Vietnam due to unknown disease occurred in Hantane quarantine station.
- Identification of time periods where the peak population levels of the natural predators of sugarcane woolly aphid occur at Uda Walawe. They were; *Dipha aphidivora* in the 2nd week of December (55 larvae/ ten plants), *Micromus* sp. in the 1st week of November (81 larvae/ ten plants) and syrphids in the 2nd week of January (25 larvae/ten plants).
- Reconfirmation of the insect vector of white leaf disease; *Deltocephalus menoni* using morphological characters and development of techniques for its laboratory mass multiplication (Plate 1).



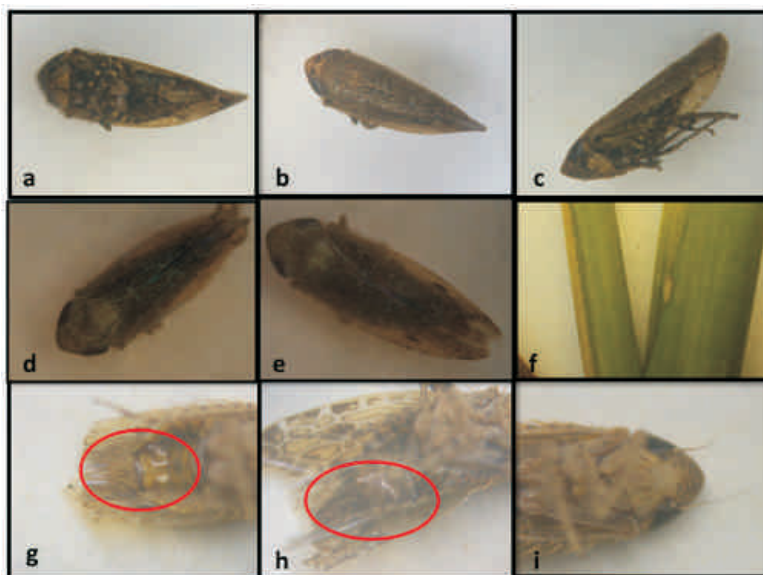


Plate 1: Morphological characters of *Deltocephalus menoni* (Hemiptera: Cicadellidae)

a. Ventral side, b. Dorsal side, c. Lateral side, d. Male insect (Dark colour, comparatively small), e. Female insect (Pale colour, comparatively large), f. Nymph, g. Genital structure (Female), h. Genital structure (Male), i. Antennae

- Identification of the time periods where the highest and the lowest population levels of *Deltocephalus menoni* at Uda Walawe; highest in the insect in 3rd-4th week of November (46 insects/2000 nets) and the lowest number of insect in 3rd-4th week of July (0 insects/2000 nets).

Services

- Survey and surveillance of insect pests and bio agents in commercial sugarcane growing areas throughout the year showed that,
 - moderate incidence of woolly aphid at Uda Walawe in the varieties; SLI 121, SL 92 4918, SL 95 4430, SL 96 061, SL 96 128, SL 96 328 and high incidence in variety SL 96 128 at Pelwatte and in the varieties; Co 527, SL 83 06 in Badulla (Kahataruppa)
 - severe shoot borer incidence in some fields with mixed varieties in Hingurana lacking parasitoids activities
 - no shoot borer incidence and minute incidence of internode borer and *Pyrilla perpusilla* in Badulla (Kahataruppa) sugarcane plantations in the varieties Co 527 and SL 83 06
 - no introduced parasitoid; *Epiricania melanoleuca* of *Pyrilla perpusilla* in Badulla (Kahataruppa) sugarcane plantations
- Recommendations to manage woolly aphid and an unknown pest attack in plantations in Pelwatte Sugar Industries Ltd.
- Carrying out regular inspections on disease incidences in all sugarcane-growing areas and nurseries of the sugar industries and giving necessary recommendations to control diseases.
- Participating as resource persons for conducting 09 farmer and field officers training programmes on Integrated Pest Management (IPM) and disease management of sugarcane under the Technology Transfer and Development Programme.

Mechanisation Technology Division

Staff

Mr K H D Abeyratne BSc (Agric.)
Mr K T Ariyawansha BSc (Agric.), MSc
Mr A S M A Fernando (NDT)
Mr W M Anurapala
Mr V Abeygunawardane
Mr G Ariyaratne
Mr W A Premachandra
Mr D M L Weerasiri
Mr M B Rohan
Mr D M Weerasiri

Research Officer-In-Charge
Research Officer (from 14.08.2012)
Technical Officer
Technical Officer
Welder
Fitter
Blacksmith
Mechanic (from 15.10.2012)
Lab/Field Attendant
Lab/Field Attendant

Achievements

Research

- Completion of the design and construction of two-wheel tractor-mounted stainless steel low-cost and easy operating fertiliser applicator that automatically adjusts the fertiliser dropping rate according to the speed of the tractor.

Services

- Completion of the construction of 32 field lantern frames for crop improvement program.
- Production of 20 units of tyne cultivator and 10 units of furrow opener for distribution among farmers for the promotion of their use.
- Construction of 400 sq.ft temporary house using steel structures for Enselwatte hybridisation sub-station.
- Establishment of electric fence for the foundation seedcane farm and the research farm.
- Development of about 5 ha for the foundation seedcane farm.
- Renovation of D4-channel for the foundation seedcane farm.
- Construction of a new chimney, repair of cane crusher and re-design and construction of the furnace of the jaggery production unit.
- Provision of machinery services required for research.
- Maintenance and repair of vehicles and farm equipment of SRI.



Processing Technology Division

Staff

Ms H.M.G.P. Herath BSc (Agric.)

Research Officer (from 14.08.2012)

Achievements

- Isolation and culture of 26 yeast strains to produce an improved yeast strain.
- Isolation and culture of 96 phosphate-solubilising bacteria species for bio-fertiliser production.

Economics, Biometry and Information Technology Division

Staff

Ms B D S K Ariyawansa BSc (Agric.)

Mr K A D Kodituwakku BSc (Agric.)

Ms M G Y Madavi BSc

Research Officer-In-Charge

Research Officer (On study leave
from 15 February 2012))

Technical Officer (up to 01.08.2012)

Achievements

Research

- Evaluation of costs and returns of sugarcane cultivation in Higurana, Pelwatte and Sevanagala for year 2012. The benefit/cost ratio of sugarcane cultivation under irrigated conditions in Sevanagala and Higurana was nearly 2 and that under rain-fed at Sevanagala and Pelwatte was 1.72 and 1.57 respectively.
- Analysis of the characteristics of rainfall regime of Uda Walawe for the last 25 years.
The following results were obtained:
 - There was more than 75 % probability to occur dry days during the periods from the 15th January to 11th March and from 11th June to 23rd of September
 - The mean annual rainfall 1486.1±52.2 mm and this was within the favourable range for sugarcane crop.
 - The start and end of the rainfall of two major rainy periods were as follows:
 - Mean starting date of *maha* rains fell on the last week of September.
 - Mean starting date of *yala* rains fell on the 3rd week of March.
 - There was a chance of 75% for commencing the *maha* rains in the 2nd week of October and *yala* rains in the 4th week of March.
 - There was a chance of 75% for ceasing the *maha* rainy period in the 02nd week of February and *yala* rainy period in the 2nd week of June.

Services

- **Maintenance and updating of SRI web site**
 - Updating the web site of SRI hosted under the URL of www.sugarres.lk/ as and when required.

- **Services to other divisions of SRI**

The following services were provided:

- Designing experimental layouts for the varietal selection program of the Division of Crop Improvement and trials of the Crop Protection, Crop Resource Management, and Crop Nutrition Divisions.
- Analysis of the data of the agronomic and yield data of the preliminary and replicated yield trials (PYTs and RYT) harvested during the year 2012 and the data received from Crop Protection, Crop Resource Management, Crop Nutrition, and Mechanisation Technology Divisions.
- Implementation of IT activities within the institute

- **Services to other organisations**

- Collection of the information required for the preparation of INFORM database of SRI for the year 2012 and updating the database and the INFORM budget for the year 2011 using the actual figures.
- A student from Vocational Training Authority (VTA) Hingure Ara, Embilipitiya, was trained on the use of computer software packages for a period of nine months.

Technology Transfer and Development Division

Staff

Mr M S Perera BSc (Agric.), MPhil
 Mr D P W Pottewela BSc (Agric.)
 Mr R A P A Ranatunga Dip. (Agric.)
 Mr K P Wickremasinghe BSc (Agric.)
 Mr S N Wickremasinghe BSc (Agric.), MSc
 Mr W G M S Weragoda BSc (Agric.)
 Mr R A Premachandra

Principal Research Officer and Head
 Technology Transfer Officer
 Development Officer
 Development Officer
 Development Officer
 Development Officer
 Technical Officer

Achievements

- **Promotion of new sugarcane varieties: SL 83 06, SLI 121, SL 92 4918, SL 92 4997, SL 92 5588, SL 95 4033, SL 95 4430 and SL 96 328 among cane growers**
 - Establishment of fourteen demonstration fields (SL 96 328, SL 83 06, SL 88 116, SL 92 5588, SL 96 128) at Sevanagala, Siyambalanduwa and Hingurana.
 - Establishing two multiplication plots (0.1 ha each) of new varieties; SLI 121, SL 83 06, SL 88 116, SL 92 4918, SL 92 4997, SL 96 128, SL 96 328 at Palwehera and Sevanagala.
 - Conducting twenty one demonstrations programs on new varieties for 555 farmers and 73 field officers of sugar industries.
 - Providing eighty six tonnes of seedcane (SL 96 328, SL 83 06, SL 88 116, SL 92 5588, SL 96 128) to farmers/sugar industries for multiplication.
 - Monitoring the ten demonstration and multiplication plots of SL 88 116, SL 96 328 and SL 83 06 at Sevanagala, Pelwatte, Siyambalanduwa, Hingurana and Passara.
 - Publishing seven information sheets on new sugarcane varieties, SL 89 1673, SL 92 4918, SL 92 4997, SL 92 5588, SL 95 4033, SL 95 4430, SL 96 328.
- **Promotion of tyne cultivator, furrow opener and disc ratooner for sugarcane cultivation**
 - Conducting eight demonstration programs on tyne cultivator and furrow opener for 112 farmers at Pelwatte and Hingurana.
 - Producing twenty tyne cultivators and five furrow openers and providing nine tyne cultivators to farmers/farmer organisations at Pelwatte and Siyambalanduwa.
- **Promotion of intercropping cucumber, ground nut, cowpea, water melon and chillies with sugarcane**
 - Monitoring the twenty farmer fields intercropped with cowpea, black gram, ground nuts, green gram, cucumber and sweet melon (0.1 ha each) which were established in 2011 at Pelwatte.
 - Conducting two result demonstrations on intercropping, ground nut and cowpea for 16 farmers at Hingurana.



- Conducting two result demonstrations on intercropping for 16 farmers at Pelwatte.
 - Establishing and monitoring forty six demonstration fields (intercropped with ground nut, cucumber and cowpea) at Pelwatte, Syambalanduwa and Hingurana.
 - Conducting six method demonstrations on intercropping for 207 farmers at Hingurana.
 - Conducting four field trips for 90 farmers to observe intercropping demonstration fields at Pelwatte and Hingurana.
 - Holding two field days for 63 farmers in six farmer fields at Pelwatte and Hingurana to demonstrate recommended methods of intercropping.
- **Promotion of soil fertility management by farmers**
 - Conducting twelve method demonstration sessions on fertiliser application and soil fertility management for 202 farmers and 31 officers at Hingurana.
 - Visiting thirty farmer fields for advising on fertiliser application and soil fertility management at Hingurana.
- **Promotion of spaced planting technique**

Conducting thirteen demonstrations on spaced planting technique for 205 farmers at Siyambalanduwa and Hingurana.
- **Improvement of adoption of agronomic practices of sugarcane**
 - Conducting a farmer training program on agronomic practices and pest and disease management for 40 farmers at Pelwatte.
 - Conducting twenty six farmer training programs on agronomic practices and pest and disease management for 542 farmers at Pelwatte, Siyambalanduwa, Hingurana, and Passara.
 - Conducting four field visits for 90 farmers on adopting recommended practices at Hingurana.
 - Conducting four farmer field days for 90 farmers at Pelwatte and Hingurana
 - Conducting nine training programs for 240 farmers' children at Buttala, Athimale, and Passara.
 - Producing thousand copies of each revised information sheet on weed management and on greencane harvesting.
- **Improvement of knowledge and adoption of pest and disease management**
 - Conducting two awareness programs on white leaf disease control for 35 field officers from Sevanagala Sugar Industries and Gal Oya Plantations Ltd.
 - Conducting a demonstration session on smut and white leaf disease control for 12 farmers at Hingurana.
 - Conducting a method demonstration session on woolly aphid control using biological methods for 30 farmers at Pelwatte.
 - Conducting a farmer training program on pest management and disease management for 25 farmers at Pelwatte.
 - Conducting twenty four training programs on pest and disease management for 600 farmers at Siyambalanduwa, Passara, Sevenagala and Hingurana.
 - Making two hundred and forty farmer field visits at Pelwatte, Siyambalanduwa and Hingurana to observe disease situation and to advise farmers on smut and white leaf diseases control measures.

- Preparation and distribution of thousand copies of a poster on white leaf disease/grassy shoot disease control for displaying in Sevanagala, Pelwatte, Hingurana, Pelwatte, and Passara areas.
- Production of thousand copies of a poster on smut disease control.



- **Improvement of jaggery production**

- Conducting five training programs on quality enhancement of jaggery production for 131 farmers.
- Conducting three demonstrations on jaggery production for 80 farmers at SRI, Uda Walawe.
- Establishment of twenty demonstration/multiplication fields (0.1-ha fields) of new varieties; SL 83 06, SL 88 116, SL 95 4430, SL 96 128 in Passara area.
- Monitoring the performance of sugarcane cultivation and marketing of jaggery in Passara area.
- Conducting a farmer meeting to monitor the progress of farmers who got bank loans and to select next batch of the farmers for sugarcane cultivation at Passara and to distribute farm equipment (sprayers) among famer organisations.
- Inspection of the fields of newly-selected farmers who applied for loan scheme.

- **Providing training/services at the requests of the sugar companies/other institutions and conducting exhibitions**

- Conducting Six training programs on sugarcane cultivation for 240 farmers at Sevanagala, Pelwatte, Siyambalanduwa, Hingurana and Passara in collaboration with National Institute of Plantation Management.
- Running a stall of SRI at *Deyata Kirula* exhibition 2012 at Oyamaduwa, *Diri Udana* exhibition at Embilipitiya, Siyawas *Samaruma* exhibition of the Department of Agriculture at Gannoruwa and *Subodharama Pirivena* 60th anniversary exhibition at Bombuwala.
- Training on sugarcane cultivation for two batches of student from University of Sabaragamuwa
- Training on seedcane production for officers of Hingurana.
- One-day training program on sugarcane cultivation for 07 army officers of Uda Walawe camp.

Administration and Finance Division

Dr. N.C.Kumarasinghe
BSc, MSc, PhD, FRES (UK), FIBiol, FAASN,
Chartered Biologist
Dr.A.P. Keerthipala
BSc (Agriculture), MPhil, PhD
Mr. D.G. Manamudali
BA (Economics), LICA

Director/Chief Executive Officer

Deputy Director (Research & Technology
Transfer)
Deputy Director (Administration & Finance)

Staff

Administration

Dr. C. Eritawala
PhD (Moscow)
Mrs. T.A.D.M.G. Jayathilaka
Mrs. J.K. Chandralatha
Mrs. T.M.K. Senadeera
Miss. M.M.I.M.K Manikkadawara
Mr. G. Somaweera
Miss M.A.R. Samarasekara
Mrs. O.U. Subasinghe
Mr. S.B.N.U.S. Wimalasooriya
Mr. Austin Perera.
Mr. A.W.K. Hettiarachchi
Mr. S.L. Peris
Mr. H.A.U.S. Pamarathna
Mr. J.P.S.P. Karunathilaka
Mr. T.P.K. Jayarathna
Mr. R.G.D. Ekanayaka
Mr. S. Ekanayake
Mr. H.N.A. Prasanna
Mr. G.W.M.P.S. Manawadu
Mr. H.S.A.S. Kumara

Administrative Officer

Management Assistant (Clerical & Typing)
Management Assistant (Clerical & Typing)
Management Assistant (Clerical & Typing)
Management Assistant (Clerical & Typing)
Management Assistant (Clerical & Typing)
Management Assistant (Clerical & Typing)
Management Assistant (Clerical & Typing)
Driver
Driver
Driver
Driver
Driver
Driver
Driver
Driver
Driver
Driver (from 10.07.2012)
Driver (from 16.07.2012)
Driver (from 16.07.2012)

Accounts

Mr. D.M. Siripala BCom
Mr. G.M.S. Nandadeva
Mrs. A.K. Amarakoon
Mr. L.K.S. Dayananda
Mr.D.M.P. Nickson
Mr.T. Ranjith Peiris

Accountant
Management Assistant (Accounts)
Management Assistant (Accounts)
Management Assistant (Accounts)
Management Assistant (Accounts)
Management Assistant (Clerical & Typing)

Stores

Mr. R.G. Niroshana
Mr. S.A. Senarathna

Store Keeper
Stores Labourer

Internal Audit Unit

Mr. S.P.Y. Muneendra
ICA (intermediate) MAAT

Internal Auditor

Procurement Unit

Mr. H.P.R.Kumara B.B.Mgt.

Procurement Officer

Maintenance Unit

Mrs.D.H.S.Wijesinghe

Inspector of Works

Mr.B.Witharana

Work Supervisor

Mr.G.Gamage

Electrician

Mr.R.Palamure

Electrician

Mr.J.Wickramarachchi

Mason/Plumber

Mr.D.W.S.Chinthaka

Carpenter

Mr.R.P.Kulathunga

Carpenter

Mr.D.H.Dharmadasa

Water Pump Operator

Mr.H.P.Chandrawansa

Water Pump Operator

Mr.K.H.Weeraratne

Water Pump Operator

Mr.R.M.Priyantha

General Worker

Mr.M.A.G.Ranasinghe

General Worker

Achievements

- Curtailment of costs by restricting the activities of the Ratmalana office to cess collection only and transferring other staff to Uda Walawe main research station.
- Filling twenty three vacancies and settling most of the grievances of the employees.
- Initiation of construction of permanent buildings at Enselwatte breeding sub-station.
- Purchasing two single cabs and making arrangements to purchase two more double cabs.
- Submission of the Manual of Procedures of the Institute approved by the Board of Governors to the Ministry of Minor Export Crop Promotion for its approval.
- Preparation of budget and financial statements, verification of assets and provision of management information.
- Carrying out routine administrative, personal management, maintenance activities and welfare measures of the staff.

Review of financial activities

The total income of the institute during the period under review, Rs 165.7 million as compared to Rs 169.0 million in the year 2011. Thus, there was a drop in income of Rs 3.3 million.

The net deficit was Rs 7.9 million as against a surplus of Rs 19.4 million in the previous year. The increase of operating expenses of the institute was the main cause for this deficit. Capital investment during the year was Rs 10.6 million.

Staff strengthening and motivation

Staff recruitments

Dr. A.P. Keerthipala	Deputy Director (R & TT)	02.01.2012
Mr. A.Upul Chaminda Kumara	General Worker	03.01.2012
Mr. G. Thilakarathne	Tractor Driver	20.01.2012
Miss K.M.G. Chanchala	Research Officer	21.05.2012
Mr. T.W.M.P. Wijetunga	Technical Officer	28.05.2012
Mr. D.M. Nilantha Saman Kumara	Technical Officer	28.05.2012
Mr. H.N.A. Prasanna	Driver	10.07.2012
Mr. W.M.A.K. Priyashantha	Tractor Driver	10.07.2012
Mr. G.W.M.P.S. Manawadu	Driver	16.07.2012
Mr. H.S.A.S. Kumara	Driver	16.07.2012
Ms. H.M.G.P. Herath	Research Officer	14.08.2012
Ms. W.K.M.T. Kumari	Research Officer	14.08.2012
Mr. K.T. Ariyawansa	Research Officer	14.08.2012
Mr. W.H. Jayasinghe	Research Officer	14.08.2012
Ms. T.M. Shiromi	Technical Officer	14.08.2012
Mr. S.M.D.N. Dharshana Senevirathne	Technical Officer	14.08.2012
Ms. H. Sivasegaram	Research Officer	20.08.2012
Mr. D.M.L. Weerasiri	Mechanic	15.10.2012
Mr. P.G. Indika	General Worker	15.10.2012
Mr. S.H.A. Chandrasiri	General Worker	15.10.2012
Mr. W.H. Sirisena	General Worker	15.10.2012
Mr. W.M. Jothipala	General Worker	15.10.2012
Mr. K.V. Chaminda Jayasinghe	General Worker	01.12.2012

Staff turnover during the year 2012

Retirements

Mr. H.C. Kamal	General Worker	23.01.2012
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Resignation

Mr. P.H.U. Nissanka	Assistant Accountant	01.04.2012
Miss P.M. Amarasinghe	Book Keeper	08.06.2012
Mr.D.M. Nilantha Saman Kumara	Technical Officer	20.07.2012
Miss M.G.Y. Madavi	Technical Officer	01.08.2012
Mr. N.G.A.L.P. Nanayakkara	Administrative Officer	12.09.2012
Mr. T.W.M.P. Wijetunga	Technical Officer	01.10.2012

Vacation of post

Mr. Preethi Prasad	General Worker	19.03.2012
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Dismissal

Mr. L.P. Wirthamulla	Management Assistant (Accounts) (with effect from 16.12.2010)	
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Death

Mr. R.M. Jothipala

General Worker

29.10.2012

Staff training (foreign)/Overseas tours

- Mr. K.A.D. Kodituwakku, Research Officer in Economics, Biometry and Information Technology Division was sent for his postgraduate studies at the University of South Pacific, in Alafua Campus, Samoa on 15.02.2012 for a period of two years.
- Dr. Aruna Wijesuriya, Principal Research Officer and Head, Crop Improvement Division, visited the Ayub Agriculture Research Institute, Shakarganj Sugar Research Institute and Punjab Agriculture Research Board (PARB), Pakistan from 15th to 30th April 2012 under Pakistan-Sri Lanka collaborative research project; PARB 163 and delivered a presentation on “Sugarcane crop improvement in Sri Lanka”.
- Mr. S.K.Cyril, Chairman of the Sugarcane Research Institute visited Bangkok, Thailand from 16th to 17th May 2012 to attend Sugar Asia 2012 conference and exhibition.
- Mr.S.K.Cyril, Chairman and Dr N.C.Kumarasinghe, Director of the Sugarcane Research Institute along with the Minister of Minor Export Crop Promotion Hon. Reginald Cooray visited the Indian Institute of Sugarcane Research, Lucknow, India from 02nd to 10th June 2012
- Ms. D.Manel, Research Officer in Crop Improvement Division was sent for PhD (Molecular Biology/Biotechnology) at the University of Agriculture Science, Dharwad-05, Karnatage, India on 01.08.2012 for a period of three years.
- Mr. S.K.Cyril, Chairman of the Sugarcane Research Institute along with the Minister of Minor Export Crop Promotion Hon. Reginald Cooray visited Brazil from 21st to 26th October 2012.
- Mr. M.S.Perera (Principal Research Officer and Head-Technology Transfer and Development) participated in “ISRMEX EXPO” exhibition from 13th to 15th December 2012 in New Delhi, India.
- Mr. L.M.J.R Wijayawardhana, Research Officer in Crop and Resource Management Division, Ms V.K.A.S.M. Wanasinghe, Research Officer-In-Charge (Crop Protection Division and Mr R.A.P.A. Ranatunga, Development Officer of the Technology Transfer and Development Division attended a training program on “Sugarcane production, management and improvement’ in the Indian Institute of Sugarcane Research, Lucknow, India from 17th to 29th December 2012.

Staff training (Local)

- Mr. Ranjith Palamure, Electrician and Mr. M.Bandula Rohan, Lab/Field Assistant in Mechanisation Technology Division attended a course on maintenance of diesel generators from 19th to 23rd March 2012 ICTAD, Battaramulla.
- The executive staff of the institute participated in a workshop on management skills promotion from 29th to 30th March 2012 at Kukuleganga Resort.

- Mr. H.A.S. Weerasinghe (Research Officer In-Charge - Crop Nutrition), Ms. V.K.A.S.M. Wanasinghe (Research Officer In-Charge - Crop Protection) and Ms. A.M.M.S. Perera (Research Officer - Crop Improvement) attended the workshop on nuclear technology for agriculture – way forward organised by Atomic Energy Authority and Department of Agriculture held on the 26th and 27th April 2012 at Plant Genetic Resources Centre, Gannoruwa.
- The executive staff of the institute participated in a one-day training on Procurement Procedures at CETRAC, Battaramulla on 25th May 2012.
- Mr. A.S.M.A. Fernando, and Mr. W.M. Anurapala, Technical Officers of the Mechanisation Technology Division and Mrs. D.H.S. Wijesinghe, Inspector of Works participated in a training programme on industrial safety and health on 26th May 2012 at ICTAD, Battaramulla.
- Messrs. M.S. Perera (Principal Research Officer and Head-Technology Transfer and Development) and D.P.W.Pottewela (Technology Transfer Officer) attended the training workshops on module writing organised by NIPM on 6th, 13th and 24th June 2012 at the Open University, Nawala.
- Dr. W.R.G. Witharama, Principal Research Officer, Mr. A.L.C. De Silva, Senior Research Officer and Mr. L.M.J.R. Wijewardana, Research Officer in the Crop and Resource Management Division, Mrs. B.D.S.K. Ariyawansa, Research Officer in Economics, Biometry and Information Technology division, Ms. V.K.A.S.M. Wanasinghe and Ms. A.W.N.S. Thushari, Research Officers in Crop Protection Division, Mr. H.A.S Weerasinghe, Research Officer, Crop Nutrition Division participated a one-day workshop on Introduction to sampling and basic principles of sample selections with special references to S and T research on 15th June 2012 at the Science & Technology Policy Research Division, National Science Foundation.
- Dr. W.R.G. Witharama (Principal Research Officer), Mr. A.L.C. De Silva (Senior Research Officer) and Mr. L.M.J.R. Wijayawardhana (Research Officer) in Crop and Resource Management Division attended to a workshop on “effective proposal writing” held on 19th June, 2012, conducted by national sciences foundation at Industrial Technology Institute, Colombo 07.
- Drivers Messrs. S.L. Peris and I Austin Perera and Mr. M.A. Praneeth, General Worker (Office) attended a Programme of Skills Development for drivers and Minor employees on 21st June 2012 at the Institute of Skills Development Fund Limited, Colombo.
- Mr. D.G. Manamudali, Deputy Director (A & F), Mr. D.M. Siripala, Accountant and Mr. S.P.Y. Muneendra, Internal Auditor participated in a seminar on implementation of International Financial Reporting Standards on 26th June 2012 at Grand Oriental Hotel, Colombo.
- Drivers, Messrs. J.P.S.P. Karunathilaka, T.P.K. Jayarathne and Mr. S. Ekanayaka, attended a one-day workshop on 29th June 2012 at the Institute of Construction Training and Development, Colombo.
- Mr. W.G. Nimal (Technical Officer) and two General Workers Mr. N.K. Rupasena, Mr. J. Wasantha Kumara in Crop and Resource Management Division were participated in a 2- day training program on recording met data conducted by Meteorological department, Colombo from 4th to 5th July, 2012 at Agriculture department, Peradeniya.

- All staff of the institute attended a workshop on positive thinking on 19th July 2012 at Embilipitiya.
- Mr. N.G.A.L.P. Nanayakkara, Administrative Officer attended a course on Developing Executive Leadership on 27th July 2012 at Skills Development Fund Ltd., Colombo.
- The Drivers Messrs. A.W.K. Hettiarachchi, R.G.D. Ekanayaka, T.P.K. Jayarathne, H.N.A. Prasanna, H.S.A.S. Kumara and G.W.M.P.S Manawadu of the Institute participated in a one-day training programme on skills development of drivers held on 07th August 2012 organised by the Ministry of Minor Export Crop Promotion.
- All executive staff of the institute attended the first Annual Symposium on Minor Export Crops (ASMEC) 2012 on 16th and 17th of August 2012 at Plant Genetic Resources Centre, Gannoruwa, Peradeniya.
- Dr. A. Wijesuriya, Principal Research Officer/Head (Crop Improvement) and Mr. W.H. Jayasinghe, Research Officer (Crop Improvement) attended the workshop on new frontiers in crop improvement – non plantation crops, organised by Sri Lanka Council Agriculture Research Policy at the Rice Research Institute, Batalagoda, 20-30 August 2012.
- Dr. C. Epitawala, Administrative Officer participated in a programme on disciplinary Procedures held from 19th to 21st September 2012 at the National Institute of Labour Studies, Colombo.
- All executive staff of the institute attended Forth Symposium on Plantation Crop Research, 21-22 September 2012, in Thaj Samudra Hotel, Colombo.
- Dr. W.R.G. Witharama (Principal Research Officer and Head, Crop and Resource Management Division, Mr. M.S. Perera (Principal Research Officer and Head, Technology Transfer and Development Division), Research Officers, Ms. B.D.S.K. Ariyawansa (Economics, Biometry and Information Technology Division), Ms. A.M.M.S Perera and Mr W. Jayasinghe (Crop Improvement Division), Mr L.M.J.R Wijewardhana and Ms. M.T. Kumari (Crop and Resource Management Division), Ms. M.G. Chanchala (Crop Protection Division), Ms. H. Sivasekaram (Crop Nutrition Division, Ms. H.M.G.P. Herath (Processing Technology Division), and Mr. K.T. Ariyawansa (Mechanisation Technology Division), Mr. D.P.W. Pottewela (Technology Transfer Officer), Mr. S.P.Y. Muneendra, Internal Auditor, Mr. A. Ariyaratne, Farm Superintendent, Mr. A.P.J. Mohotti (Technical Officer, Crop Nutrition Division) and Mr. L.K.S. Dayananda (Management Assistant, Accounts Section) participated in a workshop on “Stress Management for Better Performance at Your Work Place” on 19th October 2012 at SLASS auditorium, Colombo.
- Mr. G. Gamage, Electrician and Mr. Bandula Rohan, Lab/Field Attendant (Mechanisation Technology Division) attended a training programme on maintenance of electric circuits from 22nd to 25th October 2012 at ICTAD, Battaramulla.
- Dr. W.R.G. Witharama, Principal Research Officer (Crop and Resource Management Division), Dr. Aruna Wijesuriya, Principal Research Officer (Crop Improvement Division), Mr. M.S. Perera,

Principal Research Officer (Technology Transfer and Development Division), Mr. K.H.D. Abeyrathne, Research Officer (Mechanisation Technology Division), Mr. H.A.S. Weerasianghe, Research Officer (Crop Nutrition Division), Mrs. B.D.S.K. Ariyawansa, Research Officer (Economics, Biometry and Information Technology Division), Mrs. V.K.A.S.M. Wanasinghe, Research Officer (Crop Protection Division) participated in a workshop on Cleaner Production Policy and Strategy for Plantation Sector on 08th November 2012 at CERTAC, Battaramulla.

- Dr. A.P. Keerthipala (Deputy Director Research and Technology Transfer), Mr. A.L.C De Silva (Senior Research Officer, Crop and Resource Management Division) and Ms. B.D.S.K. Ariyawansa, Research Officer-In-Charge (Economics, Biometry and IT Division) participated in a 5-day workshop on Agricultural Model Inter-comparison Project (AgMIP) South Asia Regional Projects, from 12th to 16th November 2012, in Cinnamon Lake Hotel, Colombo.
- Dr. C. Eritawala, Administrative Officer attended a one-day workshop on Transport Management conducted by Construction Equipment Training Centre (CETRAC), Battaramulla on 30th November 2012.
- Technical Officers Messrs. A.S.M.A. Fernando, W.M. Anurapala (Mechanisation Technology Division) Tractor Drivers Messrs. W.M.A.K. Priyasahnta and G. Thilakarathne and Mr. M.S.N. Wijesiri (Lab/Field Attendant) participated in a training programme on operation and maintenance of four wheel tractors and ploughing implements from 12th to 14th December 2012 at the Farm Mechanisation Training Centre, Puliyankulama, Anuradhapura.
- The executive staff of the institute participated in a workshop on procurement procedures from 13th to 14th December 2012 at Kukuleganga Resort.

Publications

Ariyawansa, B.D.S.K. (2012). Selection of sugarcane genotypes based on genotype- environment interactions, MPhil. Thesis. Postgraduate Institute of Agriculture, University of Peradeniya, Sri Lanka.

Ariyawansa, B.D.S.K. and Keerthipala, A.P. (2012). Analysis of rainfall in relation to sugarcane cultivation at Pelwatte. Proceedings of the symposium of minor export crops 16-17 August 2012 , Peradeniya, Sri Lanka 47-52.

Ariyawansa, B.D.S.K., Perera, A.L.T, Wijesuriya, A., Sunil, H.K. and Dapanage, M. (2012). Assessment of varietal adaptability of Sugarcane in Sri Lanka. Proceedings of the Fourth Symposium on Plantation Crop Research, 21-22 September 2012, Colombo, Sri Lanka.

Chanchala, K.M.G., Wanasinghe, V.K.A.S.M., Kumarasinghe, N.C., Ariyawansa, B.D.S.K and Karunaratna, P.M.A. (2012). Distribution Pattern of Sugarcane Woolly Aphid on Sugarcane Plant Based on Leaf Colour. Proceedings of the Symposium on Minor Export Crops. 21-22 September 2012, Colombo, Sri Lanka.

Dapanage, M. and Wijesuriya, A. (2012). Study on pollen and meiosis of *Saccharum* spp. and hybrids. In: Nugaliyadda, L., Marambe, B., Ratnasekara, D., Silva, P., Nanayakkara, C., Rajapakse, R. and Deshmukh, A. (eds.), Sri Lanka-India conference on agro biotechnology for sustainable development, 12th -13th March, B.M.I.C.H., Colombo, Sri Lanka.

De Silva, A. L. C., Ariyawansa, B. D. S. K., Wijayawardana, L. M. J. R. and Witharama, W. R. G. (2012). Effects of mulching on growth and yield in plant crop of sugarcane under rainfed conditions in Sevanagala, Sri Lanka. Proceedings of the Fourth Symposium on Plantation Crop Research 21st-22nd September 2012, Colombo, Sri Lanka.

De Silva, A.L.C. (2012). Diurnal variation in stomatal conductance of sugarcane varieties under rain-fed conditions in Sri Lanka. Proceedings of the International Symposium on Agriculture and Environment 2012. 29th November 2012, Faculty of Agriculture, University of Ruhuna, Mapalana, Kamburupitiya, Sri Lanka. pp 186.

De Silva, A.L.C. (2012). Varietal variation in stomatal conductance of sugarcane under rain-fed conditions in Sri Lanka. Proceedings of the Symposium on Minor Export Crops, 16-17 August 2012, Peradeniya, Sri Lanka. pp 123-128.

De Silva, A.L.C. (2012). Water use efficiency in commercial sugarcane varieties under irrigated and rain-fed conditions in Sri Lanka. Proceedings of Research Symposium on meeting global challenges through knowledge and wisdom, 22nd-23rd November 2012, Uva Wellassa University of Sri Lanka. Badulla, Sri Lanka. Vol. II, pp 531-534.

De Silva, A.L.C. and De Costa, W.A.J.M. (2012). Growth and Radiation Use Efficiency of Sugarcane under Irrigated and Rain-fed Conditions in Sri Lanka. Sugar Tech. Vol. 14(3), pp 247-254.

Jayasinghe, W. H., Wickremasinghe, I. P. and Ewers, W. (2012). Varietal evaluation of tomato varieties under protected environment and organic conditions in summer season in Martfeld, Germany. Proceedings of the 3rd International Symposium on Agriculture and Environment. 29th November 2012, Faculty of Agriculture, University of Ruhuna, Mapalana, Kamburupitiya, Sri Lanka.

Maralanda, S.M.T.A., Chandrasena, G. And Keerthipala, A.P. (2012) Isolation of indigenous yeast strains and screening for economically important properties, pp 149-152. In Proceedings of 3rd annual symposium, Uva Wellassa University of Sri Lanka, 22 – 23 November 2012. Badulla, Sri Lanka. Vol. I.

Perera, A.M.M.S. (2012). Assessment of sugarcane meristem culture procedure for virus elimination using serological techniques. MSc Thesis, Faculty of Science, University of Colombo, Sri Lanka.

Priyadarshani, G.V.G., Chandrasena, G. And Keerthipala A.P. (2012) Isolation of phosphate solubilising bacteria for production of bio-fertiliser, pp 161-164. In Proceedings of 3rd annual symposium, Uva Wellassa University of Sri Lanka, 22 – 23 November 2012, Badulla, Sri Lanka.

Wanasinghe, V.K.A.S.M., Kumarasinghe, N.C. and Chanchala, K.M.G. (2012). Natural Enemies of Sugarcane Woolly Aphid (*Ceratovacuna lanigera*): A survey in Passara, Sri Lanka. Proceedings of the Fourth Symposium on Plantation Crop Research, 21st-22nd September 2012, Colombo, Sri Lanka, 163-170.

Weerasinghe, H.A.S., Abeysinghe, N.S. and Ariyawansa, B.D.S.K. (2012). The effects of High-grade Eppawala Rock Phosphate as a Phosphorous substitute on yield and quality of sugarcane in Sri Lanka.

Proceedings of the Annual Symposium on Minor Export Crops, 16th -17th August 2012, Gannoruwa, Peradeniya, Sri Lanka.

Weerasinghe, H.A.S., Ariyawansa, B.D.S.K., Wijesuriya, A. and Keerthipala, A.P. (2012). Response of sugarcane (*Saccharum* hybrid spp.) varieties SL 96 128 and SL 96 328 to Nitrogen, Phosphorous and Potassium: A preliminary analysis. Proceedings of the 4th Symposium on Plantation Crop Research, 21st -

22nd September 2012, Colombo, Sri Lanka.

Wijesuriya, A., Perera, A. L. T., Ariyawansa, B.D.S.K., Manel D. and Sunil, H.K. (2012). Analysis of Biparental families for Estimation and cross prediction in sugarcane (*Saccharum* Hybrid spp.) Breeding Cross predictions for Sugarcane Breeding. Proceedings of the Fourth Symposium on Plantation Crop Research, 21st -22nd September 2012, Colombo, Sri Lanka.

Wijesuriya, A. (2012). Cross prediction for directional breeding of sugarcane (*Saccharum* Hybrid spp.) using the analysis of biparental and poly cross families. PhD Thesis. Postgraduate Institute of Agriculture, University of Peradeniya, Sri Lanka.

Awards

Mr H.A.S Weerasinghe (Research Officer-In-Charge, Crop Nutrition Division) won the award for the best presentation of the sugar sector for the research paper on Response of Sugarcane (*Saccharum* hybrid spp.) Varieties SL 96 128 and SL 96 328 to Nitrogen, Phosphorous and Potassium: A preliminary analysis at the 4th Symposium on Plantation Crop Research, Colombo, Sri Lanka held from 21st to 22nd September 2012 at the Thaj Samudra Hotel, Colombo.

Report of the Audit and Management Committee

The Chairman,
Sugarcane Research Institute
Uda Walawe.

14 February 2013

Audit and Management Committee Report-2012

Compared to the previous year, six audit and management committee meetings were held during the year 2012. This is the highest number of meetings ever held.

The committee was able to facilitate carrying out functions of the institute without any problem by providing recommendations for most of the administrative and financial matters through commitment and enthusiasm of the committee members.

When the institute was summoned before the Committee on Public Enterprises of the Parliament this year, most of the issues raised could be sorted out at a special Audit and Management Committee meeting, and this can be considered as a significant achievement of the committee.

The primary objective of the Audit and Management Committee is, when the institute is not adopting the systems of control established and circulars issued by the government, to advise the institute to rectify those deficiencies and thereby running the institute minimising the audit queries.

In the year 2012 too, the Audit and Management Committee has performed its responsibility by helping the Board of Governors to take decisions and bringing those matters which need attention of the Board of Governors.

Internal Auditor

Audited Financial Statements
SUGARCANE RESEARCH INSTITUTE
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER – 2012

ASSETS	Notes	2012	2012	2011	2011
Rs.Rs.					
Non-current assets					
Property, Plant and Equipment	1	60,525,814.23		71,690,896.00	
Investment (L / T)	2	<u>33,789,530.26</u>	94,315,344.49	<u>30,020,313.00</u>	101,711,209.00
Current assets					
Consumables stock	3	5,098,177.61		4,510,833.00	
Work in progress		250,000.00		100,000.00	
Trade and other receivables	4	47,928,215.84		38,844,369.00	
Investment (S / T)	5	123,182,035.11		114,418,248.00	
Prepayments and other deposits	6	604,535.00		655,514.00	
Cash and cash equivalents	7	<u>57,569,830.39</u>	234,632,793.95	<u>68,749,990.00</u>	227,278,954.00
Total assets			<u>328,948,138.44</u>		<u>328,990,163.00</u>
LIABILITIES					
Current liabilities					
Payable	8	8,735,518.34		4,017,803.00	
Accrued expenses	9	<u>6,542,673.59</u>	15,278,191.93	<u>6,712,852.00</u>	10,730,655.00
Non-current liabilities					
Differed income		0.08			
Provision for gratuity	10	37,100,383.25	37,100,383.33	33,789,530.00	33,789,530.00
Total liabilities			<u>52,378,575.26</u>		<u>44,520,185.00</u>
Total Net Assets			<u>276,569,563.18</u>		<u>284,469,978.00</u>
Net Assets / Equity					
Accumulated fund	11	145,285,139.00		145,285,139.00	
Reserves	12	<u>110,344,424.18</u>	255,629,563.18	<u>118,244,839.00</u>	263,529,978.00
Revaluation reserves		20,940,000.00	<u>20,940,000.00</u>	20,940,000.00	<u>20,940,000.00</u>
Total Net Assets/Equity			<u>276,569,563.18</u>		<u>284,469,978.00</u>



S.K.Cyril
Chairman



Dr.A.P. Keerthipala
Director-Chief Executive



D.M. Siripala
Accountant

SUGARCANE RESEARCH INSTITUTE
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED 31ST DECEMBER -2012

	Notes	Year 2012 Rs.	Year 2011 Rs.
Operating Revenue			
Cess on sugar imports		139,328,373.55	144,124,003.00
Other income	13	26,349,371.78	24,880,473.00
		<u>165,677,745.33</u>	<u>169,004,476.00</u>
Operating Expenses			
Personal emoluments	14	92,096,869.77	81,672,798.00
Travelling and subsistence		2,631,413.51	1,754,534.00
Foreign visits		4,842,629.49	936,462.00
Supplies and consumables used	15	1,528,646.30	1,170,706.00
Maintenance	16	17,114,951.42	13,223,655.00
Contractual services	17	20,960,337.53	21,567,637.00
Research and development	18	9,886,235.18	5,910,754.00
Depreciation and amortisation expenses		21,766,636.00	21,105,253.00
Other operating expenses	19	2,721,310.70	2,032,630.00
Total operating expenses		<u>173,549,029.90</u>	<u>149,374,429.00</u>
Surplus / (Deficit) from operating activities		-7,871,284.57	19,630,047.00
Finance cost		29,131.70	135,012.00
Gain on sales of property plant and equipment			
Total non-operating revenue (expenses)		<u>29,131.70</u>	<u>135,012.00</u>
Net surplus / (Deficit)before extra- ordinary items		-7,900,416.27	19,495,035.00
Net surplus / (Deficit) for the period		<u>-7,900,416.27</u>	<u>19,495,035.00</u>



S.K.Cyril
Chairman



Dr.A.P. Keerthipala
Director/Chief Executive



D.M. Siripala
Accountant

**SUGARCANE RESEARCH INSTITUTE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2012**

	2012	2011
Cash flows from operating activities		
Surplus / (deficit) from ordinary activities	(7,900,416.27)	19,495,035.00
Non-cash movements		
Depreciation	21,766,636.00	21,105,253.00
Provision for gratuity	4,749,486.36	4,946,913.00
Prior year adjustment	-	2,639,093.00
Write off revaluation reserve	-	(6,980,000.00)
Differed income	0.08	(7,853,601.00)
Operating profit / (Loss) before working capital changes	18,615,706.17	33,352,693.00
Increase / Decrease in sundry debtors	(6,108,389.74)	9,565,446.00
Increase / Decrease in sundry stock	(587,344.61)	841,982.00
Increase / Decrease in working progress	(150,000.00)	617,521.00
Increase / Decrease in advance & prepayments	(3,150,691.86)	186,867.00
Increase / Decrease in staff loan	226,215.33	(1,494,168.00)
Increase / Decrease in creditors & other payables	4,547,536.93	(499,469.00)
Cash generated from operating activities before income tax	(5,222,673.95)	42,570,872.00
Cash flows from / (used) in investing activities		
Purchase of property, plant & equipment	(10,601,554.23)	(4,040,832.00)
Net cash flow from / (used) in investing activities	(10,601,554.23)	(4,040,832.00)
Cash flows used in financing activities		
Payment of gratuity	(1,438,633.11)	(1,177,696.00)
Investment of Fixed deposit		
Surplus fund transfer to Treasury		(68,000,000.00)
Net cash flows used in financing activities	(1,438,633.11)	(69,177,696.00)
Net increase / Decrease in cash and cash equivalents	1,352,844.88	(30,647,656.00)
Cash and cash equivalents at the beginning of the year	213,188,551.00	243,836,207.00
Cash and cash equivalents at the end of the year	214,541,395.88	213,188,551.00
Analysis of the balance cash and cash equivalents shown in the balance sheet		
Bank balance	57,569,830.39	68,749,990.00
Treasury bill deposit	122,682,035.23	113,918,248.00
Fixed deposits	34,289,530.26	30,520,313.00
	214,541,395.88	213,188,551.00

SUGARCANE RESEARCH INSTITUTE
NOTES TO THE STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER 2012

	2012	2011
Property, Plant and Equipment		
Please see schedule 01		
Investment (L/T)		
Fixed deposit (Gratuity Fund) - N.S.B.	33,789,530.26	30,020,313.00
Gratuity Fund		
Gratuity fund investment in the National Savings Bank		
Consumable stock		
Stationery	401,337.00	358,546.00
Repairs and maintenance of vehicle	759,818.06	1,237,343.00
Repairs and maintenance of buildings	2,069,032.32	1,861,048.00
Repairs & maintenance of office equipment1	43,705.30	17,888.00
Repairs & maintenance of machinery	285,909.00	17,963.00
Research	-	111,913.00
Fuel	82,494.00	35,195.00
Chemicals	683,789.18	453,010.00
Staff welfare	5,440.15	39,707.00
Fertilizer	284,900.00	288,000.00
Fencing	-	88,000.00
Miscellaneous	381,752.20	2,220.00
Total consumables stock	<u>5,098,177.21</u>	<u>4,510,833.00</u>
Trade and other receivables		
Advance : Local purchase	10,400.00	13,001.00
Sundry	355,334.50	96,700.00
Traveling	102,995.00	34,000.00
Fuel	215,480.00	27,984.00
Interest receivable : F.D. – N.S.B.	1,694,490.50	1,139,190.00
Bank savings P.B.	-	207,884.00
Treasury bill - P.B.	4,932,767.43	2,591,036.00
Staff loans : Housing loan (Schedule 02)	6,639,675.37	6,530,683.00
Distress loan (Schedule 3)	22,832,758.75	22,183,599.00
Festival advance (Schedule 4)	190,800.00	159,800.00
Push cycle loan (Schedule 5)	44,299.92	62,800.00
Motor cycle loan (Schedule 6)	1,542,507.56	2,338,208.00
Book loan (Schedule 7)	12,000.00	113,500.00
Computer loan (Schedule 8)	98,861.07	198,528.00
Special loan : Kantale Sugar Ind.(PVT) Ltd.	1,000,000.00	1,000,000.00

Sundry debtors :	Janatha Fertiliser	250.00	250.00
	Kantale Sugar Ind. Ltd.	385,333.00	387,833.00
	Ministry of Supplementary crop plant	1,745,300.00	1,745,300.00
	T.K. Tenison	4,850.00	4,850.00
	Inland Revenue Department	9,222.74	9,223.00
	Pelwatta Sugar Ind Ltd.	3,733,900.00	
	Sevanagala Sugar Ind Ltd- Local Cess	1,323,350.00	
	Sevanagala Sugar Ind Ltd- Sale of Sug	1,053,640.00	
Total Trade & other receivable		47,928,215.84	38,844,369.00
Investment (S/T) :			
	Treasury bill - P.B	122,682,035.23	113,918,248.00
	Fixed deposit (Scholarship)- N.S.B.	500,000.00	500,000.00
	Treasury bill - B.C	(0.12)	
Total Investment (S/T)		123,182,035.11	114,418,248.00
Prepayment & other deposits			
Prepayments -	License & insurance	-	15,200.00
	Repair & maintenance of office equipment	6,160.00	41,939.00
	W.H.T. Receivable	-	
	Money in Transit	-	
Other deposits	C.B. Ellepola	2,500.00	2,500.00
	Electricity Board	150,100.00	150,100.00
	Embilipitiya M.P.C.S. Ltd.	155,000.00	155,000.00
	Gas cylinder	118,375.00	118,375.00
	M.N.W. & R.L. Fernando	70,000.00	70,000.00
	M.T.N Net Work	2,500.00	2,500.00
	Rubber Research Institute	86,400.00	86,400.00
	Softlogic Information	1,500.00	1,500.00
	Sri Lanka customs	10,000.00	10,000.00
	Thusitha news papers	2,000.00	2,000.00
Total Prepayment & Other deposits		604,535.00	655,514.00
Cash and cash equivalents			
People's Bank	- Udawalawe A/C No. 295 1001 - 0000000 – 5	154,670.36	1,410,273.00
People's Bank	- Ratmalana A/C No. 080 - 1 -001-5-1334359	4,134,188.48	4,037,843.00
Bank of Ceylon	- Ratmalana A/C No. 272977 – 5	700,913.00	181,685.00
Peoples Bank	- Udawalawe A/C No. 1550021284	1,143,291.41	565,803.00
Bank Savings	- People's Bank - Ratmalana-A/C No. 080-2-001-3-1334359	29,973,938.89	42,095,580.00
	- People's Bank-Udawalawe - A/C No. 295-2-001-7-0020749	21,455,828.25	20,458,806.00
Petty Cash-Siyambalanduwa		5,000.00	
Petty Cash-Hanthana		2,000.00	
Total Cash and cash equivalents		57,569,830.39	68,749,990.00
Payable			
A.S.Jayalath		600.00	600.00
Analytical Instrument Pvt.Ltd.		448,292.00	442,792.00
Auditor General's Department		-	620,000.00
Auto Miraj		-	15,505.00

Bimro Tiles	-	143,205.00
D.M.N.Weerasinghe	250.00	250.00
Funds from Pakistan	-	651,629.00
K.K.I.S.Sarathchandra	4,965.00	20,905.00
K.Mahindapala	1,187.00	1,188.00
Kandy Security Service	-	668,248.00
Nanda Tractor Motors (PVT) Ltd.	-	288,750.00
Prasad	891.66	892.00
Refundable tender deposit (Schedule 09)	126,750.00	196,750.00
Retention - (Schedule 10)	106,684.80	143,170.00
Sarath Motor Engineering	23,650.00	23,650.00
Sarathchandra Home Centre	-	58,500.00
Singer company	197,950.00	197,950.00
Sun Flower System Pvt.Ltd,	-	279,496.00
U.G. Stores	-	144,948.00
United Motors Lanka	59,530.40	13,782.00
Venura Auto Electricals	-	3,500.00
W.G. Nimal	(616.67)	833.00
Wasantha Auto Electrician	(1,050.00)	5,500.00
Wijaya News Papers	-	95,760.00
Kolonnakorale	-	-
Lukshan Diesel Pump Services	150,405.00	-
Wasana Book Shop	1,210.00	-
Sumanagiri Trade Center	8,545.00	-
Varuna Motors	181,250.00	-
Wickrama hard Ware	13,750.00	-
Lab Master (PVT) Ltd	(0.19)	-
Waruna Suppliers	11,935.00	-
Crown Tyres (PVT) Ltd	102,600.00	-
S.Creditors: Libra Agency	275,615.80	-
S.Creditors:Softlogic Information Technology	262,000.00	-
S.Creditors:Leader Stationery	22,919.00	-
S.Creditors:print and Print Graphic	5,255.04	-
S.Creditors:Popular Stationery	4,900.00	-
S.Creditors:State Timber Corporation	-	-
S.Creditors:Augustine Morors Ltd	37,948.00	-
S.Creditors:E.W. Information System (PVT) Ltd	9,356.00	-
S.Creditors:arunas	116,180.00	-
S.Creditors:Sri Lanka State Trading	3,940.00	-
S.Creditors:Toppan Forms Ltd	-	-
S.Creditors:Royal Stationeries	3,625.00	-
S.Creditors:Upali Auto electricals	55,000.00	-
S.Creditors:Toyota Laka (PVT) Ltd	6,500,000.00	-
Total payables	8,735,518.34	4,017,803.00

Accrued expenses

Board expenses	200,174.50	1,280.00
Electricity	327,705.52	341,292.00
Fuel	669,318.53	368,587.00
Over time	14,875.00	386,327.00
Postage	2,854.00	14,255.00
Repairs & maintenance of vehicle	-	31,825.00
Repairs & maintenance of office equipment	-	4,750.00
Repairs & maintenance of building	-	34,671.00
Rent	17,450.00	140,328.00
Research	-	1,917.00
Security	724,847.32	737,469.00
Stationery	21,600.00	26,521.00
Telephone	44,205.96	37,499.00
Traveling & subsistence	14,861.00	13,423.00
Water	1,064.32	5,937.00

Staff training	8,100.00	-
News parers	33,264.00	-
Wages	623,938.85	947,403.00
Welfare	22,304.05	17,476.00
Entertainment	23,387.00	-
Scholarship	6,500.00	-
Harvesting & Land perparation	200,000.00	-
Consultency	4,000.00	-
Paye tex	11,899.54	-
	<u>2,972,349.89</u>	<u>3,110,960.00</u>
Employees provident fund	1,253,022.22	1,172,513.00
Employees trust fund	150,362.67	140,702.00
Provision for staff medical (Schedule 11)	2,154,694.99	2,266,133.00
Salaries & wages deductions	12,243.82	2,295.00
Withholding tax	-	20,249.00
Total Accrued Expenses	<u>6,542,673.59</u>	<u>6,712,852.00</u>
Provision for Gratuity		
Please see schedule 12		
Accumulated Fund		
Government grant for capital	44,360,000.00	44,360,000.00
UNDP/FAD aid	474,116.00	474,116.00
World Bank aid	16,598,429.00	16,598,429.00
Japanese aid	82,064,952.00	82,064,952.00
Australian aid	1,287,642.00	1,287,642.00
Grant for Sugar Importers Association	500,000.00	500,000.00
Total accumulated fund	<u>145,285,139.00</u>	<u>145,285,139.00</u>

SUGARCANE RESEARCH INSTITUTE
NOTE TO THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
31ST DECEMBER, 2012

Other Income	2012	2011
	Rs.	Rs.
Interest Income on staff loans & other sundry income	3,215,748.26	3,786,158.00
Interest Income on treasury bills	11,106,554.76	10,364,907.00
Interest Income on fixed deposits	2,790,406.24	2,565,640.00
Interest on savings A/C's	1,873,263.23	897,389.00
Sale of seed cane	1,654,520.48	286,379.00
Cess on Local Product of Sugar	5,057,250.00	-
Write off revaluation reserve	-	6,980,000.00
Foreign funds from pakistan	651,628.81	-
Total other Income	26,349,371.78	24,880,473.00
Personnel Emoluments		
Salaries and allowances	52,645,403.65	48,110,020.00
Employees provident fund contribution	9,234,039.26	8,497,075.00
Employees trust fund contribution	1,846,807.87	1,699,415.00
Overtime	5,826,802.42	4,211,534.00
Wages	14,342,983.18	10,409,724.00
Staff medical	8,200,833.39	8,745,030.00
Total personnel emoluments	92,096,869.77	81,672,798.00
Supplies and consumable used		
Printing & stationery	1,255,903.90	1,021,979.00
News papers & periodicals	272,742.40	148,727.00
Total Supplies and consumable used	1,528,646.30	1,170,706.00
Maintenance		
License Insurance & fitness certificate	733,408.50	1,192,875.00
Repairs and maintenance of vehicle	4,629,766.24	3,786,125.00
Repairs and maintenance of Buildings	3,503,680.60	2,208,199.00
Repairs and maintenance of office equipment	804,081.87	1,327,322.00
Repairs and maintenance of machinery & lab equipment	512,024.29	457,469.00
Fuel and lubricant	6,918,129.92	4,251,665.00
Web maintenance	13,860.00	-
Total maintenance	17,114,915.42	13,223,655.00
Contractual services		
News papers notification	576,310.40	565,638.00
Postage	145,014.50	125,686.00
Rent rates and taxes	1,366,520.80	1,692,986.00
Telephone, cables, faxes and Internet	1,050,327.95	1,062,013.00
Legal charges	164,532.00	22,525.00
Audit fees	-	522,818.00
Electricity	4,114,021.06	4,209,043.00
Water	64,830.57	44,307.00
Security charges	8,497,481.65	8,367,491.00
Gratuity	4,749,486.36	4,946,913.00
Transport	224,746.00	3,217.00
Workmen's compensation	7,066.24	5,000.00
Total contractual services	20,960,337.53	21,567,637.00
Research & Development		
Research materials	5,825,683.81	1,817,741.00
Media publicity and journals	20,000.00	428,155.00
Staff training	690,806.00	294,160.00
Consultancy fees	146,475.00	520,493.00
Adoptive research	-	359,666.00
Chemicals	350,844.34	1,005,020.00
Fertiliser	299,500.00	1,017,660.00
Fencing materials	88,000.00	6,300.00
Harvesting land preparations	1,027,161.80	461,559.00
Sugar Sector development symposium	646,264.23	-
	791,500.00	-
Total research and development	9,886,235.18	5,910,754.00

Other operating expenses

Miscellaneous	33,970.43	54,602.00
Entertainment	790,201.67	7,501.00
Staff welfare	161,848.50	889,266.00
Membership fee	9,626.89	9,498.00
Scholarship	84,500.00	89,000.00
Money in transits	-	33,983.00
Clearing charges	458,549.08	1,056.00
Annual subscription Fees	107,557.43	-
Board of Director's fees:		
Chairman's remuneration	529,225.00	585,000.00
Director's fees and others	347,479.70	290,514.00
Audit and management expenses	198,352.00	72,210.00
	<u>2,721,310.70</u>	<u>2,032,630.00</u>

★ The current value of the live stock has been estimated as Rs. 200,000/= (No. of cattle 07)

Ms. M.E.J. Fernando who left the Institute, has to pay Rs. 2,974,960/= to the Institute as per the agreement signed by her. Legal action to be taken.

Schedule : 01

Note
: AProperty, Plant and Equipment

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	Description	Dep. Rate	Cost as at 01.01.2012	Addition	Refund	Cost as at31.12.2012	Pro. For Dep.as at 01.01.12	Depreciation for 2012	Pro.For Dep.as at 31.12.12	Net Value31.12.2012
1	Agriculture equipment	15%	14,805,594.00	371,740.00	-	15,177,334.00	6,977,712.00	1,493,077.00	8,470,789.00	6,706,545.00
2	Bicycles	15%	134,190.00	124,097.00	-	134,190.00	134,190.00	-	134,190.00	-
3	Buildings	5%	62,027,924.00	6,142.00	-	62,152,021.00	40,066,229.00	2,722,201.00	42,788,430.00	19,363,591.00
4	Crockery and cutleries	50%	794,176.00	382,699.00	-	800,318.00	767,433.00	27,904.00	795,337.00	4,981.00
5	Extension and training	15%	4,493,180.00	724,405.00	-	4,493,180.00	4,367,596.00	30,622.00	4,398,218.00	94,962.00
6	equipment	15%	3,978,176.00	1,125,814.00	-	4,360,875.00	3,364,732.00	209,445.00	3,574,177.00	786,698.00
7	Field equipments	15%	6,386,865.00	0.00	-	7,111,270.00	4,890,064.00	414,871.00	5,304,935.00	1,806,335.00
8	Furniture and fittings	15%	68,072,865.00	0.17	-	69,198,679.00	61,362,467.00	3,392,120.00	64,754,587.00	4,444,092.00
9	Laboratory equipment	15%	10,497,220.00	6,500,000.00	-	10,497,220.00	8,644,610.00	320,057.00	8,964,667.00	1,532,553.00
10	Land development	15%	2,852,264.00	952,389.06	-	2,852,264.17	2,607,657.00	114,543.00	2,722,200.00	130,064.17
11	Library books	25%	49,955,375.00	30,190.00	-	56,455,375.00	25,552,320.00	11,667,944.00	37,220,264.00	19,235,111.00
12	Motor vehicles	15%	21,181,304.00	384,078.00	-	22,133,693.00	16,039,943.00	1,348,170.00	17,388,113.00	4,745,580.06
13	Office equipment	25%	1,657,167.00	-	-	1,687,357.00	1,559,707.00	25,682.00	1,585,389.00	101,968.00
14	Telecommunication facilities	15%	18,234,790.00	-	-	18,618,868.00	17,045,534.00	-	17,045,534.00	1,573,334.00
	Workshop equipment									
	Total		265,071,090.00	10,601,554.23	-	275,672,644.23	193,380,194.00	21,766,636.00	215,146,830.00	60,525,814.23



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இ

My No

My No. YS/F/SRI/FA/2012

ඔබේ අංකය
உமது இல
Your No.

Your No.

දිනය
திகதி
Date

05 August 2013

The Chairman
Sugar Cane Research Institute

Report of the Auditor General on the Financial Statements of the Sugar Cane Research Institute 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 Sugar Cane Research Institute 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 19(3) of the Sugar Cane Research Act, No. 75 of 1981. My comments and observations which I consider should be published with the Annual Report of the Institute 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 Institute on 02 April 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.

අංක 306/72 පොල්දූව පාර,
බත්තරමුල්ල, ශ්‍රී ලංකාව

දුරකථන
தொலைபேசி
Telephone. } 2887028-34

இல. 306/72, பொல்துவ வீதி,
பத்தரமுல்லை, இலங்கை

ෆැක්ස් අංකය
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Battaramulla, Sri Lanka

ઇ-මේઇલ
மின்-அஞ்சல்
E-mail. } anggov@sltnet.lk

1:3 Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Institute'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 Institute'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 Sugar Cane Research Institute 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 Policies

Accounting for the cess income which is the major source of income of the Institute on the cash basis had been the policy of the Institute. Cess income amounting to Rs.5,057,250 receivable in respect of the year under review had been shown in the financial statements without complying with that policy. As such, the income for the year under review had been overstated by a sum of Rs.5,057,250 and the deficit for the year under review had been reduced and the current assets had been increased by that amount.

2:2:2 Accounting Deficiencies

The following observations are made.

- (a) Even though the sum of Rs.68,000,000 given to the Ministry of Finance and Planning in the year 2011 had been appropriately adjusted in the financial statements of that year, it had been added to the opening balance of the Statement of Changes in Equity for the year 2012 and deducted again as money given in the year under review.

- (b) Two motor vehicles purchased for Rs.6,500,000 in the year 2013 had been included in the financial statements of the year under review. As such, the assets and liabilities in the Statement of Financial Position had been overstated by Rs.6,500,000.

2:2:3 Accounts Receivable and Payable

The following observations are made.

(a) Accounts Receivable

The debtors age analysis presented with the financial statements for the year 2011 had been presented without making changes with the financial statements for the year 2012 as well. The Institute had failed to recover a balance of Rs.1,955,612 relating to periods ranging between 02 years and 05 years and a balance of Rs.5,100 older than 05 years according to the correct age analysis.

(b) Accounts Payable

Out of the total of the balances of creditors amounting to Rs.8,737,186, 04 creditors balances amounting to Rs.881,222 had been existing over a period exceeding 01 year and action had not been taken to settle those creditors balances.

2:2:4 Lack of Evidence for Audit

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

Item	Value	Evidence not made available
	Rs.	
Debtors	2,147,456	Letters of Confirmation of Balances
Creditors	8,737,186	Letters of Confirmation of Balances

3. Financial Review

3:1 Financial Results

According to the financial statements presented, the operations of the Institute for the year under review had resulted in a deficit of Rs.7,900,416 as against the surplus of Rs.19,495,035 for the preceding year. The operating results for the year under review as compared with the preceding year indicated a deterioration of Rs.27,395,451. The decrease of the cess income by a sum of Rs.4,795,630 and the increase of Rs.22,197,015 in the operating expenses, Rs.3,906,167 in the foreign travel expenses, Rs.3,891,296 in the maintenance expenditure and Rs.3,975,481 in the expenditure on research and development in the year under review had affected the deterioration in the operating results.

3:2 Analytical Financial Review

- (a) The expenditure on foreign travel, transport expenses and the expenditure on research as compared with the preceding year had increased by 417 per cent, 50 per cent and 67 per cent respectively.
- (b) The inclusion of an accrued expenditure relating to the year 2013 in the financial statements for the year under review had resulted in the increase of the accounts payable by 117 per cent.

3:3 Legal Actions instituted by the Institute or against the Institute

- (a) Institute had filed two cases against two persons who served in the Institute and those cases were pending even by the end of the year under review.
- (b) Institute had filed a case against an officer who had vacated post, claiming compensation amounting to Rs.2,974,960 and that case was pending even by the end of the year under review.

4. Operating Review

4:1 Management Inefficiencies

The following observations are made.

(a) Collection of Cess

Sugar imported in large scale by businessmen subject to a bond with Sri Lanka Customs is stored in the bonded warehouses and the cess on those sugar stocks is collected when such sugar is issued from the bonded warehouses. The Institute had not obtained the records of such large scale imports of sugar from Sri Lanka Customs and checked with the Ex-bond Sales. As such, adequate evidence in support of the recovery of the cess on the total quantities of sugar in installments had not been furnished to audit.

(b) Maintenance Unit

- (i) Plans had been made for 12 maintenance and construction works to be executed up to September of the year under review. Nevertheless, the cost estimates showing the budget specifications of the activities had not been prepared.
- (ii) Even though the overall expenditure of the Maintenance Unit had been identified, there was no expenditure control on the individual activities as the item-wise expenditure had not been identified.
- (iii) Three programmes included in the proposed Action Plan prepared for execution in the year under review had not been implemented.

(c) Stores Division

A proper Bin Card System had not been introduced for the maintenance of stock records of the Main Stores of the Institute.

(d) Register of Fixed Assets

- (i) Certain assets appearing in the updated Register of Fixed Assets were not available physically while certain assets physically available had been omitted in the Register of Fixed Assets.
- (ii) The fixed assets issued by the Stores Division of the Institute had not been issued under a proper coding system.

4:2 Operating Inefficiencies

The following observations are made.

- (a) Even though the Institute had introduced a number of varieties of sugar cane with high sugar content by incurring heavy expenditure during the 15 preceding years, the results of the researches had not been successful as those varieties had not spread among the farmers.
- (b) Even though the Institute had introduced sugar cane varieties with high sugar content, the buyers of sugar cane had based their purchases on the weight and size of sugar cane instead of the sugar content of the sugar cane. As such the farmers had been reluctant to grow the new varieties. As such, the crop from the extent of lands under cultivation had decreased, thus resulting in the decrease of the quantity of local sugar production.

4:3 Transactions of Contentious Nature

The following observations are made.

The Engineering Division conducts research programmes on the machinery relating to the sugar cane cultivation and invents equipment relating thereto and in addition maintains the motor vehicles of the Institute. This Division had planned to implement 09 Research Projects and Research Service Projects during the year 2012. The following matters were observed at a test check carried out in that connection.

(a) Projects on the Introduction of a Sugar Cane Harvester (MT/01/11)

A sugar cane harvester suitable for the local cultivations had been invented in the preceding years with the objective of enhancing the efficiency of sugar cane harvesting and reducing the cost of harvesting sugar cane and tested. According to the Action Plan prepared by identifying the need for carrying out that work in the year 2012 as well, provision amounting to Rs.440,000 had been made. Nevertheless, none of the activities relating to the Research Project had been done even by the end of the year under review.

(b) Project on the Introduction of a Sugar Cane Refuse Cutter (MT/02/11)

The Institute had planned to introduce a highly efficient sugar cane refuse cutter as a successful remedy for overcoming the weaknesses in harvesting sugar cane and for minimizing labour costs. Even though provision of Rs.560,000 had been made for the Project in the Action Plan, the preliminary working designs of the Project only had been prepared even by the end of the year under review.

(c) Design and Creation of Sugar Cane Seed Separator

Even though a provision of Rs.810,000 had been made in the Action Plan for this Project, none of the activities relating to that had been done in the year 2012.

4:4 Idle Assets and Underutilized Assets

Six refrigerators recommended as usable after repairs had been left decaying for 03 years in the stores without being repaired.

4:5 Delayed Projects

- (a) Even though provision amounting to Rs.66,000,000 had been made in the budget for the year 2012 for the implementation of the following Projects, that had not been utilized in the year under review as the Treasury approval had not been received. Details appear below.

Name of Project	Provision made
-----	-----
	Rs.
Construction of a Laboratory Complex and a Development Centre – Udawalawa	65,000,000
Construction of a Centre for Entomological Studies	1,000,000

Total	<u>66,000,000</u>

- (b) Even though provision amounting to Rs.2,000,000 had been made in the budget for the year 2012 for the construction of a Center for Culture of Sugar Cane flowers, the construction work had not been commenced even by the end of the year. A sum of Rs.179,505 had been spent in the year 2012 for the foundation laying and the inauguration ceremony.

4:6 Staff Administration

The following observations are made.

- (a) The position of the Cadre as at 31 December 2012 is given below.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
-----	-----	-----	-----
Senior Level	09	06	03
Tertiary Level	25	19	06
Secondary Level	52	36	16
Primary Level	<u>107</u>	<u>102</u>	<u>05</u>
	<u>193</u>	<u>163</u>	<u>30</u>

- (b) Even though 02 years had elapsed after the publication of newspaper advertisements for the filling of 06 vacancies in the Management Assistant posts in the Institute, the vacancies of those posts had not been filled even by the end of the year under review.
- (c) As the posts of Management Assistant (Clerk/Accounts) Book keeper, Accounts Officer had been vacant, work relating to cash transactions and accounting of the Accounts Division had not been properly assigned.
- (d) Due to the vacancies existing in the staff of the Accounts Division, book keeping works and preparation of the final accounts had been assigned to an external audit firm for an agreed sum of Rs.250,000.

4:7 Motor Vehicles Utilization

The following observations are made.

- (a) Repairs to the motor vehicles of the Institute had been carried out through the Mechanical Technology Division of the Institute as well as other external institutions. Cost-estimates and a Cost Accounting Methodology were not available for the 96 repair works of motor vehicles done by the Mechanical Technology Division in the year under review for identification of the cost incurred.
- (b) The value of certain repair work done for each motor vehicle by the external institutions was not available in the respective files on motor vehicles.

5. Systems and Controls

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

- (a) Accounting
- (b) Cess Income
- (c) Fixed Assets
- (d) Storage

H.A.S. Samaraweera
Auditor General

Replies to Auditor Generals' Report on the Financial Statements of the Sugarcane Research Institute for the year ended 31st December 2012 in terms of Section 14(2) (c) of the Finance Act No. 38 of 1971

1.2 **Managements' Responsibility Regarding the Financial Statements**

Agreed

1.3 **Auditors' Responsibility**

Agreed

2. **Financial Statements**

2.2 **Comments on Financial Statements**

2.2.1 **Accounting Policies**

Main revenue of the Sugar Research Institute is the cess income. We are eligible for cess tax from both imported and locally produced sugar. Cess income received from imported sugar is accounted on cash basis. However, cess income receives from locally produced sugar cannot be accounted on cash basis. The respective local sugar industries have already been informed to pay cess based on their production in the year 2012. The entitle cess income from the sugar produced in 2012 is Rs. 5,057,250/= and this amount has been accounted as a receivable income.

2.2.2 **Accounting Deficiencies**

a. Agreed and advised to correct

b. In the year 2012, procurement procedure to purchase two vehicles (cabs) is completed. The required money for this purpose was allocated in budgetary estimations made in the year 2012. These two cabs were ordered in December 2012 but delivery was delayed due to some minor defects in one vehicle. Therefore, this transaction was included in 2012 accounts.

2.3 **Accounts Receivable and Payable**

2.3.1 **Accounts Receivable**

a. Correct

b. Instructions were given to recover Rs. 195,968/= as soon as possible. The beholden balance of 1759468/= was a lone given to the secretary of the ministry of supplementary plantation crops development, the ministry which the Sugarcane Research Institute was under at the time, to uplift the living condition of the sugarcane farmers of the Uwa province. Since that ministry is abolished now, instructions were given at the COPE in 2012 to remove the above beholden sum of money from the books after getting approval from the treasury. The instructions have been given to recover the sum of Rs. 5,100/=. Those corrections will be made in the year 2013.

2.3.2 **Accounts Payable**

Analysis of credit time periods

Instructions have been given to settle the due accounts in the year 2013

2.3.3 **Lack of Documentary Evidence Necessary for Auditing**

The letters of substantiating of the balance has been sent.

2.4 **Management Inefficiencies**

a. **Collection of cess income based on imported sugar**

I. In the year 2012, total cess levy for sugar 140,600 kilograms, which was imported without issuing cess certificates has already been recovered by now from the respective company.

- ii. Action has been taken to implement special measures with the Sri Lanka custom to get reports about sugar store in bonded warehouses and check ex-bond sale.

b. Staff Recruitment

- i. Action have been taken to hold interview in April 2013 and give appointments
- ii. A book keeper and an accounting officer have already been appointed
- iii. Agreed

c. Maintenance Unit

- i. The activities on the maintenance unit have to be undertaken under the guidance of a work superintendent as identified by the institute and by the MSD. Formal advertisements were published twice in the year 2012 to appoint a suitable individuals to this position but no suitable person applied for the post. Therefore, a temporary work superintendent was appointed to cover the duties.
- ii. Because of the above deficiencies it was unable to prepare proper estimates for the works carried out by the maintenance unit.
- iii. Difficulty in recruiting a cost clerk in the year 2012, costing each project separately was challenging. This is expected to be rectified after recruiting management assistants to the institute.
- iv. Because of inadequate staff and lack of resources it was unable to implement this plan

d. Vehicle Maintenance

- i. Agreed. Dearth of require staff caused this situation. A method will be devised to rectify this after recruiting management assistants in the year 2013.
- ii. Instructions have been given to update.

e. Store Unit

The institutes' main store issues about 7000 different items to various divisions and is being followed a formal documentation procedure for this. However, due to lack of facilities, standard bin-card system is not been adopt. A bin card system or a similar standard procedure by using computer software will be implemented in the future.

f. Fixed Assets Register

- i. The institutes' fixed assets register was updated in the year 2011 and this is being updated on yearly basis. As a result, fixed asset register in the year 2012 has been updated by now. A copy of the same had already been forwarded to Auditor Generals' Department for information.
- ii. It is admitted that there are some deficiencies in the latest updated fixed assets register and decision has been taken to adopt correct procedure to update it in the future
- iii. Fixed asset received by the institutes' store have been issued without numbering. Steps have already been taken to number fixed assets, after received to the store before issuing them.

2.5 Identified Losses

The institute has 23 vehicles but 19 out of them are older than 15 years. Only a bus, a crew cab and two cabs are in good running condition. The other vehicles are frequently subjected to breakdowns and require to remove from the transport system.

Out of two cabs in good running condition, one is reserved as the official vehicle of the director. Institute carries out sugarcane cultivation projects in distant locations like Kilinochchi, Kantale, Hingurana, and Amparai. Vehicles with good running conditions are required to transport research officers, other officers and workers to these locations. Since, the institute does not have adequate numbers of vehicles with good running conditions, the good vehicles had to be hired to do the work. According to the quarries made by the government audit section, the said

running chart had been used for the above purposes. Accordingly, the vehicle had been hired to transport the chairman, members of the director board, officers of the ministry from Colombo to the areas like Kantalai, Hantana, and Hingurana. Information relevant to this audit quarry has been forwarded to the audit section on 04.04.2013.

3 Financial and Operation Review

3.1 Financial Review

Agreed

3.2 Controversial Transaction

- a. Three members, who had been appointed to the Sugarcane Research Institute Director Board have been discontinued due to lack of required qualifications according to the sugarcane research Act and a director board with reputed scientists as has been prescribed by the sugarcane research Act was appointed.
- b. Transport facilities had to be provided for the officers of the Ministry of Minor Export Crops Promotion, then ministry the Sugarcane Research Institute was placed and the officers of Sugarcane Research Institute who made field visits and inspect sugarcane multiplication fields at Kantali, attend to workshop at Kukulaganga, to visit established sugarcane nurseries at Kantali and discuss problems with farmers. However, the newly established Minor Export Crops Promotion Ministry did not have adequate numbers of vehicles to provide transport facilities. Therefore, the Sugarcane Research Institute, on the request of the secretary has provided vehicles to the above mentioned ministry from time to time. The said ministry had provided fuel for the vehicles. Distances and destinations travelled have been recorded in running charts.

3.3 The legal actions initiated by the institute or against the institute

Agreed

3.4 Disposable assists and underutilised assists

The committee appointed to examine disposable items has recommended to repair and reused six refrigerators that were identified to sale out in an auction. The quotation were called from several servicemen to repair them but cost of repairing appeared to be more expensive than purchase of new refrigerators by spending that money. Therefore, several new refrigerators were purchased and decision was taken to sell out old ones in an auction. This process will be carried out in the near future.

3.5 Sugarcane purchasing procedure

- a. Pelwatta, Sevanagala and Hingurana purchase sugarcane only based on tonnage. At the time of receiving cane to the factories, sugar content in cane is not measured. To estimate sugar content in cane supply to the factories, cane samples obtained from each consignment by using core-sampler has to be analysed in a laboratory. This practice is followed in developed countries like USA, Japan, Australia and each consignment is priced while considering weight of cane and its sugar content. But in sugar factories in India, Sri Lanka, Pakistan and many developing countries this procedure is not adopted because it is costly. However, in Sri Lanka, the respective sugar industry inspect each field, examine cane maturity and harvesting orders are given only for mature fields and try to maintain fairly high sugar content of the harvested cane. Farmers are paid based on the weight of such cane.
- b. Even though, the new varieties produced by the Sugarcane Research Institute have more sugar, the farmers prefer to cultivate the older varieties for their weight because the farmers are being paid based on the cane tonnage supply to the factory. This matter has been taken to

the notice of the Ministry of Sugar Industry Development in order to take necessary actions.

- c. Since, all sugar industries are now belong to the government, action have been initiated with the curtesy of the Ministry of Sugar Industry Development to popularised new varieties with high sugar content among farmers.
- d. It has been planned to get assistance from the Ministry of Sugar Industry Development to popularise new improved sugarcane varieties among farmers
The replies have been produce on 06.03.2013 to the audit quarries YS/F/SRI/AQ/2012/09 on the above matter. The replies relevant to this have been annexed herewith.

3.6 Performance

a. Projects carried out by Engineering Division

i. Project MT/01/11: Introduction of sugarcane harvester

The initial work that has been planned under this project was to visit the places and study the small scale sugarcane harvesting machine. Even though, several e. mails were sent after collecting required information, there were no favourable response to proceed with hence activity abandoned.

ii. Project MT/02/11: Introduction of sugarcane trash cutting machine

The most of activities of this division hindered due to dearth of Research Officers. Since, a research officer has now been recruited, activities of this project have started.

iii. Design and fabrication of deglumer

The activity of this project were not able to start due to delay of recruitment of research officers. Since a research officer has now been recruited, backlog activities are being resumed.

iv. Project MT/RS/01/12: construction of tyne cultivators

- a. Manufactured twenty (20) numbers of tyne cultivators which were planned to built in 2011. Nine (09) out of them were distributed among farmers and further construction was temporally stop until distribution of balance 11 among farmers.
- b. Even though, the budgetary allocation was made in 2012 to purchase required items for this project, purchasing was delayed. Action will be taken to purchase those items from the 2013 budget.

3.7 Abandoned Projects

- a. Even though, the sum of Rs. 65 million had been allocated in 2012 budget for the construction of a laboratory complex and a development centre, the activities were not able to commence because approval had not been granted by the treasury for those projects.
Even though, rupees one million had been allocated in the 2012 budget to construct a centre for insect pest studies, treasury approval for this project too was not granted. An old building of the institute is now being used for this purpose.
- b. Rupees two million had been allocated in the year 2012 to establish a sugarcane hybridisation centre at Deniyaya sub station and rupees 179,505/= has been spent for its inauguration expenses during the reviewed year. The work on splitting rocks and removing them out of the land and breaking stones required for construction work have already been completed and rupees 750,000/= has paid for those works. It has been planned to continue these activities in the year 2013 too.

4 Staff Administration

Actions have already been taken to fill these vacancies in the year 2013

5. Systems and Controls

Accounting - Faultiness of copying to ledger

Instructions have been given to correct

Cess income – Reconciliation reports have not been maintained

Completed preparation of reconciliation reports

Fixed asset register – not been maintained properly

Instructed to maintain fixed asset register in order for the year 2013

Stores Management – Reports have not been maintained properly

Instructed to maintain reports properly

Financial Highlights from 2008 to 2012

Income

Item	Rs. Million				
	2008	2009	2010	2011	2012
Cess on sugar imports/production	134.8	129.85	142.88	144.12	139.32
Interest income and sundry income	35.52	28.14	20.48	17	24.04
Sale of sugarcane	2.01	0.78	0	0.9	1.65
Total	172.33	158.77	163.36	162.02	165.01

Expenditure

Item	Rs Million				
	2008	2009	2010	2011	2012
Recurrent:					
Personnel emoluments	73.23	78.19	78.78	81.67	92.1
Travelling and subsistence	1.49	1.57	1.7	1.75	2.63
Research and development	4.37	7.81	5.62	5.91	9.88
Supplies and consumables	3.61	1.3	1.83	1.17	1.52
Contractual services	18.9	17.43	17.8	21.57	20.97
Maintenance	11.4	14.11	12.14	13.22	17.11
Other operating expenses	1.78	2.32	1.19	2.03	27.21
Finance cost	0.17	0.19	0.15	0.14	0.03
Total	114.95	122.92	119.21	127.46	171.45
Capital:					
Buildings	2.12	0	8.82	0.36	0.12
Office/Lab/Field equipment	10.38	2.68	3.78	2.32	3.21
Vehicles	0	1.09	13.22	0	6.5
Land development	0.03	0.13	0.68	1.2	0
Library books	0	0	0	0.05	0
Furniture	0.35	0.36	0.69	0.48	0.72
Other facilities	0.14	0.03	0.02	0.08	0.05
Total	13.02	4.29	27.21	4.49	10.6
Total	127.97	127.21	146.42	131.95	182.05