



කුඩා හේ වතු සංවර්ධන අධිකාරිය
சிறு தேயிலைத் தோட்ட அபிவிருத்தி அதிகார சபை
Tea Small Holdings Development Authority

වාර්ෂික වාර්තාව
வருடாந்த அறிக்கை
ANNUAL REPORT
2019

අංක 70, පාර්ලිමේන්තු පාර, පෙලවත්ත, බත්තරමුල්ල
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VISION

*Creation of an
Economically and
Socially Sustainable
Community of Tea
Small Holders.*

MISSION

*Development of
productivity
and quality
of the Tea
Small Holdings
sector through
the provision of
excellent sup-
portive services*

Message of the Chairman

According to the data in the Annual Report of the corresponding year, it is evident that, the administrative year of 2019 confronted by the Tea Small Holdings Development Authority, was a gloomy year of depression, regarding promotion and enlightenment of the productivity of the Tea Small Holdings sector that was depressed in various ways since a few years of congestion. This year can also be defined as a year of many unpleasant experiences faced regarding the productivity of physical & human resources owned by the Authority, and duties & responsibilities that should be directly and promptly performed for Tea Small Holders and Tea land by the Authority.

Similarly, as several improper consequences of performing without a formal effective policy framework on finance, administration, development, extension, physical resources and on the Planning and Regulatory process in the internal control of the institution could be identified at the first quarter of 2020, that makes it clear that prioritizing on bringing out the severely depressed working environment, attitudes, usage of educational & training activities, financial & institutional discipline of the workers' party to a positive level is needed in the year 2020.

This year can also be mentioned as a year that showed the highest indications of depression of reporting the extent of Tea Small Holdings up to 639 hectares, the extent of lands of new planting up to 296 hectares, percentage of tea replanting up to 0.64 %, number of group programs up to 4575 and cost of operation (per Development Rupee) up to 65 cents in the years of congestion.

In conjunction with the State Ministry and associated government institutions subjectively in charge of Ministry of Plantations and Tea Small Holdings Development Authority as at 'Saubhagya Dakma' policy statement of his Excellency the President powered by the Government, to recreate the position of tea in Sri Lanka in a high rank within 05 years, a strong commitment should be made for a good transformation by excluding these destructive indications existed until then. In line with the national targets of the Government related to the Tea industry; by publishing 'Yali Pibidena The – The Punarjeewana Ardhadashakaya 2021 – 2025' and empowering family units of Tea Small holders & the rural economy through developing the productivity of the tea land, the Tea Small Holdings sector has entered into a reorganized process as a convincing Tea Small holdings Sector in the National economy.

For that, all the supportive partners would promptly range with a collective attitude within a vision, a mission and a target. To achieve that, all the staff, associated federations of Tea Small Holdings Development Societies and the community of Tea small holders would join hands for a productive, creative and idealistic program.

Mahinda Widanapathirana
Chairman

Performance Indicators of Tea Small Holdings Sector -2019

		2017	2018	2019
1.	Extent of Tea Small Holdings (Hectares)	122,169	122,604	122,900
2.	Number of Tea Small Holders	395,414	399,313	400,987
3.	Made Tea production of the Tea Small Holding sector (Million Kilograms)	232.417	228.049	225.728
4.	Percentage of Contribution of the Tea Small Holding sector to the National production	75.5	75.0	75.2
5.	Average Productivity (Made Tea/Kilograms/per Hectare)	1,995	1,958	1,938
6.	Extent of lands of Tea replanting/ Hectare (Under incentives)	748	1027	639
7.	Extent of lands of new Tea planting/ Hectare (Under incentives)	202	435	296
8.	Percentage of Tea replanting (%)	0.75	1.03	0.63
9.	Crop Rehabilitation – Number of plants (Millions)	0.564	0.798	1.921
10.	Tea Small Holdings Development Societies			
	No. of Societies	1,435	1,460	1,475
	No. of Members	329,778	347,425	329,963
11.	Extension and Advisory Services			
	No. of Individual Extension Services	33,373	37,750	12,955
	No. of Group Programs	6,680	6,679	4,575
	No. of Participated Farmers	188,085	175,722	119,506
12.	Institute's Cost of Operation (per Development Rupee)	0.52	0.66	0.65
13.	Tea Inspection/Extension Officer – Tea Farmer Ratio	1:2751	1:2958	1:2784
14.	Average Gross Price of Green leaves per Kilogram in Rupees	90.69	85.48	80.15

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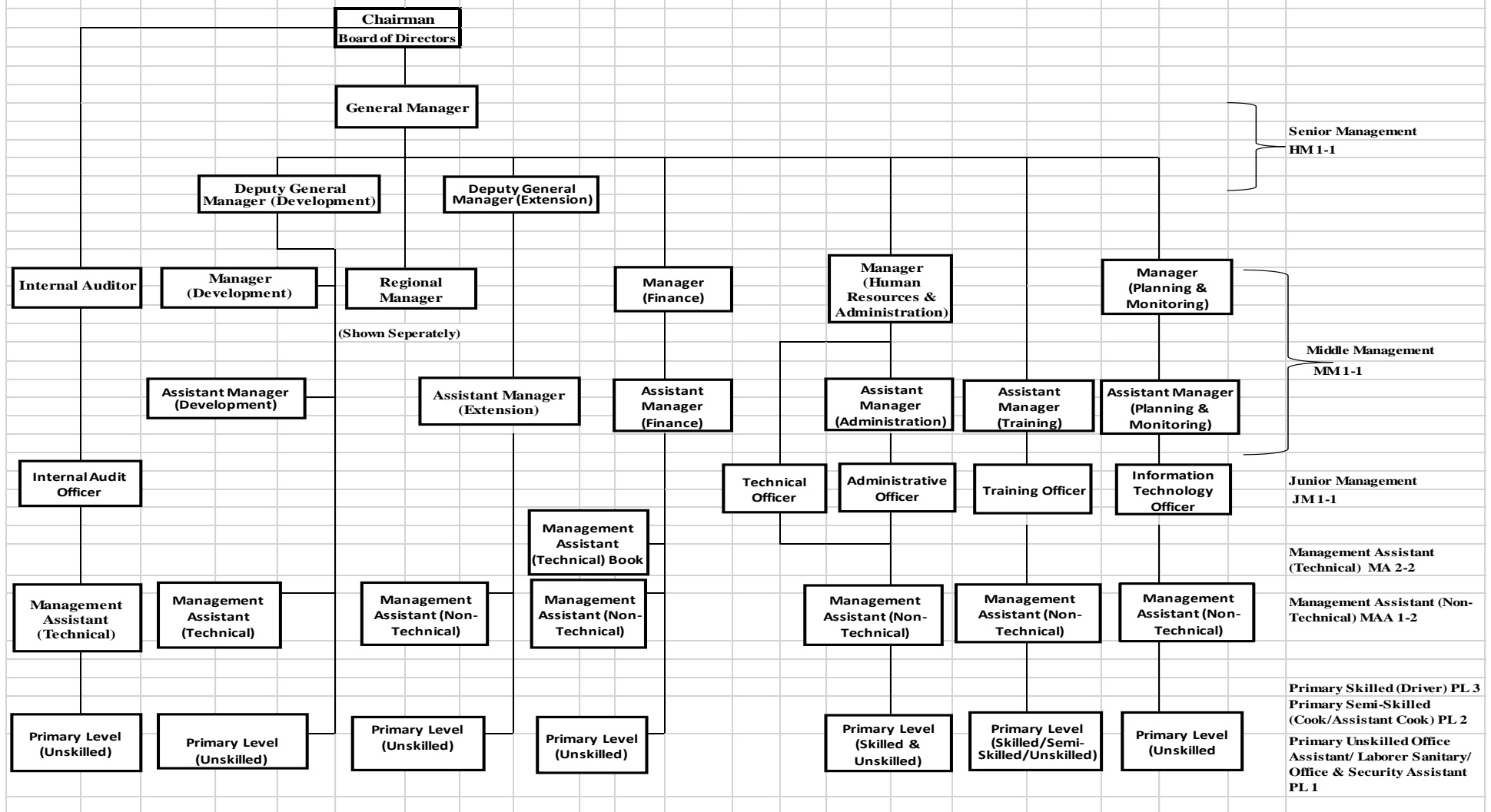
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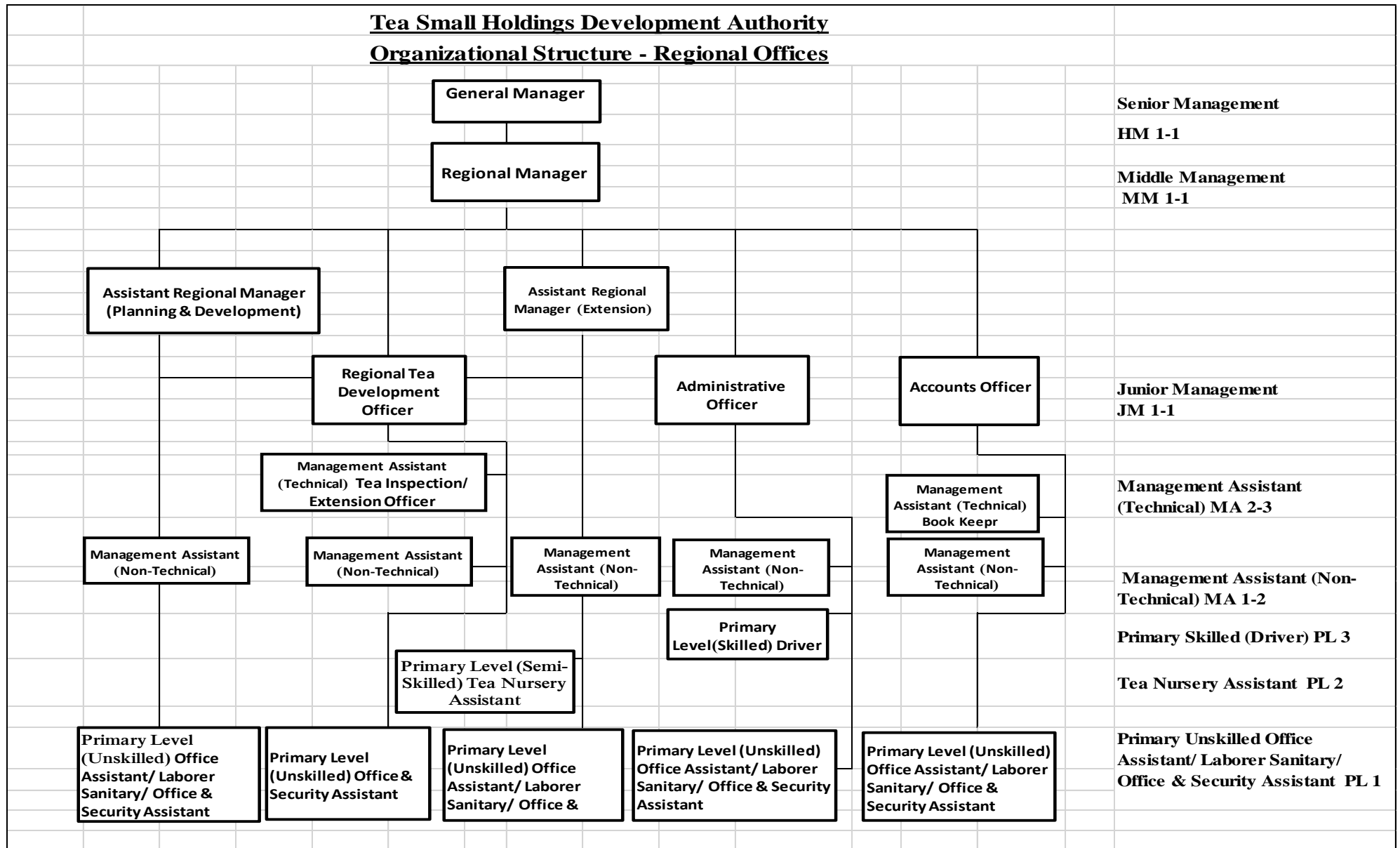
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**Tea Small Holdings Development Authority
Organizational Structure - Head Office and Hanthana Training Center**



**Tea Small Holdings Development Authority
Organizational Structure - Regional Offices**



Board of Directors

1	Chairman		Mr. Deshabandu Wijerathne Dewagedra	
Members of the Director Board				
	Name	Designation	Representation	Telephone No.
2	Mr. W.L.P Wijewardhana	Chairman	Sri Lanka Tea Board	011-2587814 0112590968
3	Prof. Mohan Abeyrathne	Chairman	Tea Research Institute	052-2258201
4	Mr. M.J.S Ravisinghe	Director (Development)	Ministry of Plantation Industries	011-2186160
5	Mr. T.V Weerasena (Up to August 2019)	Additional Director General	Ministry of Finance and Mass Media	
6	Mr. Kumudu Meegahage (With effect from 2019.09.19)	Director	Ministry of Finance	011-2484648 071-8246920
7	Mr. E.A.J.K Edirisinghe	Tea Commissioner	Sri Lanka Tea Board	071-4491618 011-2580182
8	Prof. I.S.B Abeysinghe (Up to June 2019)	Director	Tea Research Institute	
9	Prof. L.S.K Hettiarachchi (With effect from 2019.07.01)	Director	Tea Research Institute	052-2258201 071-2746483
10	Mr. Amara Dissanayake	Representative of Tea Factory Owners' Association	Tea Factory Owners' Association	071-4175592
11	Mr. K.L Gunarathne	Hon. Chairman	All Island Federation of Societies	077-7707623
12	Mr. Roshan Rajadurei	Managing Director	Kelaniwali Plantation Ltd.	077-7743457 011-2627700

13	Mr. W.M.N Wijesinghe	Observer/Member		
14	Mr. W.T.K Samarathunga	Observer/Member	Up to February 2019	
15	Mr. W.R.P Wimalarathne (With effect from 2019.03.21)	Representative of Trade Unions	Representative of Trade Unions	077-7006417
16	Mr. JagathSenarathPathirana	Hon. Secretary	All Island Federation of Societies	070-3750550
17	Mr. NuwanWijesinghe	Observer/Member		077-7154816
18	Mr. WeerathungaHerath	Representative of Trade Unions	Representative of Trade Unions	071-1926978
19	Mr. A.A Dharmabandu	Observer/Member		077-7274574
20	Mr. R.S Jayarathne	Observer/Member		071-9281182

10 Director Board meetings were held in the year 2019.

Audit & Management Committee

	Name	Designation	Representation	Telephone No.
1	Mr. M.J.S Ravisingha	Director (Development)	Ministry of Plantation Industries	011-2186160
2	Mr. T.V Weerasena (Up to August 2019)	Additional Director General	Ministry of Finance and Mass Media	
3	Mr. Kumudu Meegahage (With effect from 2019.09.19)	Director	Ministry of Finance	011-2484648 071-8246920
4	Mr. K.L Gunarathne	Hon. Chairman	All Island Federation of Societies	077-7707623
5	Mr. Nuwan Wijesinghe	Representative of Federation of Societies		077-7154816
6	Mrs. S.D Katuwawalage	Superintendent of Audits	Department of Auditor General (Sri Lanka Tea Board)	011-2583687

05 Audit and Management Committee meetings were held in the year 2019.

Executive Staff and Administrative District Offices

Head Office

No: 70, Parliament Road, Pelawatte, Battaramulla.

Telephone : 011-7909020/21

Executive Staff – Head Office

Chairman : Mr. Deshabandhu Wijerathne Devagedara
(Up to 2019.11.20)

General Manager : Mr. D.G. Mahipala

Extension Division

Deputy General Manager (Extension) : Mr. C.J.I.T. Fernando
(Up to 2019.04.11)

Deputy General Manager (Extension) (Acting) : Mr. W.T.R.P. Wimalarathne
(With effect from 2019.04.11)

Assistant Manager (Extension) : Mr. Prabuddha Pethum Wijesuriya

Development Division

Deputy General Manager (Development) : Mr. J.M.G. Jayasinghe
(Up to 2019.04.08)

Deputy General Manager (Development) : Mr. C.J.I.T. Fernando
(With effect from 2019.04.11)

Manager (Development) : Mr. R.A. Waidyaratne

Assistant Manager (Development) : Mr. A.A.D.P. Abeythilaka

Assistant Regional Manager (Planning & Development): Mrs. E.K.P.A. Priyadarshani
(Up to 2019.07.08)

Planning & Monitoring Division

Manager (Planning & Monitoring)
(Covering Duties) : Mr. R.A. Waidyaratne
(Up to 2019.04.24)

Manager (Planning & Monitoring) : Mrs. M.A. Piyaseeli
(With effect from 2019.04.25)

Assistant Manager
(Planning & Monitoring) (Covering Duties) : Mrs. E.K.P.A. Priyadarshani
(With effect from 2019.07.07)

Assistant Manager (Planning & Monitoring) : Mrs. W.D.C. Krishanthi
(With effect from 2019.08.01)

Systems Officer (Acting) : Mr. M.V.J.N. Madurawela

Finance Division

Manager (Finance) : Mr. P.R. Indika Perera

Assistant Manager (Finance) : Mrs. R.A.C.D.D. Jayathunga

Assistant Manager (Finance) : Mrs. R.R.W.D. Rathnayake
(With effect from 2019.05.22)

Human Resources and Administration Division

Manager (Human Resources & Administration) : Mr. Harshan De Silva

Assistant General Manager (Services) : Mr. Amitha Pasqual

Assistant Manager (Human Resources & Administration):	Mrs. J. M.H.K Jayasundara (Up to 2019.05.31)
Assistant Manager (Human Resources & Administration): (Acting)	Miss. P.G.I Surangika (With effect from 2019.05.22)
Administrative Officer	: Mr. Sarathchandra Muramudalige (With effect from 2019.03.01)
Administrative Officer	: Ms. Deepani Amunugama (From 2019.01.01 up to 2019.08.23)
Technical Officer (Contract)	: Mr. Ashan Madhushanka (Up to 2019.01.31)
Technical Officer (Contract)	: Mr. N.M.P.P.S Nishshanka (With effect from 2019.04.25)
Internal Audit Division	
Internal Auditor	: Mr. W.W.J.L. Fernando (With effect from 2019.04.25)
Internal Auditor (Performing Duties)	: Miss. P.G.I Surangika (Up to 2019.04.24)
Internal Audit Officer (Covering Duties)	: Miss. P.G.I Surangika (From 2019.04.24 up to 2019.06.02)

Regional Office – Galle – Administrative District: Galle

No 291, Kaluwella, Galle

Telephone: 091 – 7201126 / 28

Fax: 091 – 2244382 / E-mail: tshdaga@gmail.com

Regional Manager	: Mr. E.R.S. Gunawardane (With effect from 2019.04.25)
Assistant Regional Manager (Extensions)	: Mr. I.U.H. Mohotti
Assistant Regional Manager (Planning and Development): (Performing Duties)	Mr. D.L.C. Sooriyaarachchi (Up to 2019.07.07)
Assistant Regional Manager (Planning and Development):	Mrs. E.K.P.A Priyadharshani (With effect from 2019.07.08)
Regional Tea Development Extension Officer	: Mr. D.L.C. Sooriyaarachchi Mr. M.T. Amararuwan Mr. Mahinda Batagoda (From 2019.05.02 up to 2019.10.09)
Regional Tea Development Extension Officer (Acting):	Mr. K.S.S. Dahanayake Mr. I.D.D. Kumara
Administrative Officer	: Mrs. M.G.D.A. Pushpakumari (With effect from 2019.01.01)
Accounts Officer (Performing Duties)	: Mr. D.D Priyanjith (From 2018.06.01 up to 2019.05.23)
Accounts Officer	: Mrs. K.W.W. Perera (With effect from 2019.05.24)

Regional Office – Matara – Administrative Districts: Matara, Hambantota

No. 31, Kalidasa Road, Matara

Telephone No - 041-7200799 - 041-7200394/96

Fax 041- 2226487 / Email - tshdamt@gmail.com

Regional Manager	:	Mr. G.G. Bandula
Assistant Regional Manager (Planning and Development)	:	Mr. Saliya Narangaspitiya
Assistant Regional Manager (Extensions)(Acting)	:	Mr. Saliya Narangaspitiya (Up to 2019.10.14)
Assistant Regional Manager (Extensions)	:	Mr. K.H.L Sanjeewa (With effect from 2019.10.15)
Regional Tea Development Extension Officer	:	Mr. J.L. Edirisooriya Mr. H.M.K.G.B Herath (From 2019.05.02 up to 2019.10.09) Mr. Mahinda Batagoda (With effect from 2019.10.10) Mr. N.M Wijesinghe
Administrative Officer	:	Mrs. N.V.P. Pushpakumari
Accounts Officer	:	Mrs. H.M.L. Pushpakumari

Regional Office - Rathnapura - Administrative District: Rathnapura

No 1/28, New Town, Rathnapura

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Fax - 045- 2228647 / E-mail - tshdarat@gmail.com

Regional Manager	:	Mr. K.A.B. Padmaraja
Assistant Regional Manager (Planning and Development):	:	Mr. H.K. Lalith Kumara
Assistant Regional Manager (Extensions)	:	Mr. G. N. Yagamuni
Regional Tea Development Extension Officer	:	Mr. G.D.K Balachandra Mr. M.A.I. Abeysena
Regional Tea Development Extension Officer (Acting):	:	Mr. P.S.K Perera
Administrative Officer	:	Mrs. I.D.C.K Ranathunga (From 2018.05.09 up to 2019.10.09)
Administrative Officer	:	Mrs. Dhammika Weththasinghe (With effect from 2019.10.15)
Accounts Officer	:	Mrs. M.A Piyaseeli (Up to 2019.04.24)
Accounts Officer (Acting)	:	Mr. E.G.T.N Serasinghe (Up to 2019.09.09)
Accounts Officer	:	Mr. E.G.T.N Serasinghe (With effect from 2019.09.10)

Regional Office - Kandy - Administrative Districts: Kandy, Matale, Kurunegala

No 2/7/1 Gannoruwa Road Peradeniya, Kandy

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Regional Manager	:	Mr. R.A.G. P. Ranasinghe
Assistant Regional Manager (Extensions)	:	Mr. M.R.N. Dhammika
Assistant Regional Manager (Planning and Development): (Performing Duties)	:	Mr. D.M.R.K.B. Dasanayake
Zonal Tea Development Extension Officer	:	Mr. D.M.R.K.B. Dasanayake Mr. W.J.W. Arambepola Mr. P.G.P.C. Wijesinghe Mr. T. Amarasekara
Administrative Officer	:	Mr. Chamila Bandara Diddeniya
Accounts Officer	:	Mrs. M.U.L. Shyamalie Premasundara

Regional Office – Nuwara Eliya - Administrative District: Nuwara Eliya

New Town, Kotmale

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Regional Manager	:	Mr. W.T.R.P. Wimalaratne
Assistant Regional Manager (Planning & Development)	:	Mr. P.A.N. Pushpakumara
Assistant Regional Manager (Extension) (Performing Duties)	:	Mr. D.V.K. Nandasiri (Up to 2019.03.31)
Assistant Regional Manager (Extension)	:	Mr. R.A.S Ranathunga (With effect from 2019.10.15)
Zonal Tea Development Extension Officer (Covering Duties)	:	Mr. R.A.S.S. Ranathunga
Zonal Tea Development Extension Officer	:	Mr. A.T.A. Gunawardhane Mr. S.I.U. Senadeera
Administrative Officer	:	Miss. M.U.S. Wickramasinghe (Up to 2019.07.02)
Accounts Officer	:	Mrs. M.L. Nawalage

Regional Office – Uva - Administrative Districts: Badulla, Moneragala

New Badulla Road, Bandarawela

Telephone No - 057-72000241/ 057-7200081

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Regional Manager	:	Mr. H.R. Aruna Shantha (Up to 2019.04.05)
Regional Manager (Acting)	:	Mr. G.G.N. Pushpakumara (With effect from 2019.04.08)
Assistant Regional Manager (Planning & Development)	:	Mr. K.M.R.L Bandara
Assistant Regional Manager (Extension) (Acting)	:	Mr.H.M. Premakumara (Up to 2019.10.14)

Assistant Regional Manager (Extension)	:	Mr. Tharanga De Zoysa (With effect from 2019.10.15)
Regional Tea Development Extension Officer	:	Mr.H.M. Premakumara Mr. H.M Kumarasinghe Mr. R.M.A.D. Rathnayake
Administrative Officer	:	Mr. A.K Weerasekara Mr. H.P.L.S Pushpakumara (From 2019.01.01 up to 2019.06.30)
Administrative Officer	:	Mrs. R.D.C.K. Ranathunga (With effect from 2019.07.01)
Accounts Officer (Covering Duties)	:	Mrs. M.A. Piyaseeli (Up to 2019.04.24)
Accounts Officer	:	Mrs. W.D.M.M. Amarasinghe

Regional Office – Kegalle – Administrative District – Kegalle, Gampaha

Agriculture Building, Kachcheri Road, Kegalle

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Regional Manager (Acting)	:	Mr. W.H.P.S. Wijethunga
Assistant Regional Manager (Planning & Development):	:	Mr. W.H.P.S. Wijethunga
Assistant Regional Manager (Extension)	:	Mr. D.M.G.S. Ekanayake
Zonal Tea Development Extension Officer	:	Mr. R.M.P.R. Bandara Mrs. H.M.G.P. Nilmini Kumari
Administrative Officer	:	Mr. H.M.R.J.B Herath
Accounts Officer	:	Mr. R.R.M.J.B Rathnayake

Regional Office – Kaluthara – Administrative District – Kaluthara, Colombo

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Regional Manager (Acting)	:	Mr. D.M.J. Nakandala (Up to 2019.04.25)
Regional Manager	:	Mr. D.M.J. Nakandala (From 2019.04.25 up to 2019.06.12)
Regional Manager (Acting)	:	Mr. R.A. Vaidyaratne (With effect from 2019.06.13)
Assistant Regional Manager (Extension)	:	Mr. S.C. Mudannayake
Regional Tea Development Extension Officer	:	Mr. T.M.S.L. Priyadarshaka
Zonal Tea Development Extension Officer (Acting):	:	Mrs. H.P. Pushpakumari
Administrative Officer	:	Mr. Sarathchandra Muramudalige (From 2018.03.26 up to 2019.02.28)
Administrative Officer	:	Mr. H.P.L.S. Pushpakumara (With effect from 2019.07.01)
Accounts Officer (Acting)	:	Mrs. K.W.W PPerera
Accounts Officer (Performing Duties)	:	Mr. D.D. Priyanjith (From 2019.05.24 up to 2019.12.29)

Rathnasiri Wickramanayaka National Training Institute

5th Milepost, Middle Division

Udawela, Hantana

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Manager (Training) (Acting)	:	Mr. W.T.R.P. Wimalarathna (Up to 2019.04.01)
Assistant Manager (Training) (Acting)	:	Mr. B.G.W.M.K.A. Bandara (Up to 2019.03.01)
Assistant Manager (Training)	:	Mr. H.K.G.I.S.B. Hapuhinna (With effect from 2019.04.25)
Training Officer (Contract)	:	Mr. H.D.S. Rupasinghe From 2018.10.22 up to 2019.12.04)

Executive Summary

Extent of Tea Small Holdings

As per the provisions stipulated in the Act from the year 2012, development and associated services are provided by the institution only for tea small holdings that are less than 10 acres in extent

In accordance with the program of registering tea small holdings launched by the Authority in conjunction with the Sri Lanka Tea Board at the end of the year 2016, it is scheduled to update the registered physical data on tea small lands after being declared.

From 2,887 tea small holders who were newly identified in the year of 2019, 1674 are involved in tea cultivation. Including the newly cultivated 296 hectares in 2019, the overall extent of tea small holdings at the end of 2019 was 122,900 hectares.

Production of the Tea Small Holdings Sector and Contribution to the National Production

The national tea production in the year of 2019 was 300.134 million kilograms and the production of the tea small holdings was 225.728 million kilograms. The Tea Small Holdings sector had produced 75.2% from the overall tea production. The maximum production of the Tea Small Holdings sector reported so far was 247.4 million kilograms in the year of 2014 and the maximum of the national production reported so far was 340.22 million kilograms in the year of 2013. Compared to the year 2019, the national tea production was reduced by 1.01% and the production of the Tea Small Holdings sector was reduced by 0.98%.

Compared to the maximum of the national production reported in 2014, the production in the year of 2019 was reduced by 9.6%. By the year of 2019, the contribution of the Tea Small Holdings Sector for the national production has been 75.2%.

Productivity of the Tea Small Holdings Sector

Compared to the previous year, the average productivity of the Tea Small Holdings Sector in the year 2019 had reduced by 1%. Accordingly, the average productivity of the year 2019 was 1,938 kilograms of made tea per hectare and the productivity in the lowlands was 2,051 kilograms of made tea per hectare. It was 1,462 kilograms of made tea per hectare in the midlands and 1,954 kilograms of made tea per hectare in the highlands. The productivity in Uva had been 1,300 kilograms of made tea per hectare.

Extent of Lands of Tea Replanting and Percentage of Replanting

In accordance with the national policy for constant maintenance of the extent of lands of tea cultivation obtaining a maximum harvest, it is required to replant tea in an extent of 2% of tea lands per year. Accordingly, the extent of lands that should be annually replanted by the Tea Small Holdings Sector is 2,300 hectares.

With effect from the year 2012, as land development services and extension services were limited to lands with less than 10 hectares by the institution, it is required to annually uproot an extent of 2,000 hectares of land for tea replanting. According to annual provisions, it was targeted to uproot 376 hectares in the year 2019. Under the Small-holder Tea and Rubber Revitalization (STaRR) project,

1,730 hectares were targeted. Permits pertaining to 4,752 hectares were issued and land preparations were made on 1,448 hectares under the same. Until the year 2019, 1,154 hectares were fertilized under soil rehabilitation I, 588 hectares were fertilized under soil rehabilitation II and cultivation was made on 148 hectares.

According to the data of the past decade, generally uprooting for tea replanting an extent of 991 hectares of land and replanting tea in about 839 hectares of land had been annually performed with subsidies. As per the trend in last 03 years, about an extent of 855 hectares of land was annually replanted.

Even though, the targeted extent of lands to be replanted from tea in the year 2019 was 621 hectares, 639 hectares were completely replanted. Compared to that target, the tea replanting of the year 2019 shows an increase in the percentage of progress by 102%.

New Tea Planting

In preparation of soil for new tea plantation, 299 hectares were targeted in the year 2019 and the progress achieved by 299 hectares. Tea new plantation was completed in the year 2019 in the extent of 296 hectares of land.

Crop Rehabilitation

Along with pruning, using soil conservation methods and shade control, planting desolates in tea lands is carried out through this as recommended. Accordingly, it was targeted to supply desolates for 2,460,000 plants in the year 2019 and from that, 1,921,568 desolate plants were planted.

Extension and Awareness Services

6,358 group extension programs were targeted to be conducted in supplying extension & awareness services on improving the productivity of tea small holdings (Table No. 13 – i), improving the quality of tea leaves (Table No. 14) and managing the tea-based farms (Table No. 16), and from that, only 4,575, about 72% were implemented.

Participation of 166,264 farmers for these programs was targeted and the number of farmers participated was 119,506. The percentage of the progress was 72%. 51,840 individual extension programs were targeted in the year 2019 and the percentage of the progress was 25%.

432 cultivation demonstrations, 3 cultivation demonstrations per every service division were identified to be developed as field farmers training schools, and training programs were already started.

Institutional Tea Nurseries and Mother Bush Cultivations

1,265,127 plants were produced in the year through maintaining 10 nurseries of tea plants in a way that it covers Hanthana Training Center & 07 Regional Offices to supply the farmers with a quality tea plant.

Targeted at improving the Tea production and the productivity, mother bush cultivations were established in areas belonging to Regional Offices in Galle, Kandy, Kalutara, Matara, NuwaraEliya, Kegalle, Rathnapura and Uva to supply quality planting materials for farmers.

Tea Small Holdings Development Societies

Tea Small Holdings Development Societies consist of 08 Regional Organizations and All Island Federation of societies had been established in the year 1989 and made them to be legal organizations. At the end of the year 2019, the number of registered Tea Small Holdings Development Societies was 1,475 with 329,963 members. Compared to the previous year, the number of societies had been increased by 1%.

Operational Cost of the Institution

The development of the institution in the year 2019 was 628.8 million Rupees. The recurring cost was 410 million Rupees. When it compared to the previous year, the development cost had been reduced by 3.26 million Rupees and the recurring cost had been increased by 8.78 million Rupees. Accordingly, the ratio between the Operational Cost and Development Cost was 0.65.

Ratio of Tea Farmers and Tea Inspection/Extension Officer

Even though, the ratio of the number of extension officers and farmers needed for productive extension services is about 1: 1000, the ratio of the field officers and tea farmers in the Tea Small Holdings sector is 1:2784. Accordingly, though the number of officers should be increased in order to decrease the number of farmers covered, it was difficult to increase the number of officers concerning the limitations in the provisions and cost of the institution. Therefore, the institution worked on granting assistance from Tea Small Holdings Development societies on providing services.

Price of Green Leaves

In accordance with the national elevation average values in the year 2019, the price paid for one kilogram of Upcountry Green tea leaves was 75.80 Rupees as per the tea market prices of Sri Lanka. It was 69.19 Rupees for one kilogram of Mid country Green tea leaves, and it was 84.47 Rupees for the areas in Low country. The national elevation average value for all the regions was 80.15 Rupees. in the year 2019, the production margin for Low country was 28.19 Rupees and the average production margin for all regions was 23.87 Rupees.

Chapter 01: Introduction

1.1 Institution and it's Role

1.2 Audit and Management Committee Activities

1.3 Administrative Activities

Introduction

1.1 Institution and It's Role

The Tea Small Holdings Development Authority was established on 01st February 1977 under the Tea Small Holdings Development Act, No.35 of 1975 of the National State Council.

Thereafter, the Act No. 36 of 1991, the Act No. 21 of 1997, the Act No. 34 of 2003 and the Act No. 42 of 2006 were passed by adding amendments to the main convention.

Objectives

Developing Tea Small Holdings, Increasing the production, improving the productivity, Marketing tea leaves and Working on the wellbeing of the tea small holders, are the core objectives of the institution.

The Role of the Authority

1. Supporting or undertaking the development of the tea small holdings and other tea lands those which are deprived of own means of production.
2. Acquiring or developing the tea factories and other facilities required in the conversion of the yield of those tea lands into production.
3. Enhancing or undertaking the marketing of the products manufactured in these tea lands or in those factories.
4. Taking all the necessary measures with statutory rights & remuneration included on the wellbeing of those who are engaging in the process of converting the yield of those lands into production or in packaging those products; or on supplying or providing facilities & services those which might be required to develop those lands & factories; or else on facilitating the provision of those facilities & services.

5. Formulating procedures on the registration or the administration of tea small holdings development societies, and on the provision of donations to the members of those societies registered with the Authority and on matters related to that.
6. Promoting investments on tea small holdings.
7. Undertaking the process of data collection & data distribution and being known of the development competence of tea small holdings.
8. Providing instructions to the Ministry on appropriate policies and aligning with the other related agencies.

In order to eliminate roles mentioned above in No. 2, 3, 4 from the Tea Small Holdings Development Authority Act and to replace them with other roles, actions on taking necessary measures were in progress

Apart from these, with effect from 01 January 1978, the Authority had continued performing on the roles assigned by Sri Lanka Tea Board from time to time and other relevant roles mentioned below.

1. Implementing the following subsidy schemes on developing the lands, those which are under the management of the private sector.
 - i. Tea Replanting
 - ii. New Tea Planting
 - iii. Infilling
2. Implementing support services such as distributing tea fertilizer, plantation materials, and equipment and providing transportation facilities.
3. Implementing extension and consulting services.

1.2 Audit and Management Committee Activities

The Audit Plan for the year 2019 was approved by the Board of Directors on 2019.02.20 and 05 Audit and Management Committee meetings were held during the year under review.

The following key decisions had been taken at those Audit and Management Committee meetings.

1. Decisions related to the progress of the Audit Reports on which no further actions were taken out of the audit reports issued by the Internal Audit Division.
2. Decisions related to the execution of decisions of the Board of Directors, those which had not yet been executed.

Inquiries on following subject areas were conducted by the Audit and Management Committee during the corresponding year.

1. Inquiring the Annual Internal Audit Plan.
2. Reviewing the matters disclosed by the internal audit reports and working on accelerating the execution of proposals.
3. Reviewing the Auditor General's report and taking measures on performing necessary adjustments required to prevent the recurrence of deficiencies as shown thereto.

4. Examining the progress of the submission of responses regarding audit inquiries.
5. Inquiring on whether the circulars and regulations are accordingly adhered and taking necessary measures on revising shortcomings.
6. Inquiring on the delay of submitting Board handouts to the Board of delay of appointing officers for formal disciplinary decisions & basic inquiries.

Actions were taken in a timely manner on reporting the details of the procedures taken by the Administrative Division on disciplinary procedures to the Audit and Management Committee and to the Board of Directors.

1.3 Administrative Activities

1.3.1 Organizational Structure and the Recruitment Procedure

As per the letter No. DMS/1714 V-III(oth) of the Department of Management Services dated at 2018.11.29, the designation of the officers in charge was revised as Regional Tea Development Adversary Officer.

Moreover, as per the judgement of the Case No. CR/Writ/13/2018, actions were taken to revise the Paragraph 5.4 of the recruitment procedure for the position of Tea Inspection/Extension Officer that falls under the service category of Management Assistants.

1.3.2 Appointments made during the year

Appointments were made for the following positions during the year after calling for applications in accordance with the approval of the Department of Management

Services and the Ministry of Plantation Industries targeted at filling the vacancies in the Authority.

Designation	Grade	New Recruitments	Promotions
Internal Auditor	MM 1-1	01	
Regional Manager	MM 1-1	-	02
Manager (Planning and Monitoring)	MM 1-1-II	-	01
Assistant Manager (Training)	MM 1-1-II	01	-
Assistant Regional Manager (Extension)	MM 1-1-II	02	01
Assistant Manager (Finance)	MM 1-1-II	01	-
Assistant Manager (Planning and Monitoring)	MM 1-1-II	01	-
Assistant Regional Manager (Planning and Development)	JM 1-1	-	09
Accounting Officer	JM 1-1	01	02
Administrative Officer	JM 1-1	-	01
Tea Inspection/Extension Officer	MA 2-3-III	09	-
Book keeper	MA 2-2-III	02	
Management Assistant	MA 1-2-III	10	
Nursery Assistant	PL 1-III	04	
Total		32	16

1.3.3 Results-based Management Strategies and Developmental Outcomes for Statutory Objectives

‘Uplifting the Standard of Living of Tea Small Holders’ has been identified as the anticipated long-term development outcome of the institution and the institutional strategy is the results-based management approach for the performance of Statutory objectives. Under that, the institution had performed on accomplishing the goals through annual actions plans that were prepared based on the mid-term objectives identified from the year 2010 to the year 2019.

For that, the productivity (Finished tea Kilograms) per hectare in the Tea Small Holdings Sector had been identified as the core performance indicator. Accordingly, the field activities had been operated for the average productivity of the highlands, midlands and lowlands to accomplish the targeted outcome after the annual goals were introduced to the field officers.

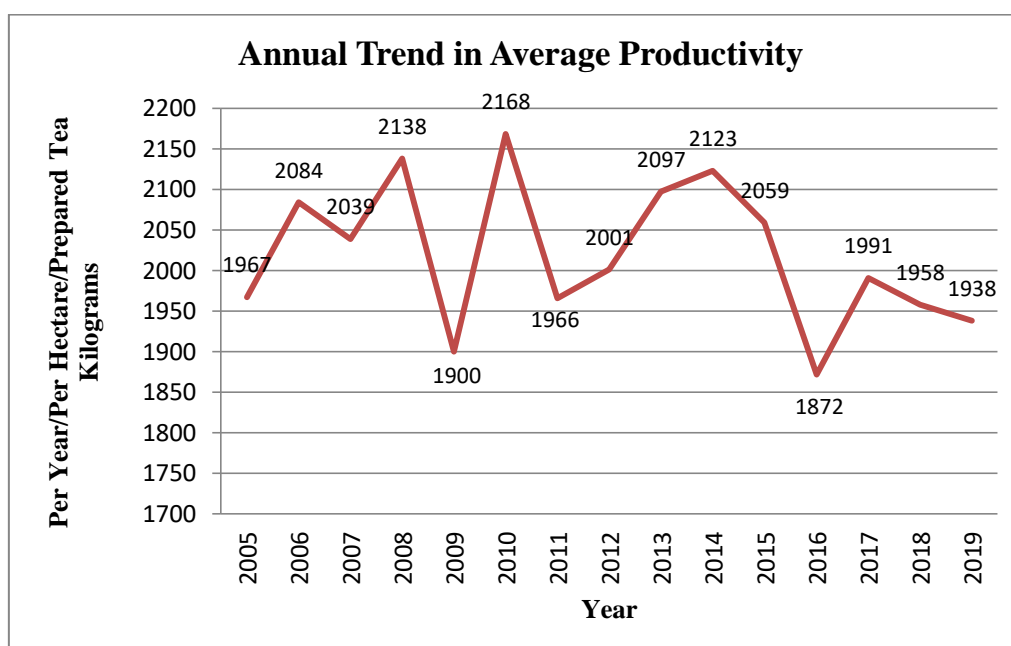
(The national goal identified for the year 2019 on the tea crop is 2,307 Kilograms of made tea per hectare). The coredevelopment goals and achievements used to measure the performance in the years 2018 & 2019 are mentioned below.’

Table No. 01

Productivity Goals and Performance anticipated by the institution - 2018/2019
(Finished Tea in Kilograms per hectare/ per year)

	2018			2019		
	Target	Achievement	Percentage	Target	Achievement	Percentage
Low Country	2,500	2,075	83%	2,500	2,051	82%
Mid Country	1,700	1,449	85%	1,700	1,462	86%
Uva	1,600	1,380	86%	1,600	1,300	81%
Average	2,307	1,958	84%	2,307	1,938	84%

Diagram No. 01



Development Outcomes

Lon-term Effect/Outcome –Uplifting the Standard of Living of Tea Small Holders

Mid-term Outcomes

1. Increasing production of prepared tea in Kilograms per hectare per year by up to
2,500 in low country
1,700 in mid country and
1,600 in Uva.
2. Improving the quality of Green leaves in 03 years by 65% at factory level.
3. Developing the community sources through 25% of ‘A’ Grade societies out of the 1,500 Tea Small Holdings Development societies.
4. Establishing a procedure in a way that all the employee activities are contributing towards the long-term development of the institution.
5. Diverting 10% from tea lands on additional income earning activities within 05 years.

Chapter 02: Tea Small Holdings Sector of Sri Lanka

2.1 Tea Small Holdings

2.2 Extent of Tea Small Holdings

2.3 Tea Small Holders

2.4 Number of Tea Small Holdings

2.5 Classification of Lands

2.6 Production of Tea Small Holdings Sector

2.7 Production Composition of Tea Small Holdings

2.8 Productivity of Tea Small Holdings Sector

2.9 Investments and Operations Review

Tea Small Holdings Sector in Sri Lanka

2.1 Tea Small Holdings

In accordance with the Tea Control Act, tea lands with less than 10 acres are considered to be Tea Small Holdings. However, with effect from 01 January 1978, the Tea Small Development Authority was offered with the powers to perform development activities by the Honorable Minister of Plantation Industries on the tea lands with the extent of 10-50 acres being held under the Sri Lanka Tea Board. Accordingly, the Authority had provided all the supportive services needed for the development of all the tea lands with less 50 acres being held under the private possession.

By the year 2012, the Sri Lanka Tea Board had been assigned with powers to provide land development services on the lands with the extent of 10-50 acres and the Sri Lanka Tea Research Institute had been assigned with powers to provide extension services. Accordingly, from the year 2012, the development services and the relevant supportive services required for the tea lands with less than 10 acres were provided by the institute as per the provisions specified in the Act.

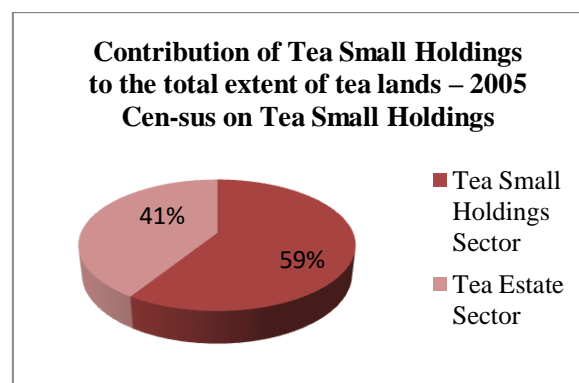
2.2 Extent of Tea Small Holdings

The total amount of the tea small holdings in Sri Lanka is about 221,968 hectares comprising with the extent of 132,329 hectares of tea small holdings (including lands with less than 20 perches) as per the census on tea small holdings held in the year 2005. Accordingly, from the total amount of tea lands in Sri Lanka, 59% of lands are under the Tea Small Holdings sector.

Compared to the details of the 1994/95 census on tea small holdings, the extent of tea small holdings of Sri Lanka was increased by about 40%, from the extent 82,919 hectares to 116,492 of tea small holdings (only the lands with more than 20 perches) within a period of ten years.

Based on the 2005 census on tea small holdings, comprising with the extent of 296 hectares of new plantations, the extent of tea small holdings stated at the end of year 2019 was 122,900 hectares.

Diagram No. 02



Source: 2005 Census on Tea Small Holdings – Department of Census and Statistics

2.3 Tea Small Holders

As per the census held in 2005, the number of tea small holders was 370,842. From the tea small holders (Including the cultivators with less than 20 perches), 82% of them are the tea small holders having sole possession on lands and 76% of the extent of tea small holdings are owned by them. Based on the divisions of Tea inspection/adversary officers, the total number of tea small holders at the end of 2019 was 400,987 even with addition of the number of tea farmers who have recently joined tea plantation from 2005 to 2019.

2.4 Number of Tea Small Holdings

The total number of tea small holdings had been increased by 70%, from 206,652 to 350,982 (lands with more than 20 perches) within a period from 1994 to 2005. The number plots of lands with more than 20 perches were 370,842. The total number of plots of lands comprising with the number of plots of lands with less than 20 perches was 417,607.

As per the census held in 2005, the total number of plots of lands was 397,223 and

the extent of lands was 132,329 hectares. These tea small holdings have been scattered in 3,692 Grama Niladhari Divisions under 123 Divisional Secretariat Divisions.

The tea lands in the Tea Small Holdings sector were developed especially due to the matters of increase in the price of Green leaves, increasing the incentives given on tea plantation, labor shortage, partitioning large plots of lands and diverting lands with no possible cultivations to tea plantations.

Table No. 02

Number of Tea Small Holdings, Number of Lands and Extent of Lands in accordance with the Districts in Sri Lanka

District	Number of Tea Small Holders	Number of Tea Small Holdings	Hectares
Colombo	478	491	246
Gampaha	9	9	2
Kalutara	35,908	38,263	7,823
Kandy	29,224	30,747	16,058
Matale	1,387	1,408	1,672
Nuwara Eliya	16,875	17,547	7,205
Galle	81,491	90,524	27,427
Matara	63,273	67,613	25,417
Hambantota	2,386	2,533	546
Kurunegala	145	151	180
Badulla	28,101	29,679	9,020
Monaragala	634	637	199
Rathnapura	92,038	97,984	30,441
Kegalle	18,893	19,637	6,093
Total	370,842	397,223	132,329

Source: Census on Tea Small Holdings in Sri Lanka – 2005

2.5 Classification of Lands

Actions on updating the data and information provided by the tea lands registration program held in conjunction with the Sri Lanka Tea Board in the year 2016, would be taken in the future. Up until now, the details gathered from the census held in 2005 were applied on activities related to institutional development.

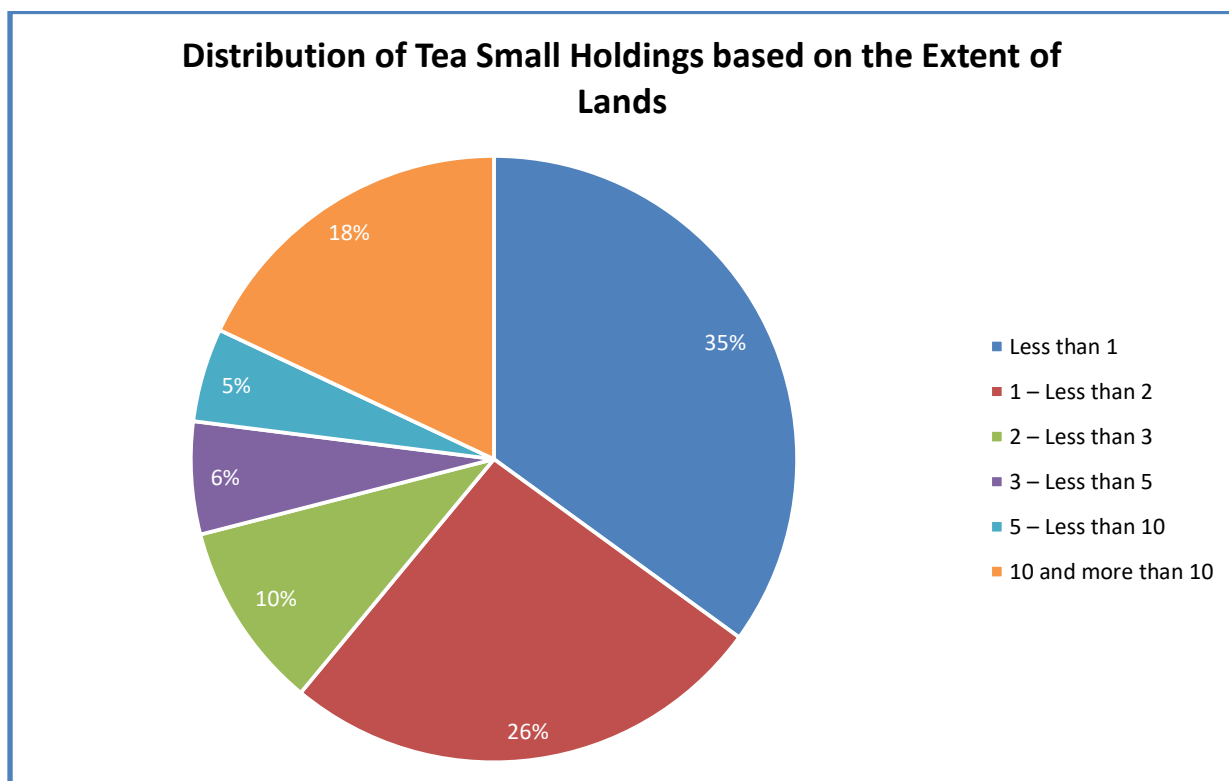
From the extent of tea small holdings, 113,190 acres (34.6%) of tea lands are lands with less than one acre and 198,707 acres (60.8%) of tea lands are lands with less than two acres. The extent of tea lands with more than 10 acres is 59,731 acres (18.3%) and as shown in the following table, the extent of tea lands with less than 10 acres is 267,253 acres (108,200 hectares).

Table No. 03

Categorization of Tea Small Holdings in Sri Lanka in accordance with the extent of lands and number of plots of lands – 2005

Acres	Extent of Lands in Acres	Percentage %	Number of Plots of Lands	Percentage %
Less than 1	113,190	34.6	297,342	75
1 – Less than 2	85,517	26.2	74,314	18.7
2 – Less than 3	31,882	9.8	15,101	3.8
3 – Less than 5	18,413	5.6	5,299	1.3
5 – Less than 10	18,251	5.5	2,936	0.7
10 and more than 10	59,731	18.3	2,231	0.5
Total	326,984		397,223	

Diagram No. 03



Source: Census reports of Sri Lanka on tea lands

2.6 Production of the Tea Small Holdings Sector

The National tea production in the year 2019 was 300.134 million kilograms. Compared to the previous year, there is a reduction of 3.81 million kilograms, and it is 1.25% of the national production. Similarly, the total production of the tea small holdings had also been reduced by

2.321 million kilograms and it is 1% of the production.

The Tea Small Holdings Sector had produced 50% of the national tea production in the year 1991, and in the year under review, they had contributed with a production of 75%.

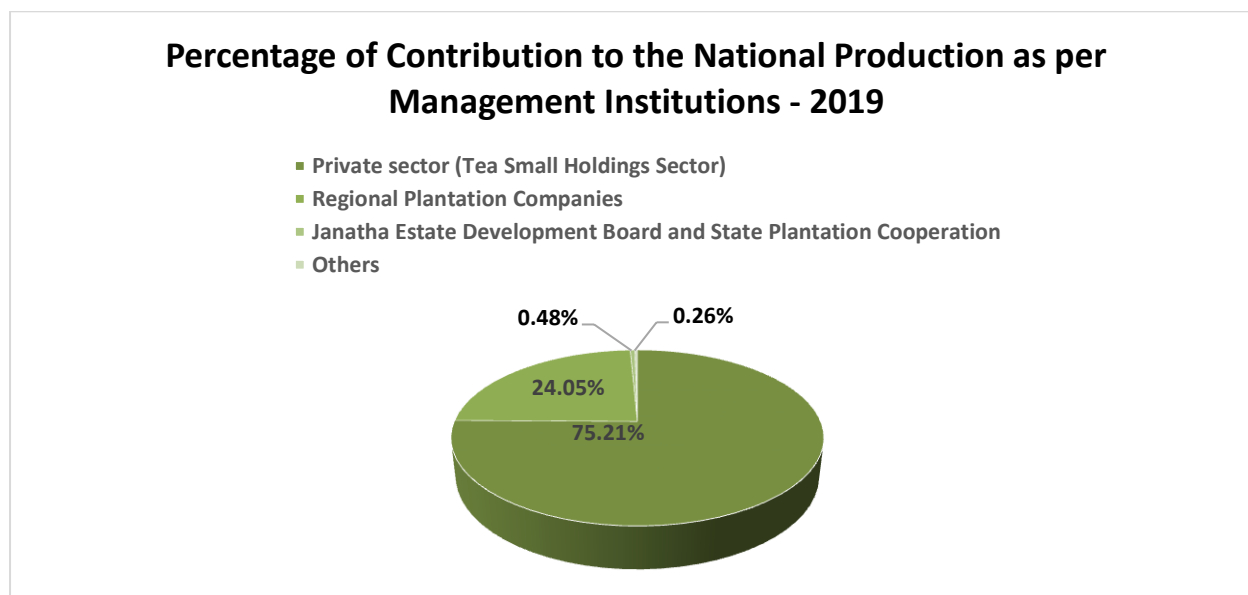
Table No. 04

National Tea Production in Sri Lanka – 2018/2019**Contribution in accordance with Management Institutions**

Management Institutions		Tea Production in Metric Tons			
		2018	%	2019	%
01	Private sector (Tea Small Holdings Sector)	228,049	75.0	225,728	75.21
02	Regional Plantation Companies	73,540	24.2	72,176	24.05
03	Janatha Estate Development Board State Plantation Cooperation	1,699	0.56	1,449	0.48
04	Others	656	0.22	780	0.26
	Total	303,944	100	300,133	100

(Others: Tea Shakthi, Tea Small Holders Factories Limited, Tea Research Institute of Sri Lanka, Cooperatives, Elkaduwa Plantations Corporation, Kalubowitiyana Tea Factories Corporation)

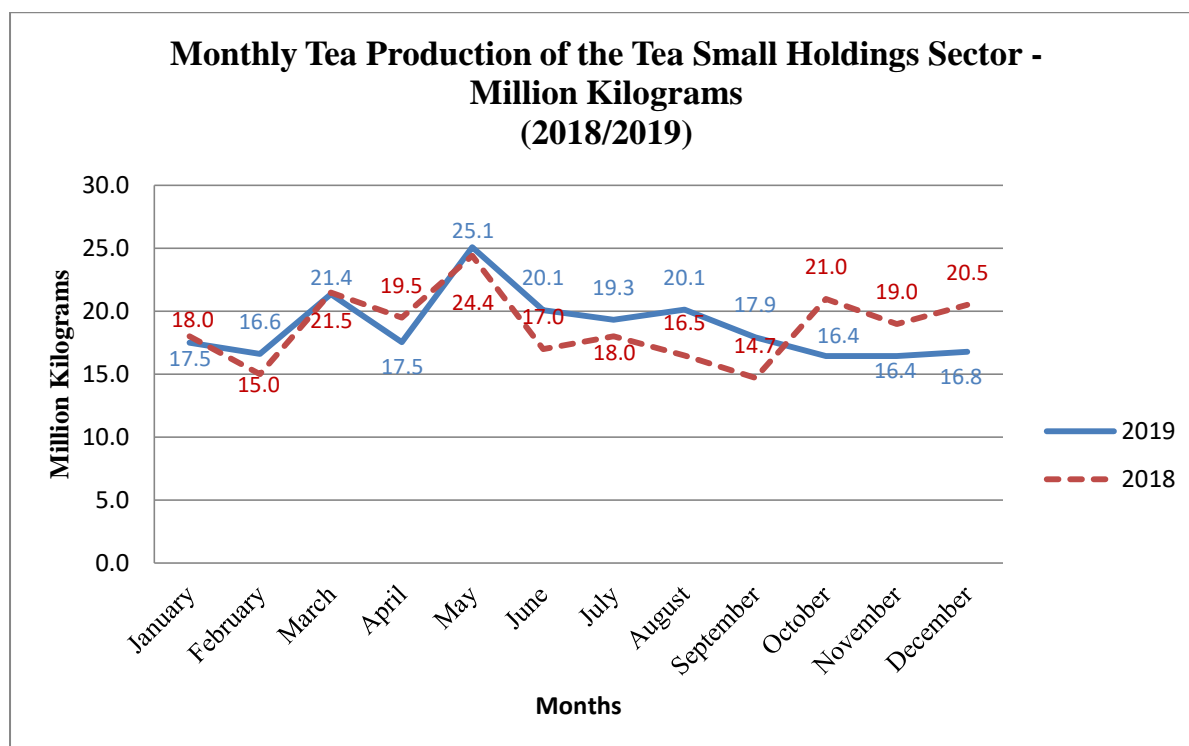
Diagram No. 04



Source: (Sri Lanka Tea Board)

(In the categorization of institutions, all the purchased leaves are included in the production of the Tea Small Holdings Sector. Private Sector is considered as the Tea Small Holdings Sector)

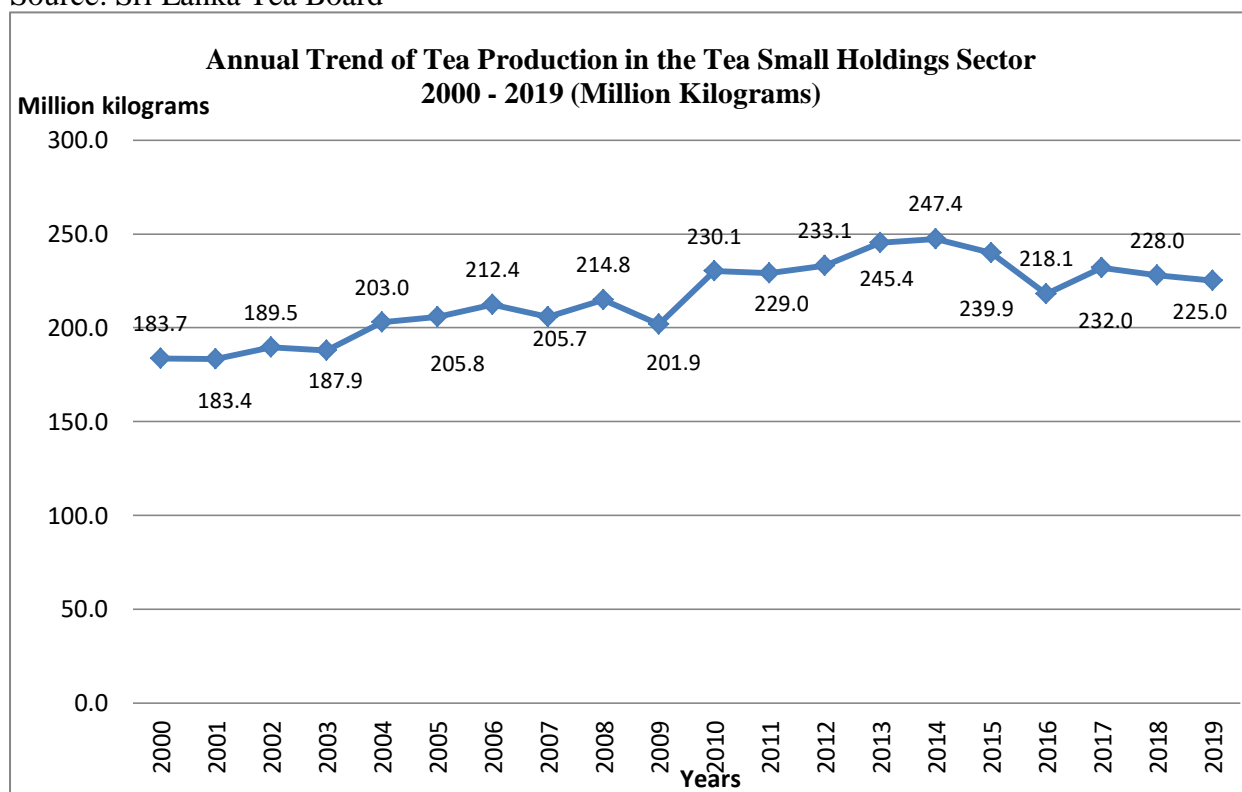
Diagram No. 05



Source: Sri Lanka Tea Board

Diagram No. 06

Source: Sri Lanka Tea Board



2.7 Production Composition of Tea Small Holdings

In the year 2019, the Tea Small Holdings Sector had contributed to the National tea production by 96.3% of the total Low Country tea production, 66% of the total Mid Country tea production and 18% of the total Up Country tea production. (Table No. 05). Similarly, from the total tea production of the private sector in the year 2018, Low Country tea production

was 81% and it was increased to 84% in the year of 2019.

Compared to the year 2018, the tea production of the Tea Small Holdings Sector had declined by 3.6% of Up-Country tea production and 1.1% of Low Country tea production, while it had increased by 1.1% of Mid Country tea production

Physical and Production Contribution of the Tea Small Holdings Sector (Based on location) – 2018/2019

		Year	Up Country	Mid Country	Low Country	Total
No. of Tea Small Holdings	(Hectares)		5913	21403	89,176	116,492
Percentage of Contribution			5%	18%	77%	
National Production	Metric Tons	2018	64,970	47,131	191,843	303,944
	%		21%	16%	63%	
	Metric Tons	2019	63,046	47,172	189,915	300,134
	%		21%	16%	63%	
Production of Tea Small Holdings	Metric Tons	2018	11,996	31,018	185,036	228,049
	%		5%	14%	81%	
	Metric Tons	2019	11,553	31,300	182,874	225,728
	%		5%	14%	81%	
Contribution to National Production	%	2019	3.8	10.4%	60.9%	75.0%
		2018	3.9%	10.2%	60.9%	75.0%
Productivity	Prepared tea / per hectare/ per year	2018	2,029	1,449	2,075	1,958
		2019	1,954	1,462	2,051	1,938

Sources:

1. Census on Tea Small Holdings 2005 - Department of Census and Statistics
2. Summary of Monthly Statistics - Sri Lanka Tea Board 2019

2.8 Productivity of Tea Small Holdings Sector

The growth of the National tea production in both the years 2018/2019 had been primarily caused by the contribution of the Tea Small Holdings Sector on tea production.

As per the data on the tea production of Sri Lanka Tea Board, the average productivity of the Tea Small Holdings Sector in the

year 2018 was 1,958 Kilograms of finished tea per hectare.

Since the average productivity of the Tea Small Holdings Sector in the year 2019 was 1,938 Kilograms of finished tea per hectare, the productivity had been reduced by 1%.

Table No. 06

Productivity of Tea Small Holdings Sector 2019 (Finished Tea/ Kilograms)

Based on Administrative Districts

Administrative District	Extent of Tea Small Holdings (Hectares) **	Highlands	Midlands	Lowlands	Total	Productivity (Prepared Tea Kilograms per Hectare) *
Badulla	7,863	4,922,544	5,304,066	-	10,226,610	1,300.60
Galle	25,325	-	-	42,999,913	42,999,913	1,697.92
Hambantota	492	-	-	290,323	290,323	590.09
Kalutara	7,588	-	-	20,613,904	20,613,904	2,716.65
Colombo	246	-	-	959,770	959,770	3,901.50
Kandy	12,486	329,565	17,991,699	11,441,795	29,763,059	2,383.71
Kegalle	5,753	-	156,032	9,646,261	9,802,292	1,703.86
Matale	1,190	-	907,811	409,580	1,317,391	1,107.05
Matara	22,971	-	185,256	34,322,404	34,507,660	1,502.23
Nuwara Eliya	5,971	6,251,610	5,884,979	724,809	12,861,397	2,153.98
Rathnapura	28,232	49,739	870,245	61,466,181	62,386,165	2,209.77
Total		11,553,458	31,300,088	182,874,939	225,728,485	
Extent of lands based on Census 2005	-	5913	21403	89,176	116,492	
Estimated Average Productivity /per Hectare	2018	2,029	1,449	2,075	1,958	-
	2019	1,954	1,462	2,051	1,938	-

**Included the extent of tea lands with less than 20 perches

* Apart from the basis of Administrative Districts, the production data are not convincing with the purchasing of Green leaves for factories

2.9 Investments and Operations Review

The Action Plan was prepared for 1,220.00 million Rupees comprising with 800.00 million Rupees as the Cost of Development and Institutional Capital and 420.00 million Rupees as Recurrent Expenses in the year 2019.

The total amount of Receipts was 10,96.10 Million Rupees comprising with 685.00 million Rupees as Capital Expenses and Recurrent as 411.1 million Rupees for the year 2019.

Table No. 07

Tea Production in Private Sector and Treasury Funds Receipts – 2008 - 2019

Year	Overall Tea production (Kilograms)	Total Production Contribution %		Amount allocated for Private Sector (Tea Small Holdings Sector) (Million Rupees)
		Private Sector	Other Sectors	
2008	318.46	67.4	25.9	405.30
2009	291.13	69.3	24.8	367.80
2010	331.42	69.4	23.8	394.93
2011	327.53	69.9	30.1	391.59
2012	326.27	71.4	28.6	418.83
2013	340.02	72.2	27.8	520.14
2014	338.03	73.1	26.9	742.94
2015	328.96	72.9	27.1	969.72
2016	292.57	74.5	25.5	1,009.45
2017	307.72	75.5	24.5	784.45
2018	303.94	75.0	25.0	850.02
2019	300.134	75.21	24.05	800.00

Operational Review

The Operational Cost in the year 2019 was 410.03 million Rupees. Compared to the year 2018, the Operational Cost in the year 2019 had been increased by 29.97 million Rupees.

Table No. 08

Operational Review

(From 2008 to 2019)

Year	Development Cost Rs. '000	Operational Cost Rs. '000	Operational Cost per one Development Rupee
2008	208,255	188,725	0.91
2009	185,660	202,146	1.08
2010	189,194	205,385	1.08
2011	208,407	218,527	1.04
2012	276,324	233,738	0.85
2013	440,060	238,823	0.54
2014	345,104	252,774	0.73
2015	561,490	303,435	0.54
2016	561,868	314,547	0.56
2017	643,092	337,053	0.52
2018	632,165	380,054	0.66
2019	628,899	410,034	0.65

Chapter 03: Statutory Objectives and Development Activities

3.1 Development Activities for Statutory Objectives

3.2 Goals and Performance-based Mid-term Outcomes

3.3 Special Projects Activities Promoting Investments in Tea Small Holdings sector

3.4 Key Performance Indicators for Managing Development Out comes

3.1 Development Activities for Statutory Objectives

The statutory objectives and related development activities as per the amendments made to the Act in the years 1997, 2003 and 2006 apart from the 04 key statutory objectives based on the Act for the establishment of the institution are as follows. In order to eliminate the functions mentioned below in No. 02, 03, 04 from the Act and to replace them with other functions, actions on taking necessary measures were in progress.

Statutory Objectives

01. Supporting or undertaking the development of the tea small holdings and other tea lands those which are deprived of own means of production.

Development Activities:

- i. Tea Replanting Subsidy Scheme
- ii. New Tea Planting Subsidy Scheme
- iii. Crop Rehabilitation Subsidy Scheme

02. Acquiring other facilities for tea factories those which are required in the conversion of the yield of those tea lands into production.

Development Activities:

The 'Tea Shakthi Fund' was established by the Authority in the year 1997 and from the year 2000, it executes the above activities as an individual institution.

03. Enhancing or undertaking the marketing of the products manufactured in these tea lands or in those factories.

Development Activities:

- I. Improving the quality of the green tea leaves in the factories to which the tea small holders provide tea leaves.
- II. Conducting Tea Small Holdings Development Societies on the marketing

of tea leaves produced in tea small holdings.

04. Taking all the necessary measures on the wellbeing of those who are engaging in the process of converting the yield of the tea lands into production or in packaging those products; or on supplying or providing facilities & services those which might be required to develop those lands & factories; or else on facilitating the provision of those facilities & services.

Development Activities:

- I. Implementing support services such as distributing tea fertilizer, plantation materials, equipment and providing transportation facilities.
- II. Implementing extension and consulting services.
- III. Formulating procedures on the registration and the administration of tea small holdings development societies in order to accept them as legal organizations targeted at taking steps on the welfare of those who are engaging in the conversion of the yield of tea lands into production and at promulgating support services.
- IV. Strengthening Tea Small Holdings Development Societies as community-based organizations and directing tea small holders on activities of earning additional incomes within their lands.

05. Formulating procedures on the registration and the administration of Tea Small Holdings Development Societies, and on the provision of donations to the members of those societies registered with the Authority and on matters related to that.

Development Activities:

- I. Registering Tea Small Holdings Development Societies by the institute.

- II. Formulating procedures of Tea Small Holdings Development Societies.
- III. Providing necessary financial aids, services and collaboration on the continuation of the All-Island Federation of Tea Small Holdings Development Societies.
- IV. Providing annual financial provisions on the continuation of the All-Island Federation of Tea Small Holdings Development Societies.
- V. Providing other aids and service collaboration on Tea Small Holdings Development Societies.
- 06. Promoting investments of tea small holdings.

Development Activities:

- I. Implementing special projects apart from the institutional subsidies. (As the Small-holder Tea and Rubber Revitalization Project)
- II. Facilitating and implementing special loan schemes. (Tea Development Project Revolving Loan Funding Scheme, Special loan scheme of the Bank of Ceylon)
- III. Maintaining institutional tea nurseries.
- IV. Maintaining mother bush cultivations.
- V. Registering commercial tea nurseries and providing knowledge & training.
- VI. Taking necessary actions on the continuation of the National Policy of the tea replanting ratio of 2% at its maximum level.
- 07. Undertaking the process of data collection & data distribution and being known of the development competence of tea small holdings.

Development Activities:

- I. Attaining data and information through executing censuses on the tea small holdings sector.

- II. Conducting timely surveys.
- III. Registering tea small holders.
- IV. Obtaining cost data and other corresponding information at the divisional level of Tea Inspection/Extension Officers.

08. Providing instructions to the Ministry on appropriate policies and aligning with other corresponding agencies.

Development Activities:

- I. Continuing the Research and Extension Society and Inter-institutional Consultancy Committee along with Sri Lanka Tea Research Institute.

The Action Plan

In order to accomplish the development outcomes for the year 2019 targeted through the Result-driven Management Approach for the Tea Small Holdings Sector, the estimated cost of development on the prepared Action Plan was 710.19 million Rupees.

88.96% from the cost of developmental capital was assigned on land development activities. It had been estimated to assign 4.15% on extension activities, 3.70% on strengthening community-based organizations and 3.19% on strengthening institutional activities.

In accordance with the national necessity to continue the annual tea replanting ratio at the level of 2%, an amount of 303.72 million Rupees was assigned for tea replanting subsidies under the cost of developmental capital in the annual Action Plan for the year 2019 covering 376 hectares for tea uprooting, 508 hectares for soil conservation – I, 803 hectares for soil conservation – II, 621 hectares for cultivation, 640 hectares for the maintenance under tea replanting. At the end of the year, it was able to pay 298.312 million Rupees as tea replanting subsidies under total provisions.

3.2 Goals and Performance based on Mid-term Outcomes

Mid-term Outcome - 01

Increasing the production of made tea per hectare within 03 years up to 2,500 kilograms in the Low Country, 1,700 kilograms in the Mid-Country and 1,600 kilograms in Uva.

3.2.1 The continuation of tea replanting annually at the level of 2%

In order to increase the tea production and the productivity of tea small holdings, tea replanting is implemented to promote replanting approved tea shoots in the old seedling tea lands with low yields and in the lands on which replanting is required based on other reasons.

The amount of the subsidy given on tea replanting to provide relives for the excessive cost incurred in replanting had been increased up to 500,000 Rupees per hectare from the year 2015.

According to the provisions received by the institute for the year 2019, an extent of 6.8% was able to be targeted on the uprooting phase of tea replanting and the percentage of 6.8% was achieved. Though, a percentage of 6.1% was targeted for the phases of tea replanting, the percentage of the tea replanting performance had been increased up to 6.3%.

Moreover, in accordance with the Result-driven Management Approach commenced in the year 2010, the average productivity of made tea per hectare in tea small holdings had been reduced from the target of 2,307 kilograms to 1,938 kilograms of made tea at the end of the year 2019.

Diagram No. 07 –A

Increasing the amount of the tea replanting subsidy / (Per hectare)

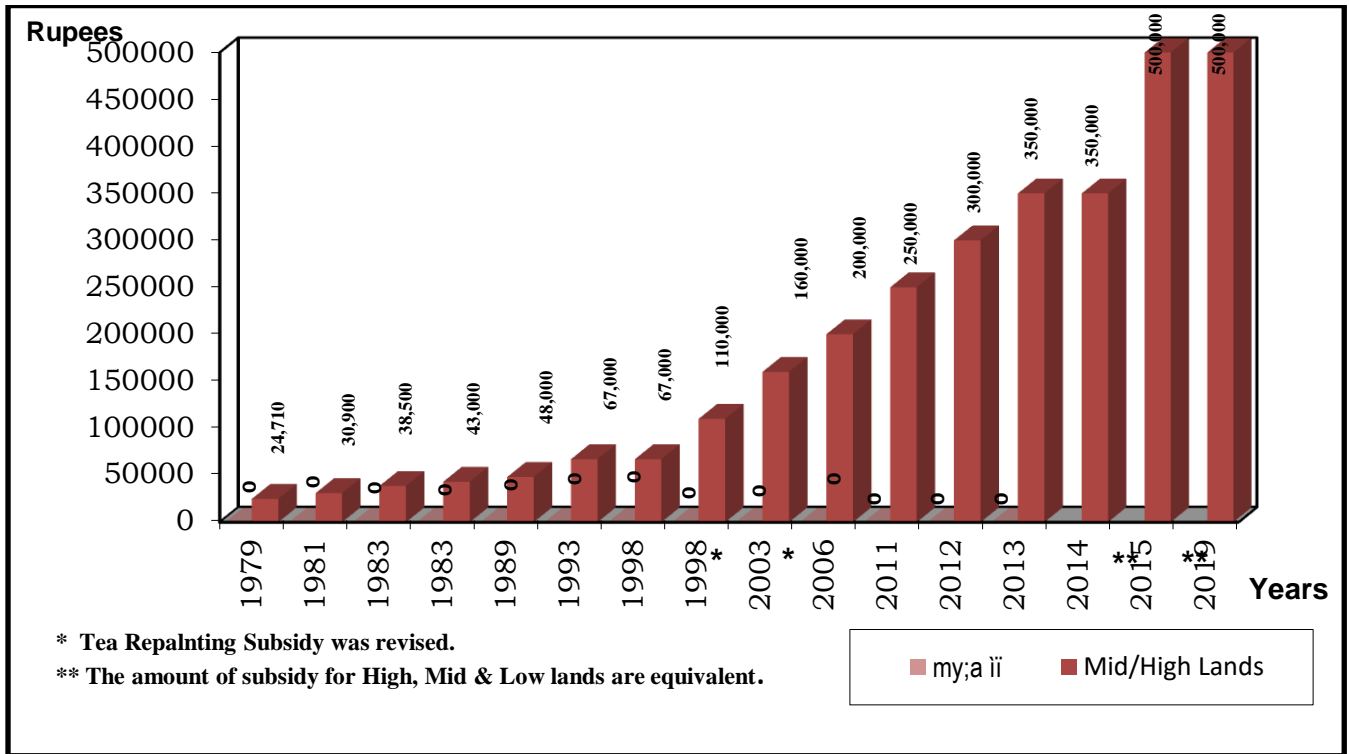
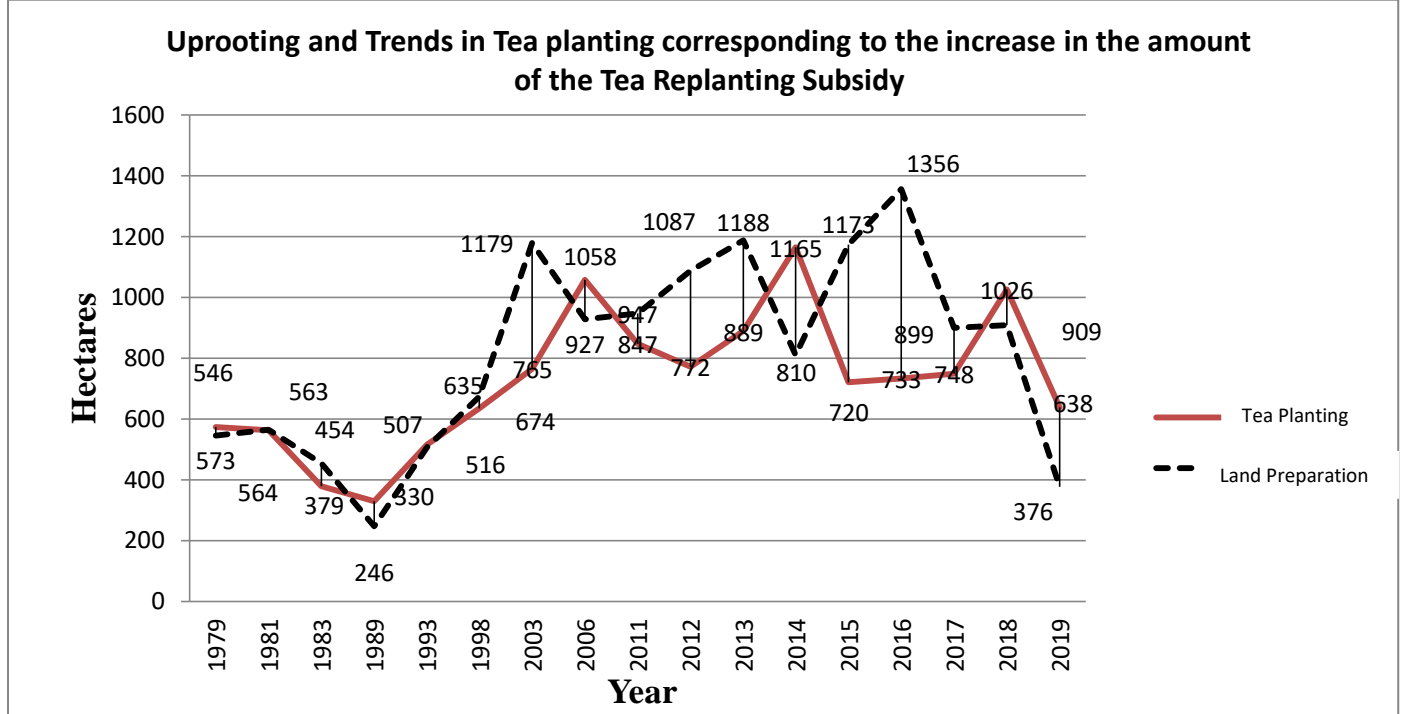


Diagram No. 07 –B

Uprooting and Trends in Tea planting corresponding to the increase in the amount of the Tea Replanting Subsidy



Applying for Replanting

Receiving applications from 8,033 farmers for tea replanting was targeted through the Action Plan for the year 2019.

Accordingly, 3,308 farmers had applied for tea replanting and from that amount, the permits had been issued for 2,289 farmers. Compared to the year 2018, it had been reduced by 42% in the year 2019.



Land Preparation

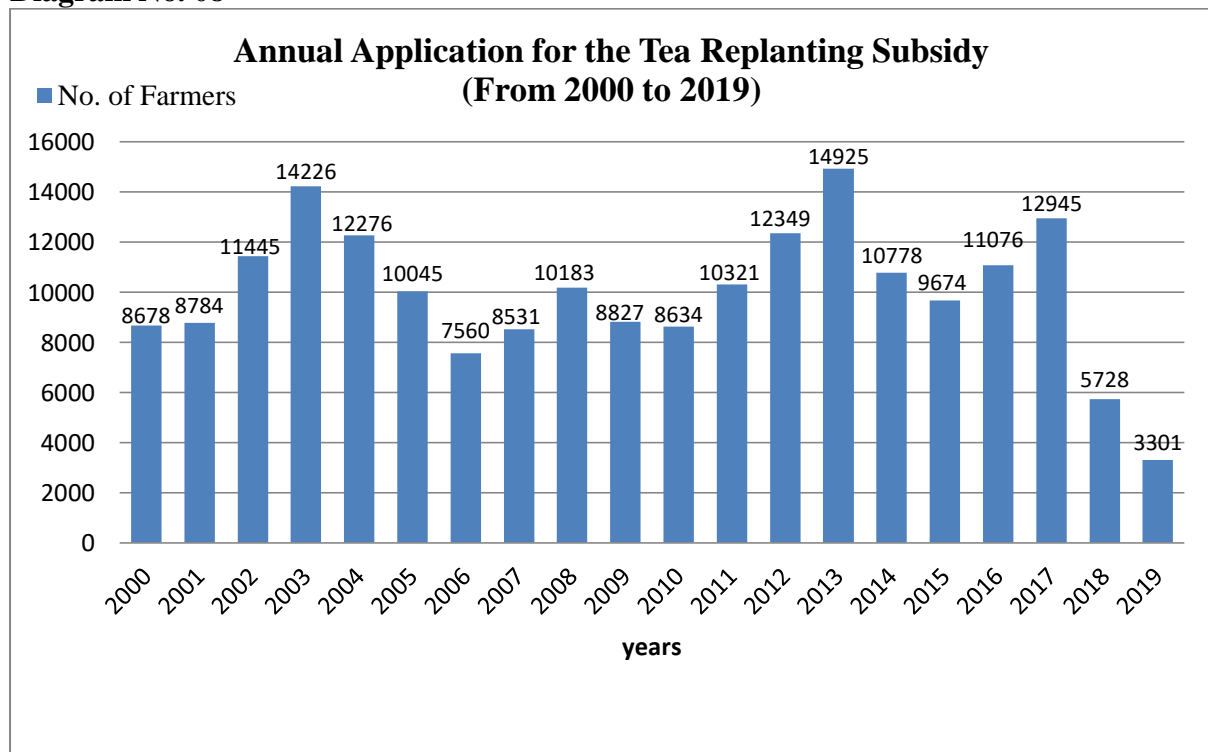


Tea Replanting



Maintenance after one year

Diagram No. 08



The Achievement

In the year 2019, the issuance of permits for tea replanting was reduced by 46% and the permit holders who had applied for uprooting old tea plants was reduced by an extent of 55% hectares.

The extent of lands uprooted for tea replanting for the year 2019 was 376 hectares. It marks a 100% progress from the annual targeted extent of lands of 376 hectares. Compared to the previous year, the percentage of uprooting was reduced by 58% and the extent of lands had also been reduced by 533 hectares. The main reason for this reduction was the limitations in provisions and the decrease in the target of uprooting for institutional tea replanting up to 376 hectares under the Small Holder Tea and Rubber Revitalization (STaRR) Project. The institutional target on uprooting for the year 2018 was 850 hectares.

In the year 2019, the extent of lands on which the soil conservation was completed was 742 hectares and the extent of these lands in the year 2018 was 960 hectares. Accordingly, compared to the year 2018, this was a reduction of 22.7%.

Since the targeted extent of lands for soil conservation in the year was 803 hectares, its achievement was a percentage of 92.4%.

In the year 2019, the actual extent of lands assigned for tea replanting was 639 hectares and the targeted extent of lands was 621 hectares. A progress of 103% was achieved during the year. Compared to the year 2018, the extent of cultivated lands was reduced by 37%.

The extent of cultivated lands was reduced by 388 hectares compared to the extent of lands cultivated in the year 2018.

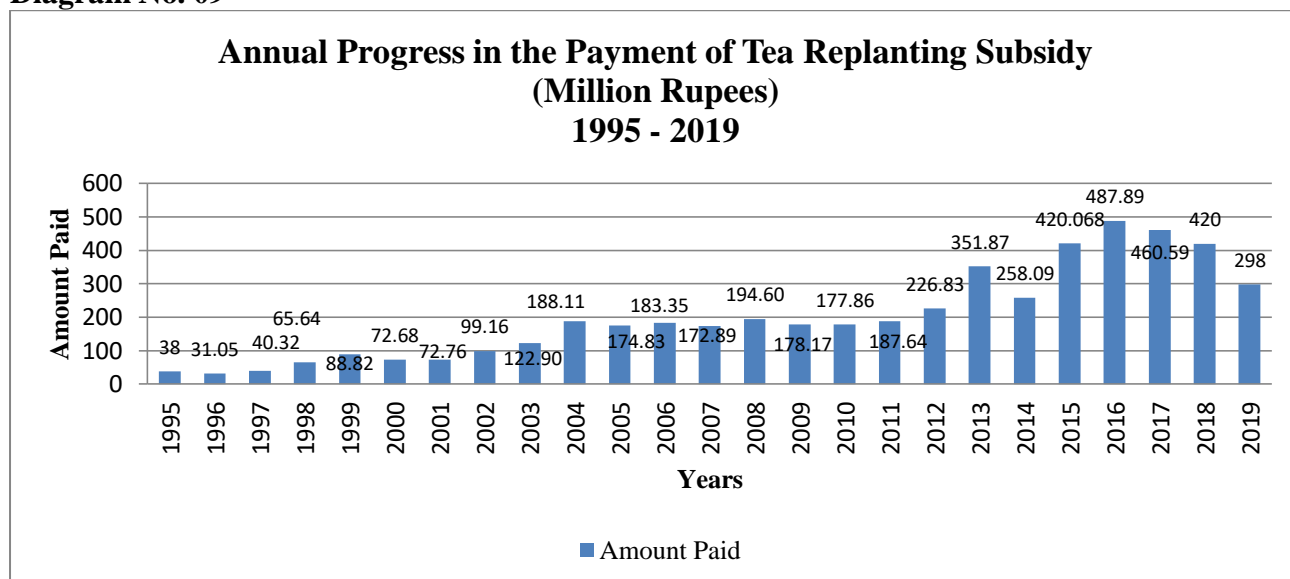
Table No. 09

Tea Replanting Subsidy Scheme
The physical achievements in the year 2018/2019

Activity	Year	Lowlands					High/Mid Lands			Total Progress	Annual Target	Percentage of decrease/increase in progress compared to the previous year
		Galle	Kalutara	Matara	Rathnapura	Kegalle	Kandy	Nuwar a Eliya	Uva			
1. No. of Applications received.	2018	1,070	529	650	1023	604	634	614	604	5,728	10,410	-63
	2019	300	368	327	567	461	585	324	376	3,308	8,033	-42
2. No. of permits issued.	2018	1,067	527	640	965	560	568	574	723	5,624	9,245	-57
	2019	299	363	313	554	426	477	266	416	3,114	6,869	-45
3. Extent of lands covered through permits	2018	272	163	180	282	157	150	140	136	1,480	1,181	-52
	2019	89	119	91	140	108	112	55	81	795	814	-46
4. Land Preparation	2018	163	104	118	198	102	77	75	72	909	850	1
	2019	64	62	39	56	72	30	21	32	376	376	-59
5. Soil Rehabilitation – Installment I	2018	151	101	145	173	95	87	50	48	850	868	-11
	2019	82	57	80	92	68	51	34	43	507	508	-40
6. Soil Rehabilitation – Installment II	2018	205	82	205	198	75	94	43	58	960	900	-8
	2019	144	95	110	137	81	88	46	42	743	803	-23
7. Tea Replanting	2018	226	96	223	207	82	92	36	65	1,027	1,060	37
	2019	137	71	99	116	64	77	24	51	639	621	-38
8. Maintenance after one year	2018	152	46	144	142	62	65	36	44	691	700	5
	2019	132	68	154	140	64	82	29	52	721	651	4
9. Amount of Cultivation Subsidies paid (Million Rupees)	2018	77.61	44.09	78.87	90.05	41.76	43.54	20.32	26.46	422.69	443.1	-8
	2019	54.83	32.11	44.51	57.25	37.32	30.08	18.89	23.32	298.31	303.72	-29

Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. 09



In the year 2019, 298.312 million Rupees had been paid to the beneficiaries of the Tea Replanting Subsidy Scheme. Compared to the year 2018, the amount of the subsidy paid was reduced by 124.38 million Rupees or by 29%.

3.2.2 Tea New Planting Subsidy Scheme

The Tea New Planting Subsidy Scheme that was withheld according to policy decisions from the year 2003 was re-operated in the year 2010. Accordingly, actions were taken to provide provisions for tea new planting under limited provisions for the areas where there are no

alternative crops and sources of income. The permits had been issued for tea new planting on a maximum extent of 01 acre of land. The amount of subsidy paid for tea new planting has been increased up to 400,000 Rupees per one hectare.

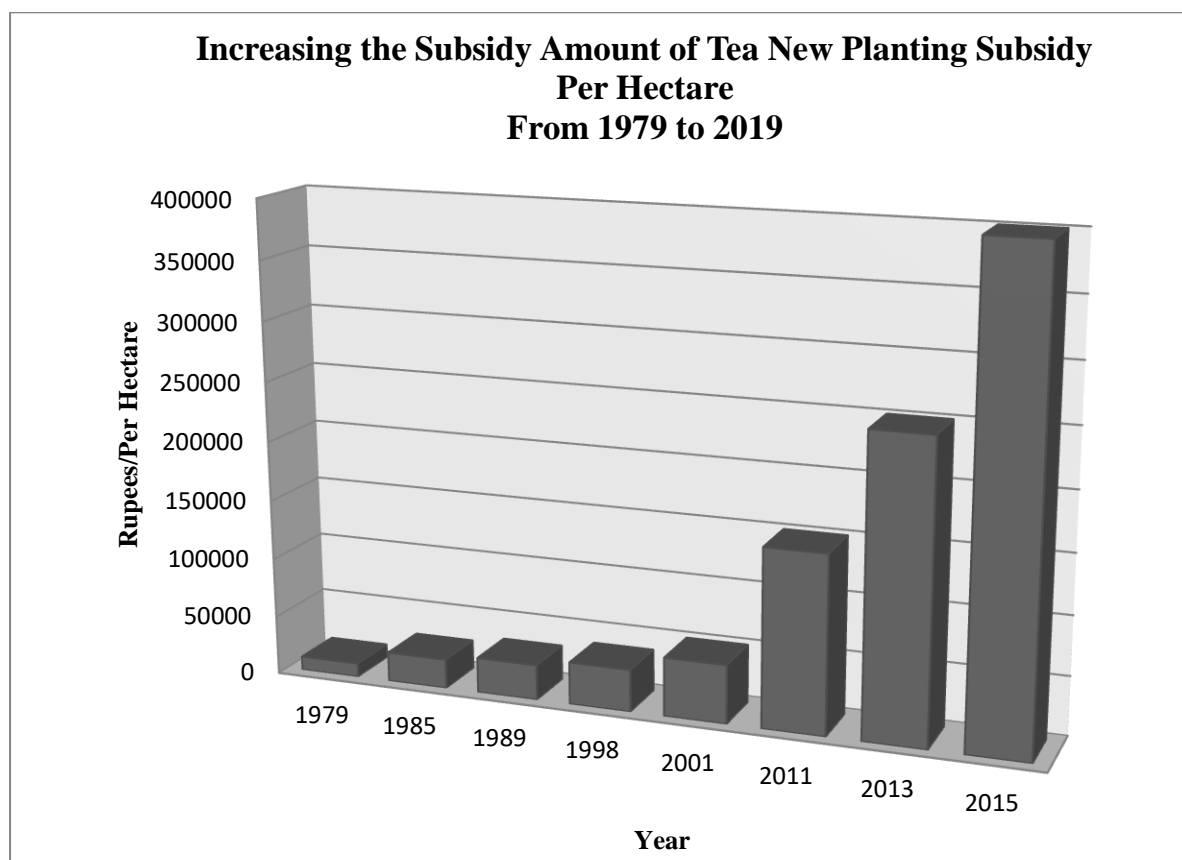


Land Preparation



Tea New Planting

Diagram No. 10



Achievement

In the year 2019, the number of applications received for tea new planting was 3,281 and the targeted number of applications was 4,906. Considering limited provisions, permits were issued to 2,887 individuals.

Even though, the targeted extent had been reduced up to 296 hectares based on the allocation of provisions from the warrant account at the beginning of the year and from the approved provisions at the end of the second quarter, a 100% of progress had been achieved through tea

new planting in an extent of 295.5 hectares in the year.

It was targeted in the year to perform land preparation in an extent of 299 hectares and land preparation had been completed in an extent of 299 hectares. It is a 100% progress as per the target.

In the year 2019, the total amount paid on tea new planting was 92 million Rupees. Compared to the year 2018, the amount of subsidy paid was reduced by 29.3 million Rupees or by 24%.

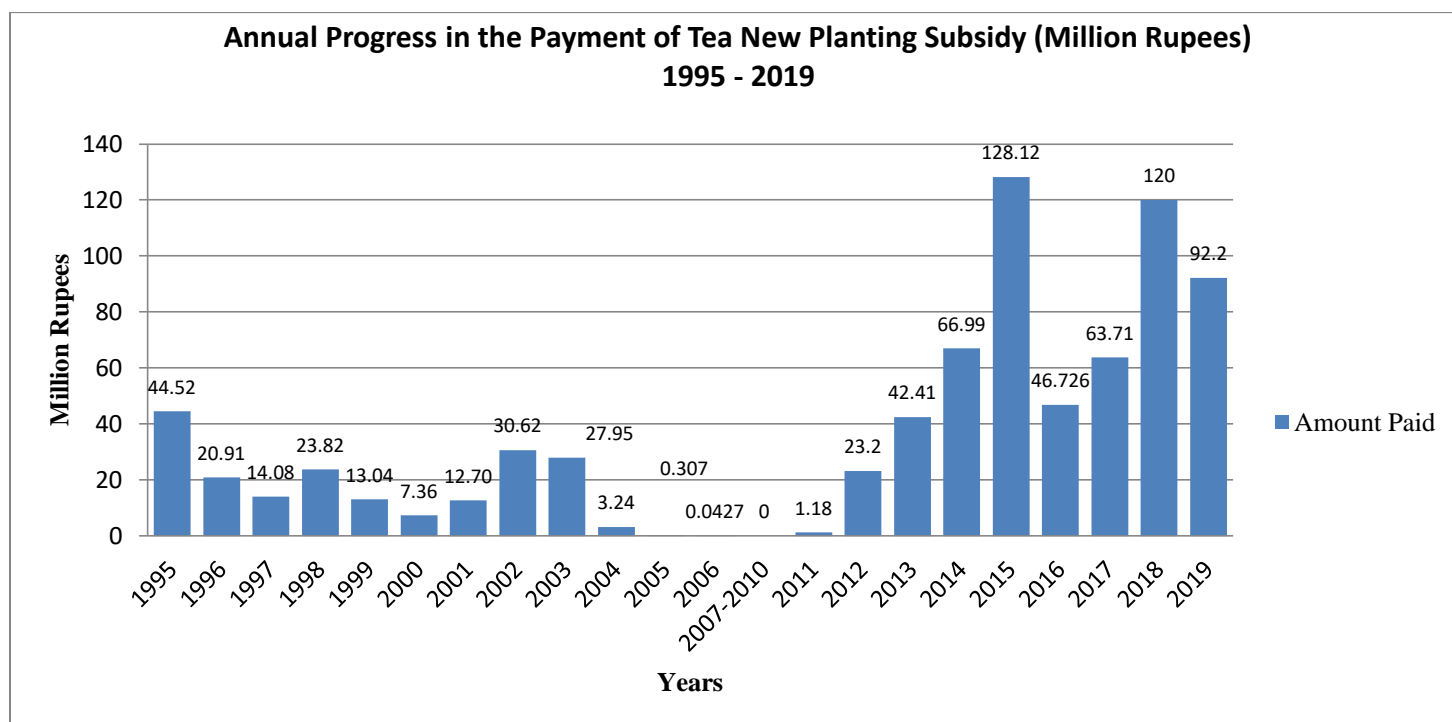
Tea New Planting Subsidy Scheme
The physical achievements in the year 2018/2019

Table No. 10

Activity	Year	Lowlands					High/Mid Lands			Total	Targets	Percentage of decrease/increase in progress compared to the previous year
		Galle	Kalutara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1. No. of Applications received	2018	579	836	627	370	985	260	284	151	4,092	4,893	63
	2019	339	782	338	200	1073	236	194	111	3,273	4,906	-20
2. No. of permits issued.	2018	560	837	615	341	870	240	261	175	3,899	3,999	68
	2019	331	782	326	175	842	163	136	131	2,886	4,553	-26
3. Land Preparation	2018	47.3	117.6	69.2	44.1	112	21.7	19.7	11.6	443.2	400	110
	2019	31.9	103.4	29.0	12	93.9	13.3	8.1	7.4	299	299	-32
4. Cultivation	2018	48.5	117.9	69.6	42.5	111.7	21.6	16.8	6.8	435.4	400	116
	2019	29.4	103.1	29.7	14.8	91.6	13.5	6	7.9	296	295.5	-32
5. Maintenance	2018	22.5	52	33.8	19	49.9	7.7	6.8	4.8	196.5	225	60
	2019	36.8	77.5	40.1	25.8	73.1	18.9	8.5	6.3	287	300	46
6.Amount of Subsidy paid (Million Rupees)	2018	9.6	34.67	20.05	13.04	31.99	6.09	3.34	2.86	121.64	117	91
	2019	8.2	31.84	10.13	4.27	27.78	4.68	2.72	2.67	92.29	92	-24

Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. 11



- The Tea New Planting Subsidy Scheme had not been implemented from the year 2006 to the year 2010.

3.2.3 Crop Rehabilitation Subsidy Scheme

In practicing the recommended pruning in the tea leaves plucking vegetative propagated tea lands targeted at improving the unit productivity, incentives have been paid through the Crop Rehabilitation Subsidy Scheme on the completion of infillings, methods of soil conservation (Repairing drainage systems/ stone ridges) and the shade management integrated with other practices of cultivation (Shade, Pruning, Weeding).

The lands on which the tea cultivation could be productively continued within next 10 years would be recommended for this Subsidy Scheme and, the tea lands those which are in the second phase of pruning or those which exceeded 7 years

of age would make them eligible for granting subsidies.

Under this subsidy scheme, subsidies were paid in 2 installments for 1,000 plants per acre based on rehabilitating the tea leaves plucking tea cultivations on which the infillings were provided.

The first installment for a desolate plant was increased up to 75.00 Rupees only for the permits issued after 01.01.2019 and the maximum extent of lands provided per year for a tea small holder had been increased from 01 acre (0.4041 hectares) to 02 acres (0.8094 hectares) in a way that it affects all the divisions.

In order to grant subsidies under this subsidy scheme, it is recommended to maintain manna grass in the place of

Planting desolates for a minimum of 1 ½ years or applying 02 kilograms of compost fertilizer per hole when planting those plants. After the subsidy was granted, subsidies cannot be applied for 10 years.

Achievement

In the year 2019, the number of individuals applied for the Crop Rehabilitation Subsidy Scheme was 10,359. From this amount, permits were issued for 9,297. This was a 89.78% of progress from the targeted permits. Compared to the year 2018, the number of applications received was increased by 210.9% and the number of permits issued had been increased by 197%.

The first installment was paid on 1,921,568 plants and it was a 78% of progress from the targeted number of 2,400,000 plants.

Compared to the previous year, the number of plants on which the first installment was paid had been increased by 141%.

The number of plants on which the second installment was paid was 465,084 and it was a 72% of progress from the targeted number of 640,000 plants. Compared to the previous year, the number of plants on which the second installment was paid had been increased by 4.9%.

Planting



After 1 Year



In the year 2019, 138.99 million rupees was paid as subsidies for crop rehabilitation. Compared to the previous year, it was an increase of 123.29 million rupees

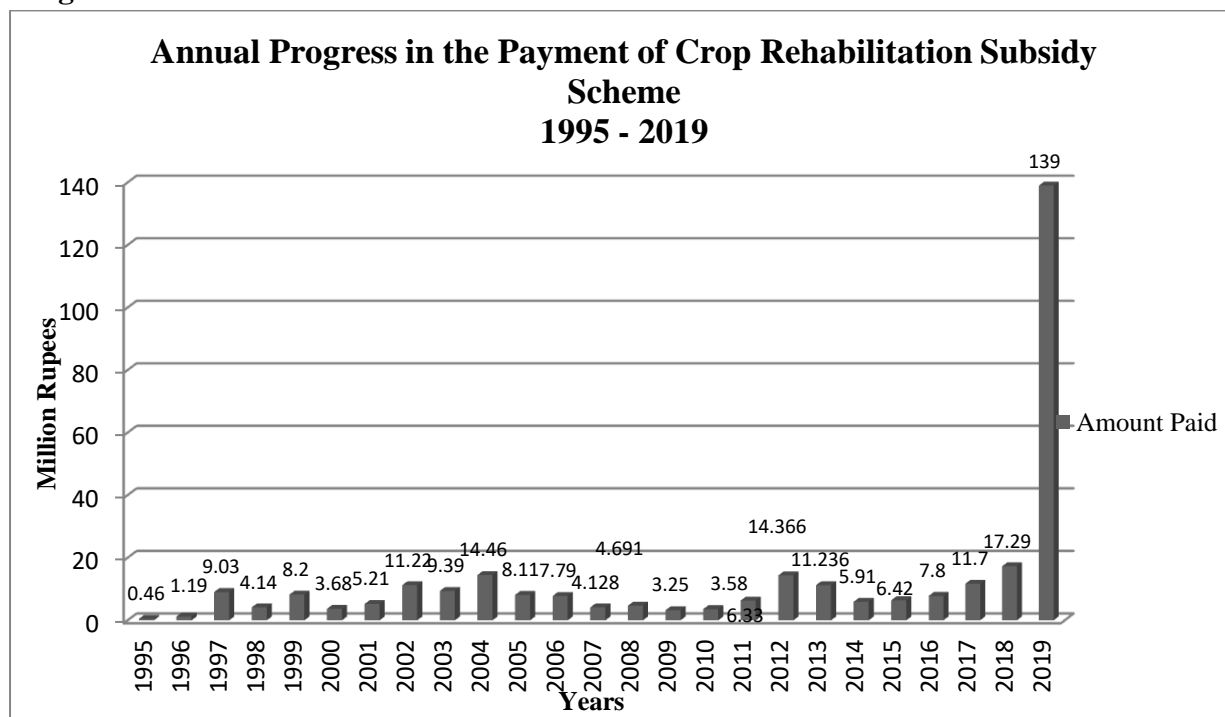
Table No. 11

Crop Rehabilitation Subsidy Scheme
The physical achievements in the year 2018/2019

Activity	Year	Lowlands					High/Mid Lands			Total	Targets	Percentage of decrease/increase in progress compared to the previous year
		Galle	Kalutara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1. No. of Applications received	2018	417	291	545	376	469	574	342	317	3,331	3755	20
	2019	2,568	632	1,531	1,213	724	1,642	1,035	1,014	10,359	11136	211
2. No. of permits issued.	2018	407	290	534	318	384	522	287	384	3,126	3132	25
	2019	2,532	631	1,482	976	518	1,342	796	1,020	9,297	10355	197
3. Targeted No. of plants	2018	139,665	139,665	139,665	139,665	111,732	134,078	11,1731	83,799	1,000,000	1,000,000	10
	2019	489,938	128,930	412,578	371,320	77,358	335,220	361,006	283,650	2,460,000	2,460,000	146
4. No. of plants on which the first installment was paid	2018	81,936	83,902	147,105	86,030	131,890	120,310	83,888	62,469	797,530	1,000,000	41
	2019	354,877	157,872	282,480	197,855	170,427	393,865	176,626	187,566	1,921,568	2,460,000	141
5. No. of plants on which the first installment was paid	2018	45,216	39,919	65,674	36,872	87,167	101,572	31,480	34,396	442,296	500,000	49
	2019	47,476	56,616	87,424	51,185	66,135	90,040	27,049	38,659	465,084	640,000	5
6. Amount of Subsidy paid (Million Rupees)	2018	1.682	1.661	2.685	1.697	2.844	2.778	1.259	1.085	15.691	20	34
	2019	23.55	10.05	20.12	15.33	13.24	30.064	13.06	13.58	138.99	148.77	785

Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. 12



Supplying Quality Tea Plants

Mother Bush Cultivations with highly Improved New Cultivar of Tea

The maintenance of mother bush cultivations is targeted at facilitating tea small holders in obtaining quality planting materials in order to improve the tea production and the productivity.

Accordingly, actions were taken by the institute to provide tea small holders, commercial tea nursery operators and the institutional nurseries with 217,123 shoots through maintaining quality mother bush cultivations with highly improved cultivar. From these, 26% of shoots were issued to tea small holders, 3.4% of shoots to commercial tea nursery operators, 69.8% of shoots to institutional tea nurseries and 0.8% of shoots to societies & others. Compared to the previous year, this amount had been reduced by 23%. The targeted annual production of shoots through mother bush cultivations was 624,500. Therefore, it is a progress of

35%. Descriptive details on the issuance of shoots through mother bush cultivations are indicated in the Schedule No. 8 – A.

Commercial Tea Nurseries

It is targeted at maintaining and supervising quality commercial tea nurseries as registered tea industries of the institution in order to facilitate tea small holders in obtaining quality plants aimed at improving the tea production and the productivity.

Accordingly, 870 commercial tea nurseries were registered through the regional offices for the year 2018/2019. The capacity of plants of those nurseries was 38.76 million plants. From these, the recommendations had been given to 17.43 million plants from 682 nurseries at the first inspection, 11.56 million plants in 457 nurseries at the second inspection and 3.68 million plants from 236 nurseries at the third inspection.

At the end of the year, 828 commercial tea nurseries had been registered for the year 2019/2020. The expected capacity of plants was 37.55 million and the first inspection had been completed in 366 nurseries. Descriptive details on the number of certified plants in those

nurseries are indicated in the Schedule No. 8 – C₁ and 8 – C₂.

Table No. 12

**Commercial Tea Nurseries
Issuance of permits and Plants Capacity
(2018/19) and (2019/20)**

District	No. of permits issued		Plants Capacity	
	2018/19	2019/20	2018/19	2019/20
Galle	154	127	6,798,400	5,313,250
Matara	210	254	6,801,000	8,183,000
Kaluthara	61	6	2,960,000	375,000
Rathnapura	52	131	5,947,000	12,355,500
Kegalle	90	71	4,855,000	3,602,000
Kandy	165	59	7,011,000	2,894,000
Nuwara Eliya	24	32	1,103,000	1,132,000
Uva	114	148	3,285,945	3,698,844
Total	870	828	38,761,345	37,553,594

Source: The Progress Report – Tea Small Holdings Development Authority

Institutional Tea Nurseries

The institutional tea nurseries are maintained with the target of being model tea nurseries those which control the market prices in purchasing tea plants required for tea small holders and maintain the quality production of tea.

Accordingly, 1,265,127 tea plant shoots were produced in 10 nurseries for the Southwestern and Northeastern cultivation seasons in the year 2018/2019. The total number of plants marketed was 853,268. The marketing price of a plant at nursery level is indicated in the Schedule No. 8 B.

Even though, the estimated average cost of a plant was 23.86 Rupees, the actual

average cost of a plant was 16.84 Rupees. In certain nurseries, there were instances where the estimated cost had been decreased and in certain nurseries, that cost had been increased?





Cultivation Demonstrations

In order to establish 432 cultivation demonstrations as 3 cultivation demonstrations per every service division and level

op them as field training schools, actions were taken on setting up high shades and on practicing good agricultural methods as basic measures.

Mechanization

The farmers were inclined to be motivated on mechanization through the distribution of 02 machinery kits at the regional office level in order to work with machinery in tea small holdings as a solution to the existing labor shortage.



**Table No. 13 – i Extension and Advisory Services – The Productivity Growth
Number of Training Programs – (1) and Number of Participants - (2)**

Regional Office Programme	Galle		Matara		Kalutara		Rathnapura		Kegalle		Kandy		Nuwara Eliya		Uva		Total		Target	
	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2
Training on the Awareness of Permit Holders	65	1829	80	2377	65	1761	52	1456	62	1809	118	3198	72	1879	72	1673	586	15982	696	20692
Training for Nursery Operators	26	489	24	524	17	145	19	448	18	246	15	212	5	117	24	487	148	2668	295	3974
Training on Tea Plantation	56	1795	63	1412	31	779	28	798	22	522	57	1723	8	281	33	759	298	8069	293	6179
Training on good Agricultural Practises	465	11831	321	7085	342	8748	472	10030	185	4714	334	7816	139	5485	313	7415	2571	63124	3842	87276
Training on the Usage of Machines	28	687	33	911	18	533	17	630	13	511	29	975	3	91	13	346	154	4684	181	7190
Training on Tea Leaves Plucking	47	1124	71	1176	42	1160	91	1783	29	555	27	812	31	1023	52	2009	390	9642	476	9800
Training on the Quality of Leaves	52	1891	56	1821	31	962	49	1544	30	742	28	1244	14	1735	58	2498	318	12437	434	28783
Training on Tea-based Farms	26	553	17	444	14	718	8	105	5	117	15	312	3	53	7	224	95	2526	133	1970
Training on the Development of Entrepreneurship	2	100	8	140	1	50	3	55	0	0	0	0	0	0	1	29	15	374	8	400
Total	767	20299	673	15890	561	14856	739	16849	364	9216	623	16292	275	10664	573	15440	4575	119506	6358	166264

Source: The Progress Report – Tea Small Holdings Development Authority

3.2.5 Extension and Advisory Training Programs

6,358 Extension and Advisory Training Programs were scheduled for the year under review and the number of targeted farmers for these programs was 166,264.

In order to improve the production and the productivity of tea small holdings, the number of programs scheduled for the year 2019 was 6,358, and from that, 4,575 programs could be implemented. Accordingly, the progress of the programs was 71.9% as per the targets. The targeted

participation of farmers was 166,264 and the number of farmers participated was 119,506. The percentage of the participation of farmers was a progress of 72%.

In accordance with improving the production and the productivity of tea small holdings as the soil acidity should be accurately maintained, it was targeted to test 49,230 samples of soil as follows for the annual soil acidity experiments and 35,230 (70.56%) soil samples had been tested within the year.

Table No. 13 –ii

Individual Extension Activities and Number of Soil Tests

Regional Office		Galle	Matara	Kaluthara	Kegalle	Kandy	Nuwara Eliya	Rathnapura	Uva	Total
Soil Test	Target	2,300	8,000	5,200	4,400	9,600	4,120	10,000	5,610	49,230
	Progress	7,098	5,585	3,912	1,432	5,051	4,474	4,969	2,709	35,230
Individual Extensions	Target	8,280	7,200	4,680	3,960	8,640	4,320	9,000	5,760	51,840
	Progress	2,386	3,126	1,194	1,294	1,701	451	1,575	1,228	12,955

Source: The Progress Report – Tea Small Holdings Development Authority 2019

Mid-Term Outcomes - 02

Improving the quality of green tea leaves up to 65% at the factory level within 03 years

In order to improve the income of the tea small holders, it is crucial to maintain a high yield with a low production cost and a high market price. Even though, the farmers could purchase fertilizer at a low price under the National Fertilizer Subsidy Scheme, it is essential to improve the

production of quality green tea leaves to obtain a high market price for green leaves for the minimization of the production cost.

Targeted at achieving this outcome, the expected activities performed were training 9,800 tea leaves pluckers to improve the quality of tea leaves, promoting rule and regulations systems that make it compulsory for the factories to accept only the quality tea leaves, executing awareness programs for suppliers of tea leaves, and making the tea

small holders aware about the quality of tea leaves. Therefore, in the year of 2019, 434 training programs on improving the quality of tea leaves were scheduled and 318 programs were conducted. (Table No.

14) The number of farmers participates was 12,437 from the targets number of 28,783 farmers scheduled at the beginning of the year. Accordingly, the progress of participation was 43%.

Table No. 14

Number of Training Programs on developing the quality of tea leaves and Number of Farmers Participated - 2019

Regional Office	Item	Training tea leaves pluckers	Training on awareness for the suppliers of tea leaves	Training on the quality of tea leaves	Total
		(2.1.1)	(5.2.1)	(2.2.1)	
Galle	Programs	47	2	52	101
	Participation	1,124	100	1,891	3,115
Matara	Programs	71	8	56	135
	Participation	1,176	140	1,821	3,137
Kaluthara	Programs	42	1	31	74
	Participation	1,160	50	962	2,172
Kegalle	Programs	29	0	30	59
	Participation	555	0	742	1,297
Kandy	Programs	27	0	28	55
	Participation	812	0	1,244	2,056
Nuwara Eliya	Programs	31	0	14	45
	Participation	1023	0	1,735	2,758
Rathnapura	Programs	91	3	49	143
	Participation	1,783	55	1,544	3,382
Uva	Programs	52	1	58	111
	Participation	2,009	29	2,498	4,536
Total	Programs	390	15	318	723
	Participation	9,642	374	12,437	22,453
Target	Programs	476	8	434	918
	Participation	9,800	400	28,783	38,983

Source: The Progress Report – Tea Small Holdings Development Authority



Training Tea Leaves Pluckers

The percentage of good tea leaves is used as the indicator in measuring the expected outcome at the factory level and for the success of that outcome, it is crucial for Authority and the Tea Commissioner Section of the Sri Lanka Tea Board to work on a collective effort with the Sri Lanka Tea Research Institute.

A total amount of 29.07 million Rupees had been spent in comprising with 19.32 million Rupees on Extension and Advisory Training programs, 0.377 million Rupees on training materials and 8.64 million Rupees on the exhibitions/prize-giving ceremony.

Mid-Term Outcome - 03

Strengthening Community-based organizations by 50% within 03 years

In order to legalize the system of Tea Small Holdings Development Societies that was established at the end of the year 1989, the Tea Small Holdings Development Authority had published regulations incurred in the Act No. 01 of 1995 for Tea Small Holdings Development Societies through the Gazette Extraordinary, No. 875/15 in accordance with the powers vested in the Paragraph (k, j), Sub-Section 02, Section 15 of the Tea Small Holdings Development Act, No.35 of 1975 of the National State

Assembly revised by the Act, No.36 of 1991.

1,475 Tea Small Holding Development Societies were registered at the end of the year 2019, and the number of members belonged to those societies was 329,963. Accordingly, compared to the year 2018, the number of societies in the year 2019 had been improved by 1.02%.

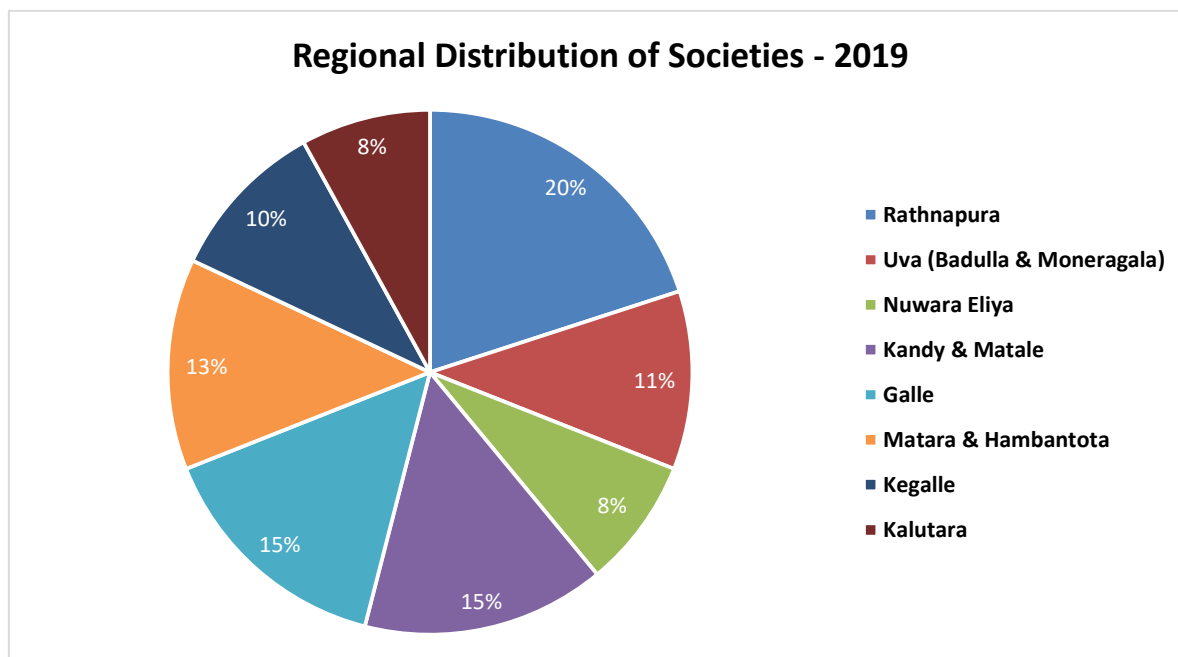
The system of societies operates with an All-Island Federation with 08 district organizations. In the year of 2018, elections of all the society organizations and of the All-Island Federation were held and an amendment of the constitution of societies was made in the year 2018.

Table No. 15 - i

Extension of Tea Small Holdings Development Societies 2018/2019

Office area of Jurisdiction	No. of Societies		No. of Members	
	2018	2019	2018	2019
Rathnapura	289	291	97,599	107,693
Uva (Badulla & Moneragala)	163	165	29,916	25,913
Nuwara Eliya	123	127	13,984	14,610
Kandy & Matale	223	225	21,429	21,832
Galle	215	216	61,441	53,602
Matara & Hambantota	191	192	71,518	52,488
Kegalle	141	144	26,811	28,519
Kalutara	115	115	24,727	25,306
	1,460	1,475	347,425	329,963

Diagram No. 13



Source: The Progress Report – Tea Small Holdings Development Authority

Compared to the year 2018, the number of newly registered societies was increased by 15 in the year 2019 and granting the membership of the societies was decreased by 5% (17,462).

In order to strengthening the operation of the Tea Small Holdings Development

Societies in a productive manner, several programs covering all the districts were held in the year 2019. A total of 7.522 million Rupees had been spent by the institute on strengthening the community-based organizations.

Activities Related to Societies 2019

- Conducting 02 inter-district tour programs targeted at sharing knowledge, understanding and experiences between the leaders of the societies.
- Conducting 05 special 3-day residential training programs on leadership and entrepreneurship at Hanthana National Training Centre for 175 beneficiaries selected from young tea small holders based on societies.
- Completing the conduct of elections of all 1,475 primary societies registered in the Authority for the two years of 2019 – 2020.

Table No. 15 - ii
Details of the Societies at Regional Office level

Office area of Jurisdiction	Total No. of Societies	No. of Members	No. of societies supplying fertilizer	No. of societies gathering tea leaves	Grade Received		
					Satisfactory	Average	Weak
Kegalle	144	28,519	18	14	35	89	20
Kandy	225	21,832	9	4	40	119	44
Rathnapura	291	107,693	0	1	22	226	45
Uva	165	25,913	44	32	48	72	32
Matara	192	52,488	4	4	11	82	94
Galle	216	53,602	16	4	70	111	28
Kalutara	115	25,306	4	7	15	76	17
Nuwara Eliya	127	14,610	9	6	29	75	14
Total	1,475	329,963	104	72	270	850	294

Details of 61 societies were not given for grading due to the vacancies in Tea Inspection divisions.

Mid-Term Outcome - 04
Strengthening the institute to execute more productively within a year

In accordance with the goals of the institute, the role of developing tea small holdings is prioritized and from that the percentage of tea replanting becomes a special performance indicator. In the year 2019, it was targeted on 621 hectares of tea replanting and the percentage of progress achieved was 103%. A total of 303.72 million Rupees was targeted on tea replanting and the percentage of progress achieved was 98.2%.

Even though, the continuation of staff vacancies at a minimum level of 5% was an expected short-term outcome of the

institute, at the end of the year 2019, the percentage of staff vacancies was 10%.

Though, the expected audit opinion of the institute was unqualified, the qualified opinion in the year 2019 indicated a true and a reasonable condition in accordance with the Sri Lanka Public Sector Accounting Standards.

Targeted at improving positive attitudes within the institutional staff regarding the duties, 15 local training programs were conducted in the year 2019 with the participation of 58 officers representing several grades of the institute. For that, two Assistant Managers, Internal Auditor, Accounts Officer, Administrative Officer and Management Assistant were participated.

11 officers including the Deputy General Manger (Acting), a Regional Manager, an Assistant Manager and Tea Inspection/Extension Officers were participated for 5 overseas training programs.

04 programs were conducted at the Hanthana Training Center for Divisional Tea Development Officers and 115 Tea

Inspection/Extension Officers. Actions were taken during the year on directing the staff to participate in training programs conducted by the external institutions as well.

The performance-based evaluation system was implemented in the year 2019 for the field staff.

Mid-Term Outcome - 05

Directing 10% of lands on additional income earning activities within 03 years

In order to enhance the standard of living of the tea small holders, directing them on additional income earning activities has been identified. Accordingly, the annual tea-based farm management system for 1,000 tea lands was introduced and from the 133 programs scheduled under this, 95 programs were implemented within the relevant year. The targeted number of

farmers was 1,970 and the number of farmers participated was 2,526. The programs were implemented within the relevant year as follows.

Table No. 16

Tea-based Farm Training (5.1.3)

Number of Programs and Number of Farmers Participated – 2019

Regional Office									
	Galle	Matara	Kaluthara	Kegalle	Kandy	Nuwara Eliya	Ratnapura	Uva	Total
Programs									
Target	23	20	13	11	22	3	25	16	133
Progress	26	17	14	5	15	3	8	7	95
Participation									
Target	230	357	260	220	440	53	250	160	1,970
Progress	553	444	718	117	312	53	105	224	2,526

Source: The Progress Report – Tea Small Holdings Development Authority

The percentage of other crops exist in tea small lands had been identified as the key performance indicator in measuring the outcomes mentioned above.

3.3 Special Project Activities of Promoting Investments on Tea Small Holdings

3.3.1 Special Loan Scheme of Bank of Ceylon for tea small holders

The loan agreement of the above-mentioned loan scheme executed by the Bank of Ceylon had been signed by the Tea Small Holdings Development Authority in October in the year 2013.

Through this Loan Scheme that is implemented covering all the tea planting districts, the bank provides loans under a timely and a concessionary interest rate up to a maximum of 500,000(05 lakhs) Rupees subjected to a maximum extent of 01 acre of land on the key development

activities such as tea replanting, tea new planting, establishing tea nurseries and on cultivations that generate additional incomes.

At the end of the year 2019, loan recommendations had been given by the institute on 264.22 million Rupees for 784 tea small holders. From this amount, loan recommendations were given as 186.26 million Rupees on tea replanting for 551 farmers, 45.34 million Rupees on developing tea nurseries for 125 farmers and 60.69 million Rupees on tea new planting for 98 farmers

Establishing Special Nurseries

1. Bandarawela Regional Office

A project on establishing nurseries with about 800,000 plants was commenced in collaboration with the World Vision institute and under this project, 37 members from the Small Holdings Development societies in Wewathanna and Watagommana were selected and provided them with shade nets, polythene nursery containers, and roofing sheets for the construction of tea leaves collecting centers by the World Vision institute.

Through the project on reconstructing degraded agricultural lands implemented under the World Food and Agricultural

Organization, grants were given to 44 selected tea lands in Aththalagedara village in the Grama Nildhari division of Maligathanna on the building drains/stone ridges and Savandara ridges.

2. Kandy Regional Office

Mathale Sub-Regional Office 20,000 tea plants were provided on infilling by the Department of Forest Conservation for the tea lands located on the border of the Knuckles Forest reserve in the service divisions of Raththota and Ukuwela those which belongs to Mathale Sub-Regional Office.

3.3.2 Smallholders Tea & Rubber Revitalization (STaRR) Project: (2016 – 2021)

From the total investment of 8,502 million Rupees of this project being implemented with a composition of 4,259 million Rupees from the Government of Sri Lanka and 3,349 million Rupees from the IFAD Institute, the investment cost for the Tea Small Holdings Sector is 5,777 million Rupees, and thereby 69% from the total investment has been allocated for the Tea Small Holdings Sector.

Enhancing the food security in districts of the project and empowering tea small holders by improving the income, are the general objective of this project. The project would be implemented for the Tea Small Holdings sector in 06 districts, Galle, Matara, Kandy, Nuwara Eliya, Rathnapura and Badulla. Therefore, it is proposed to develop the Tea Small Holdings sector through the following key objectives.

That is, strengthening the Tea Small Holdings Development Societies regarding

the production and marketing of tea leaves, the production assistance operated through the tea leaves market, and the diversification of the income and market for tea small holders. It is targeted to replant tea in an extent of 5,500 hectares of tea small holdings and supplying infillings for up to a percentage of 15% in those tea lands. Apart from these, it is expected to strengthen the production capacity of societies confirming the women participation related to 200 Tea Small Holdings Development Societies, to provide technical assistance for tea small holders, trainings for the cultivators of tea nurseries, the reconstruction of farm roads in the distance of 90 from areas of tea cultivation and to develop/facilitate the ability of tea small holders to obtain loans for their investments.

In the year of 2019, it was targeted to uproot 1,730 hectares of small tea holdings for tea replanting. (Schedule No. 12)

3.3.3 Tea Shakthi Insurance Benefit Scheme

The responsibility to implement the Tea Shakthi Insurance Benefit Scheme that is for the social welfare of the tea small holders and implemented under the Tea Shakthi Fund, was assigned to the Tea Small Holdings Development Authority by the Ministry of Plantation Industries with effect from 15/12/2016 according to the Cabinet Memorandum dated at 08/09/2016. Therefore, the benefits would be paid to the tea small holders who joined the insurance benefit scheme as follows.

1. For full/partial passivity occurred from accidents
2. For full/partial passivity occurred from paralysis

3. For heart surgeries, brain surgeries & kidney surgeries
4. Accidents and Natural Death

In the year 2019, in accordance with the requests made by the tea small holders under the above-mentioned benefit scheme, after the provisions being received by the institute that implements the Insurance Benefit Scheme, it has paid 10.8 million Rupees for 582 members.

The Welfare section of the Tea Shakthi Fund that was commenced by the Act No.47 was assigned to the Tea Small Holdings Development Authority with effect from 01/10/2016 through a decision taken by the Cabinet on 09/08/2016.

The amount of Insurance Benefits paid for Distressed Tea Small Holders by the Welfare Section in the year 2019

The amount paid for 122 natural deaths in the age between 18 – 70 years	3,050,000.00 Rupees
The amount paid for 254 natural deaths in the age more than 70 years	1,260,000.00 Rupees
The amount paid for 11 deaths due to accidents in the age between 18 – 70 years	1,100,000.00 Rupees
The amount paid for 4 deaths due to accidents in the age more than 70 years	40,000.00 Rupees
The amount paid for 5 heart surgeries in the age between 18 – 70 years	720,000.00 Rupees
The amount paid for 1 paralysis in the age between 18 – 70 years	21,466.07 Rupees
Total	6,191,466.00 Rupees

8,146,263.28 Rupees should be receivable for provisions from Lankan Alliance Finance Limited.

Table No. 17

3.4 Key Performance Indicators for Managing Development Outcomes

Mid-Term Outcomes		Key Performance Indicators	Financial Progress	Base Year 2008	Performance Indicators Targets & Progress 2019		Special Remarks
					Target	Progress	
	Long-Term Outcome	I Percentage of developing assets of household units					Socio Economic Survey
	Enhancing the standard of living of tea small holders	II Percentage of the secondary education of the children	628.899				
1	Per Year/ Per Hectare within 03 years	1.1 Developing the unit productivity at district level and at elevation level					Statistical Data of Sri Lanka Tea Board
	Increasing the Kilograms of made tea,						
	Low Country up to 2,500			2,085	2,500	2,051	
	Mid Country up to 1,700			1,050	1,700	1,462	
	Uva up to 1,600			1,055	1,600	1,300	
		1.2 Improving the production of tea small holdings (Million Kilograms)		215		225.72	
2	Improving the quality of green tea leaves up to 60% at the factory level within 03 years	2.1 Percentage of good tea leaves at the factory level		35%			Data of the Tea Commissioner Section of Sri Lanka Tea Board
3	Strengthening 50% of community-based organization within 03 years	3.1 Improving the asset value	15.4	NA			Socio Economic Survey Census
		3.2 No. of societies monitoring the identified roles		100		1,475	
		3.3 Attitudes of the members regarding the productivity			NA		
4	Strengthening the institute to execute more productively within a year	4.1 Percentage of accomplishing tragets					
		Tea Replanting Subsidy Scheme					
		a. Financial		298.312	102%	303.72	
		b. Physical (Hectares)			92%	621	639
		4.2 The Audit Opinion		Calculated	True & Reasonable		
		4.3 Percentage of Deviation from the budget (Developmental Capital)		.65	13%		.65
		4.4 Attitudes of the staff on the productivity of the institution			NA		
5	Directing 10% of the lands on additional income earning activities within 03 years	5.1 Percentage of lands with other crops					Socio Economic Survey Census
		Percentage of lands with animal husbandry			35%		
	Total						

Chapter 04: Cultivation Cost and Price of Tea Leaves in Tea Small Holdings Sector

4.1 Labor Cost

4.2 Production Cost of Tea Leaves per one kilogram

4.3 Production Margin and Price

4.4 Cost of Tea Replanting

4.5 Percentage of Incentives per hectare and Cost of Cultivation

The Cultivation Cost and the Price of Leaves in the Tea Small Development Sector

4.1 Labor Cost

In accordance with the annual details obtained at field level on the Tea Small Holdings Sector, when considering the labor shortage for plucking tea leaves, pruning & weeding and the level of daily wages in the Tea Small Holdings Sector, it is revealed that an amount more than the standard level of wages confirmed by the Wages Boards Ordinance has been paid. Furthermore, there are several instances where variances in the wage level are reported at the regional level. Therefore, compared to the wage level in the organized Tea Small Holdings Sector, since the wage level of daily laborers in the unorganized Tea Small Holdings Sector remains high, it had been reported as the price of labor.

Moreover, it had been reported that when making payments for the laborers on plucking tea leaves, wages were paid depending on the extent of kilograms of the leaves plucked; the instances where an additional price was paid when it exceeds the average of the daily leaves plucked; and a daily wage higher than the daily wage of plucking tea leaves was paid for the trained labor tasks such as pruning.

4.2 Production Cost of One Kilogram of tea leaves

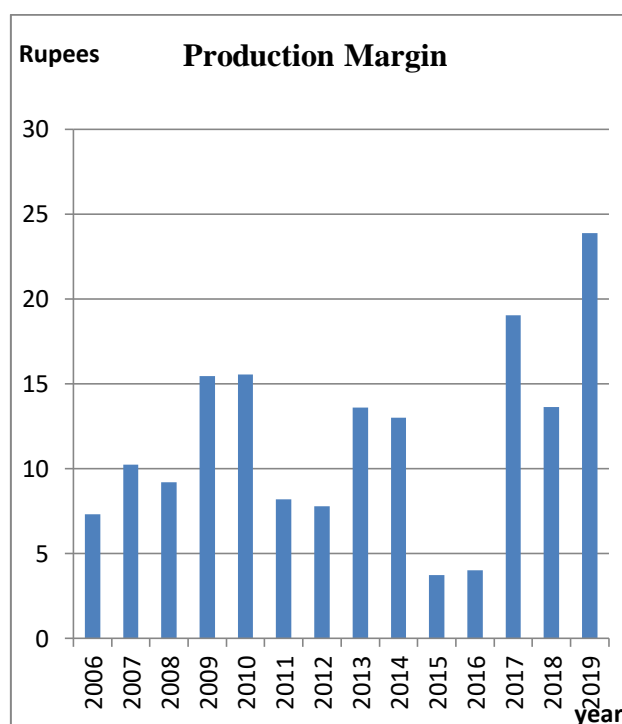
Accordingly with the data of Sri Lanka Tea Board, the estimated production cost of one kilogram of Green tea leaves as per the prices received from the Colombo Tea Auction based on the location (Schedule No. 09 – A) and the average price of one kilogram of leaves are as follows.

Table No. 18

The Price received for one kilogram of Green tea leaves and the Production Cost 2006 – 2019

Year	Average Price (Rupees per Kilogram)	Average Production Cost (Rupees per Kilogram)
2006	29.18	21.87
2007	40.88	30.64
2008	45.45	36.24
2009	52.71	37.24
2010	54.11	38.56
2011	52.63	44.43
2012	57.27	49.50
2013	64.99	51.40
2014	67.54	54.54
2015	58.80	55.08
2016	68.53	64.52
2017	90.69	71.65
2018	85.48	71.86
2019	80.15	56.28

Diagram No. 14



In the year 2019, in order to calculate the cost of production of one kilogram of leaves, the calculations were made considering the average extent of yields per hectare and per year as 9.537 Kilograms (Low Country Vegetative Propagation Tea). (In accordance with the data of Sri Lanka Tea Board) The average extent of yields in the year 2018 was 9.649 Kilograms.

Compared to the year 2018, the average price paid for one kilogram of leaves had been decreased by 5.33 Rupees or by 6% and the cost of production had been increased by 15.58 Rupees.

Prices of Leaves and the Estimated Cost been in the year 2019

Accordingly with the data of Sri Lanka Tea Board (Schedule No. 09 – A), compared to the year 2018, the average price of one kilogram of prepared tea for all the elevations had been reduced in the year 2019.

The price of 75.80 Rupees paid for one kilogram of Up-Country Green tea leaves had been reduced up to 69.19 Rupees in the year 2019. The price of 88.04 Rupees paid for lowlands been reduced up to 84.47 Rupees from the year 2019 and the average price of one kilogram of tea leaves had been reduced from 85.48 Rupees to 80.15 Rupees.

4.3 Production Margin and Price

The average productivity of production of the Tea Small Holdings Sector in the year 2019 as per the average price of tea leaves for the year and the estimated cost, the average of the production margin was 23.87 Rupees. In the year 2018, it was 13.62 Rupees. Accordingly, compared to the year 2018, the Production Margin had been increased by 10.25 Rupees.

Table No. 19

Price paid for one kilogram of aw tea leaves

	Year of 2018 (Rupees)	Year of 2019 (Rupees)	The amount of the Price Change (Rupees)
Up Country raw tea leaves	84.75	75.80	8.95
For Midlands	76.66	69.19	7.47
For Lowlands	88.04	84.47	3.57
Total Average Price per one Kilogram of tea leaves	85.48	80.15	5.33

Tea Board Data

4.4 Cost of Tea Replanting

The high rate of labor cost on tea replanting due to the shortage of labor and the removal of the amount of financial subsidy for fertilizer are the factors that

specially influenced the Cost of cultivation. According to the estimates, it is revealed that from the total cost, an amount of 83% should be spent as cost of labor.

Table No. 20

Estimate on the Cost of Replanting per hectare

2018/2019 (Rupees) (From the phase of Uprooting to Tea leaves Plucking)

Activity	2018		2019	
	High and Mid	Lowlands	High and Mid	Lowlands
Uprooting (First Year)	875,598	712,826	878,851	706,847
Soil Rehabilitation (Second Year)	230,000	247,997	209,610	218,225
Tea Planting (Third Year)	1,187,967	1,157,967	1,342,070	1,307,070
First Year Maintenance (Fourth Year)	687,777	661,527	622,640	591,390
Second Year Maintenance (Fifth Year)	459,677	442,427	418,000	400,750
Total	3,441,019	3,222,744	3,471,171	3,224,282

4.5 Percentage of Incentives per hectare and Cost of Cultivation

When considering the amount of coverage of incentives and cost of cultivation in the year 2019, it can be clearly seen from the following table that about 16% from the cost of cultivation was able to be covered from the incentives of replanting.

Table No. 21

Year	Cost of Cultivation (Rupees)		Cultivation Subsidy Ratio		Percentage covered by Cost of Cultivation (%)	
	High/Midlands	Lowlands	High/Midlands	Lowlands	High/Midlands	Lowlands
1989	140,684	117,490	48,000	41,000	34%	35%
1990	165,611	145,632	48,000	41,000	29%	28%
1991	182,331	159,936	48,000	41,000	26%	26%
1992	191,066	167,321	48,000	41,000	25%	25%
1993	222,693	194,953	67,000	57,000	30%	29%
1994	251,038	224,233	67,000	57,000	27%	25%
1995	249,431	226,088	67,000	57,000	27%	25%
1996	297,622	270,767	67,000	57,000	22%	21%
1997	361,643	327,769	67,000	57,000	18%	17%
1998	411,564	347,456	*110,000	*100,000	27%	29%
1999	445,504	377,068	110,000	100,000	25%	27%
2000	485,894	396,186	110,000	100,000	23%	25%
2001	550,744	513,866	110,000	100,000	20%	19%
2002	653,463	589,916	110,000	100,000	17%	17%
2003	712,815	643,451	160,000	150,000	22%	23%
2004	796,315	717,351	160,000	150,000	20%	20%
2005	1,026,322	1,009,427	160,000	150,000	16%	15%
2006	1,031,377	1,024,287	200,000	190,000	19%	19%
2007	1,148,177	1,125,494	200,000	190,000	17%	17%
2008	1,458,989	1,420,360	200,000	190,000	14%	13%
2009	1,516,332	1,452,292	200,000	190,000	13%	13%
2010	1,704,051	1,625,290	200,000	190,000	12%	12%
2011	1,836,280	1,724,904	250,000	240,000	14%	14%
2012	1,836,280	1,724,904	300,000	300,000	16%	17%
2013	1,929,930	1,810,904	350,000	350,000	18%	19%
2014	1,929,930	1,810,904	350,000	350,000	18%	19%
2015	2,304,530	2,154,904	500,000	500,000	22%	23%
2016	2,823,735	2,648,442	500,000	500,000	18%	19%
2017	3,393,454	3,177,175	500,000	500,000	15%	16%
2018	3,441,019	3,222,744	500,000	500,000	15%	16%
2019	3,471,171	3,224,282	500,000	500,000	14%	15%

*From 01/07/1998

Schedule No. 01

The Approved Cadre of the Tea Small Holdings Development Authority - 2019.12.31

The Approved Cadre of the Tea Small Holdings Development Authority - 2019.12.31			
	Post	Approved Cadre	
1. Senior Managers			
	General Manager	1	
	Deputy General Manager (Development)	1	
	Deputy General Manager (Extension)	1	
Sub Total			3
2. Managers			
	Internal Auditor	1	
	Manager (Finance)	1	
	Assistant Manager (Finance)	2	
	Manager (Human Resources & Administration)	1	
	Assistant Manager (Human Resources & Administration)	1	
	Manager (Development)	1	
	Assistant Manager (Development)	1	
	Assistant Manager/ Manager (Extension)	1	
	Assistant Manager/ Manager (Training)	1	
	Assistant Regional Manager (Extension)	8	
	Assistant Regional Manager (Planning & Development)	6	
	Regional Manager	8	
	Manager (Planning & Monitoring)	1	
	Assistant Manager (Planning & Monitoring)	1	
Sub Total			34
3. Junior Management Officers			
	Accounts Officer	8	
	Internal Audit Officer	1	
	Administrative Officer	9	
	Zonal Tea Development Extension Officer – Sub Offices	26	
	Training Officer	1	
	Technical Officer	1	
	Information Technology Officer	1	
Sub Total			47
4. Management Assistant – Technical			
	Tea Inspection/Extension Officer	144	
	Bookkeeper	9	
Sub Total			153
5. Management Assistant – Non - Technical			

	Management Assistant	161*	
Sub Total			161
6. Primary Level - Skilled			
	Driver	26*	
Sub Total			26
7. Primary Level – Semi - Skilled			
	Cook/ Assistant Cook	2	
	Nursery Assistant	8	
Sub Total			10
8. Primary Level - Unskilled			
	Office Assistant/ Laborer Sanitary/ Office & Security Assistant	53*	
Sub Total			53
Total			487

- The two posts of Deputy General Manager and Welfare Officer are on the basis of personal to the holder.
- From the number of approved cadre indicated by * mark, 12 posts of Management Assistants, 01 post of Driver, 15 posts of Office Assistant/Laborer were accepted on basis of personal to the holder.
- As per the letter No. DMS/1714 V-III (oth) of the Department of Management Services dated at 2018.11.29, the designation of the officers in charge was revised as Zonal Tea Development Extension Officer.

Schedule No. 02

Tea Small Holdings Development Authority
Details of the Number of Approved Cadre

Post	Service Category	Grade	Main		Galle		Matara		Rathnapura		Kandy		Nuwara Eliya		Uva		Kalutara		Kegalle		Hanthana		Total	
			APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT
1	General Manager	HM 2-1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
2	Deputy General Manager (Development)	HM 1-1	I	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
3	Deputy General Manager (Extension)	HM 1-1	I	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	0
4	Internal Auditor	MM 1-1	I/II	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
5	Manager (Human Resources & Administration)	MM 1-1	I	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
6	Manager (Development)	MM 1-1	II	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
7	Manager (Finance)	MM 1-1	II	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
8	Manager (Planning & Monitoring)	MM 1-1	II	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
9	Regional Manager	MM 1-1	I/II	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	8	5

10	Assistant Manager/ Manager (Training)	MM 1-1	II																		1	1	1	1
11	Assistant Manager (Finance)	MM 1-1	II	2	2																		2	2
12	Assistant Manager (Human Resources & Administration)	MM 1-1	II	1																			1	0
13	Assistant Manager (Planning & Monitoring)	MM 1-1	II	1	1																		1	1
14	Assistant Manager (Extension)	MM 1-1	II	1	1																		1	1
15	Assistant Manager (Development)	MM 1-1	II	1	1																		1	1
16	Assistant Regional Manager (Extension)	MM 1-1	II			1	1	1	1	1	1	1	1	1	1	1	1	1					8	6
17	Assistant Regional Manager (Planning & Development)	MM 1-1	II			1	1	1	1	1	1	1	1	1	1	1	0		1				8	6
18	Deputy General Manager (Services)*	MM 1-1	II	0	1																		0	1
19	Administrative Officer	MM 1-1	II	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1				9	8
20	Accounts Officer	JM 1-1	I/II			1	1	1	1	1	1	1	1	1	1	1	1	1	1				8	8
21	Internal Audit Officer	JM 1-1	I/II	1	1																		1	1
22	Training Officer	JM 1-1	II																	1			1	0
23	Zonal Tea Development – Sub Offices	JM 1-1	II			4	2	3	3	4	2	5	4	3	2	3	4	2	1	2	2		26	20

24	Information Technology Officer	JM 1-1	II	1																			1	0	
25	Technical Officer	JM 1-1		1																			1	0	
26	Welfare Officer	JM 1-1		0	1																		0	1	
Sub Total				18	16	9	7	8	8	9	7	10	8	8	6	8	8	6	4	6	6	2	1	84	71
27	Tea Inspection/Extension Officer	MA 2-3	I/II/III			23	20	20	19	25	20	24	19	12	8	16	13	13	12	10				144	121
28	Bookkeeper	MA 2-2	I/II/III	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1			9	8	
29	Management Assistant	MA 2-2	I/II/III	35	33	25	11	22	15	19	17	19	23	9	14	10	13	12	9	8	12	2	4	161	151
Sub Total				36	34	49	31	43	35	45	38	44	43	22	23	27	27	26	22	20	23	2	4	314	280
30	Driver	PL 3	I/II/III	8	9	2	3	2	1	3	2	2	2	2	2	2	2	2	1	2	1	1	1	26	25
31	Cook	PL 2	I/II/III																			1	1	1	1
32	Assistant Cook	PL 2	I/II/III																			1	1	1	1
33	Nursery Assistant	PL 2	I/II/III	0		1	1	1	1	1			1	2	2			2	1	1	1		1	8	8
34	Labourer, Office & Security Assistant	PL 1	I/II/III	18	18	2	2	1	1	9	6	7	7	6	6	3	4	2	4	4	4	1	1	53	53
Sub Total				26	27	5	6	4	3	13	8	9	10	10	11	5	6	6	6	7	6	4	5	89	88
Total				80	77	63	44	55	46	67	53	63	61	40	40	40	41	38	32	33	35	8	10	487	439

APR – Approved - The number of approved cadre as per the letter No. DMS/E4/08/5/070/1, DMS/1714, DMS/1714 V-1, DMS/1714 V-II, DMS/1714 V-III (C) of the Department of Management Services dated at 2011.01.31, 2016.03.15, 2016.08.18, 2017.06.22, 2017.10.31.

ACT – Actual – The number of cadres as at 2019.12.31

*Approved on basis of personal to the holder

Schedule No. 03

Categorization of Executive Officers in accordance with the highest educational qualification.

Name and Post	Service Category	G. C. E (O/L)	G. C. E (A/L)	Diploma	Degree	Postgraduate Diploma	Postgraduates
<u>Head Office</u>							
General Manager – Mr. D. G Mahipala	HM 2-1						√
Deputy General Manager (Extension) (Acting) – W.T.R. P Wimalarathne	MM 1-1						√
Deputy General Manager (Development) – Mr, C. J. I. T Fernando	HM 1-1				√		√
Manager (Human Resources /Administration) – Mr, T.H.T De Silva	MM 1 - 1			√			
Manager (Development) – Mr, H.R. Vydyarathne	MM 1 - 1				√		√
Manager (Finance) – Mr, P.R.I. Perera	MM 1 – 1			(√)*			
Internal Auditor – Mr, W.W.J.L. Fernando	MM 1 - 1			(√)*	√		
Deputy General Manager (Service) - Mr, Amith Pasquel	MM 1 - 1				√		√
Manager (Planning & Monitoring) - Mrs, M.A. Piyaseeli	MM 1 - 1			(√)*	√		
Assistant Manager (Finance) - Mrs, R.A.C.D.D. Jayathunga	MM 1 - 1				√		
Assistant Manager (Development) -Mr, A.A.D.P.Abeythilaka	MM 1 - 1			√			
Assistant Manager (Human Resources & Administration)- Mrs, J.M.H.K. Jayasundara (up to 2019.05.31)	MM 1 - 1				√		√

Assistant Manager (Human Resources & Administration) (Acting) - Miss, P.G.I. Surangika	MM 1 - 1				√		
Assistant Manager (Extension) – Mr, Prabuddha Pathum Wijesooriya	MM 1-1-11				√		
Assistant Manager (Finance) – Mrs, R.R.W.D. Rathnayake	MM 1-1-11			(√)*	√		
Assistant Manager (Planning & Monitoring) W.D.C. Krishanthi	MM 1-1-11			√	√		
Internal Audit Officer (Covering Duties) - Miss, P.G.I. Surangika (from 2019.04.24 to 2019.06.02)	JM 1-1-11				√		
Administrative officer - Mr, Sarathchandra Muramudalige	JM 1-1-11			√			
Administrative officer – Mrs, E.M.D. Amunugama	JM 1-1-11		√				
Welfare Officer – Mr, M.A. Indikarathne	JM 1-1-11				√		
Computer Systems Officer (Acting) - Mr, M.T.J.N. Madurawela	JM 1-1-11			√			

(√)* - AAT Qualification/ Part Qualification of the ICASL (Chartered)

Name and Post	Service Category	G. C. E (O/L)	G. C. E (A/L)	Diploma	Degree	Postgraduate Diploma	Postgraduates
<u>Galle Regional Office</u>							
Regional Manager- Mr, E.R.S. Gunawardhana	MM 1-1			√			
Assistant Regional Manager (Extension) – Mr, I.U.H. Mohotti	MM 1-1				√		
Assistant Regional Manager (Planning and Development) – Mrs, E.K.P.L. Priyadarshani (from 2019.07.08)	MM 1-1				√		
Assistant Regional Manager (Planning and Development) (Covering Duties) – Mr, D.L.C. Sooriyaarachchi	JM 1-1			√			

Accounts Officer (Performing Duties) – Mr, D.D. Priyanjith (up to 2019.05.23)	JM 1-1			(√)*			
Accounts Officer – Mrs, K.W.W. Perera (from 2019.05.24)	JM 1-1			(√)*	√		
Administrative officer – M.G.D.A. Pushpakumari	JM 1-1		√				
Zonal Tea Development Extension Officer- Mr, D.L.C. Sooriyaarachchi	JM 1-1			√			
Zonal Tea Development Extension Officer - Mr, M.T. Amararuwan	JM 1-1			√			
Zonal Tea Development Extension Officer – Mr, H.M.K.G.B. Herath	JM 1-1			√			
Zonal Tea Development Extension Officer (Acting)- Mr, K.S.S. Dahanayaka	MA 2-3			√			
Zonal Tea Development Extension Officer (Acting) - Mr, I.D.D. Kumara	MA 2-3			√			
<u>Matara Regional Office</u>							
Regional Manager – Mr, G.G. Bandula	MM 1-1				√		√
Assistant Regional Manager (Planning and Development) – Mr, Saliya Narangaspitiya	MM 1-1				√		√
Assistant Regional Manager (Extension) - Mr, K.H.L. Sanjeewa	MM 1-1				√		
Administrative officer – Mrs, N.V.P. Pushpakumari	JM 1-1			√			
Accounts Officer – Mrs, M.M.L. Pushpakumari	JM 1-1				√		
Regional Tea Development Extension Officer – Mr, J.L. Edirisooriya	JM 1-1			√			
Regional Tea Development Extension Officer (Acting) – Mr, N.M. Wijesinghe	MA 2-3			√			
Regional Tea Development Extension Officer - Mr, Mahinda Batagoda	JM 1-1			√			

(√)* - AAT Qualification/ Part Qualification of the ICASL (Chartered)

Name and Post	Service Category	G. C. E (O/L)	G. C. E (A/L)	Diploma	Degree	Postgraduate Diploma	Postgraduates
<u>Rathnapura Regional Office</u>							
Regional Manager- Mr, K.A.B. Pathmaraja	MM 1-1				√	√	
Assistant Regional Manager (Planning and Development) – Mr, H.K. Lalith Kumara	MM 1-1				√	√	
Assistant Regional Manager (Extension) - Mr, G.N. Yagamunhi	MM 1-1				√		
Accounts Officer – Mrs, M.A. Piyaseeli (up to 2019.04.24)	JM 1-1				√		
Accounts Officer – Mr, E.G.T.N. Serasinghe	JM 1-1			√			
Administrative officer – Mrs, R.D.C.K. Ranathunga (from 2018.05.09 to 2019.10.09)	JM 1-1			√			
Administrative officer – Mrs, Dammika Weththasinghe	JM 1-1		√				
Regional Tea Development Extension Officer – Mr, P.D.K. Balachandra	JM 1-1			√			
Zonal Tea Development Extension Officer – Mr, M.A.I. Abeysena	JM 1-1			√			
Zonal Tea Development Extension Officer (Acting) – Mr, P.S.K. Perera	MA 2-3			√			
<u>Kandy Regional Office</u>							
Regional Manager- Mr, R.A.G.G. Ranasinghe	MM 1-1				√		√

Assistant Regional Manager (Extension) - Mr, M.R.N. Dammika	MM 1-1				√	√	
Assistant Regional Manager (Planning and Development) (Performing Duties) – Mr, D.M.R.K.B. Dasanayaka	JM 1-1			√			
Administrative officer – Mr, Chamila Bandara Diddeniya	JM 1-1				√		
Accounts Officer – Mrs, Shyamili Premasundara	JM 1-1			(√)*			
Regional Tea Development Extension Officer – Mr, D.M.R.K.B. Dasanayaka	JM 1-1			√			
Zonal Tea Development Extension Officer – Mr, W.J.W. Arambepola	JM 1-1			√			
Zonal Tea Development Extension Officer – Mr, T. Amarasekara	JM 1-1			√			
Zonal Tea Development Extension Officer – Mr, P.G.P.C. Wijesinghe	JM 1-1			√			

(√)* - AAT Qualification/ Part Qualification of the ICASL (Chartered)

Name and Post	Service Category	G. C. E (O/L)	G. C. E (A/L)	Diploma	Degree	Postgraduate Diploma	Postgraduates
<u>Nuwara-Eliya Regional Office</u>							
Regional Manager- Mr, W.T.R.P. Wimalarathne	MM 1-1				√		√
Assistant Regional Manager (Planning and Development) – Mr, P.A.N. Pushpakumara	MM 1-1			√			
Assistant Regional Manager (Extension) (Performing Duties) - Mr, D.V.K. Nandasiri	JM 1-1			√			
Assistant Regional Manager (Extension) - Mr, R.A.S. Ranathunga	MM 1-1			√	√		
Accounts Officer – Mrs, M.L. Navalage	JM 1-1				√		
Administrative officer – Miss, M.U.X. Wickramasinghe (up to 2019.07.02)	JM 1-1				√		
Zonal Tea Development Extension Officer (Covering Duties) – Mr, R.A.S. Ranathunga	MM 1-1			√	√		
Zonal Tea Development Extension Officer – Mr, S.I.U. Senadeera	JM 1-11			√			
Zonal Tea Development Extension Officer – Mr, A.T.A. Gunawardhana	JM 1-1			√			

<u>Uva Regional Office</u>							
Regional Manager- Mr, H.R. Aruna Shantha (up to 2019.04.05)	MM 1-1			√			
Regional Manager (Acting) - Mr, P.G.N. Pushpakumara (From 2019.04.08)	MM 1-1				√		
Assistant Regional Manager (Planning and Development) – Mr, K.M.R.L. Bandara	MM 1-1			√			
Assistant Regional Manager (Extension) (Acting) - Mr, H.M. Premakumara (up to 2019.10.14)	JM 1-1			√			
Assistant Regional Manager (Extension) - Mr, H. Tharanga de Zoysa (From 2019.10.15)	MM 1-1				√		
Accounts Officer (Covering Duties)– Mrs, M.A. Piyaseeli (from 2018.04.24 to 2018.12.31)	JM 1-1				√		
Accounts Officer – Mr, W.D.M.M. Amarasinghe (from 2019.06.30)	JM 1-1			√	√		
Administrative officer – Mr, H.P.L.S. Pushpalumara (from 2019.01.01 to 2019.06.30)	JM 1-1			√			
Administrative officer – Mr, R.D.C.K. Ranathunga (2019.07.01)	JM 1-1			√			
ZonalTea Development Extension Officer – Mr, A.K. Wijesekara	JM 1-1			√			
Officer in Charge – Mr, R.M.A.D. Rathnayaka	JM 1-1			√			
ZonalTea Development Extension Officer – Mr, M.M. Kumarasinghe	JM 1-1			√			
ZonalTea Development Extension Officer – Mr, H.M. Premakumara	JM 1-1			√			

(√)* - AAT Qualification/ Part Qualification of the ICASL (Chartered)

Name and Post	Service Category	G. C. E (O/L)	G. C. E (A/L)	Diploma	Degree	Postgraduate Diploma	Postgraduates
<u>Kegalle Regional Office</u>							
Regional Manager (Acting) - Mr, W.H.S.P. Wijethunga	MM 1-1				√		
Assistant Regional Manager (Extension)- Mr, D.M.G.S. Ekanayaka	JM 1-1			√			
Administrative officer – Mr, H.M.R.J.B. Herath	JM 1-1				√		
Accounts Officer – Mr, R.R.M.J.B. Rathnayaka	JM 1-1				√		
Zonal Tea Development Extension Officer – Mr, R.M.P.R. Bandara	JM 1-1			√			
Zonal Tea Development Extension Officer (Acting) – Mrs, H.M.G.P. Nilmini Kumari	MA 2-3			√			
<u>Kaluthara Regional Office</u>							
Regional Manager- Mr, D.M.J. Nakandala (up to 2019.06.12) Mr, R.A. Vydyarathne (from 2019.06.13)	MM 1-1			√			
Assistant Regional Manager (Extension)- Mr, S.C.Mudannayaka	MM 1-1				√		
Accounts Officer (Acting) – Mrs, K.W.W. Perera	JM 1-1			(√)*	√		
Accounts Officer (Performing Duties)– Mr, D.D. Priyanjith (from 2019.05.24 to 2019.12.29)	JM 1-1			(√)*			

Administrative officer – Mr, Sarathchandra Muramudalige (up to 2019.02.28)	JM 1-1			√			
Administrative officer – Mr, H.P.L.S. Pushpakumara (from 2019.07.01)	JM 1-			√			
Regional Tea Development Extension Officer – Mr, T.M.S.L. Priyadarshaka	JM 1-1				√		√
Zonal Tea Development Extension Officer (Acting) – Mrs, H.P. Pushpakumari	JM 1-1			√			
<u>Rathnasiri Wickramanayaka Training Centre</u>							
Regional Manager (Training) (Acting) – Mr. W.T.R.P. Wimalarathne (up to 2019.04.01)	MM 1-1			√			√
Assistant Manager (Training) (Acting) – Mr. Anuruddha Bandara (up to 2019.03.01)	MM 1-1			√			
Assistant Manager (Training) – Mr, H.K.G.I.S.B. Hapuhinna (from 2019.04.25)	MM 1-1			√			
Training Officer (Contract) – Mr. H.D.S. Rupasinghe	JM 1-1		√				

(√)* - AAT Qualification/ Part Qualification of the ICASL (Chartered)

Schedule No. 04

**Tea Production of the Tea Small Holdings Sector
1983 – 2019 (Million Kilograms)**

Year	National Production	Production of the Tea Small Holdings Sector		Contribution to the National Production %
		Production	Growth Percentage	
1983	179.28	62.4	-	34.8
1984	208.05	77.4	6.90	37.2
1985	214.09	82.0	120.4	38.3
1986	211.27	83.0	1.2	39.2
1987	213.32	91.1	9.75	42.7
1988	226.95	100.2	9.99	44.1
1989	206.98	92.2	(8.98)	44.5
1990	223.16	113.7	23.3	48.7
1991	240.74	121.1	6.51	50.3
1992	178.86	94.9	(21.63)	53.0
1993	231.87	125.3	32.02	54.0
1994	242.21	139.8	11.57	57.7
1995	245.96	140.0	0.14	56.9
1996	258.42	147.8	5.57	57.2
1997	276.86	149.3	1.01	53.9
1998	280.05	165.9	11.12	59.2
1999	283.76	164.0	(1.11)	57.8
2000	305.84	183.7	12.01	60.0
2001	295.09	183.4	(0.06)	62.1
2002	310.03	189.5	3.33	61.1
2003	303.23	187.9	(0.84)	61.9
2004	308.08	203.0	8.04	65.9
2005	317.19	205.8	2.95	64.9
2006	310.82	212.4	3.2	68.3
2007	304.61	205.7	(3.1)	67.5
2008	318.69	214.8	4.4	67.4
2009	291.13	201.9	(6)	69.3
2010	331.42	230.1	13.98	69.4
2011	327.53	229.0	(0.48)	69.9
2012	326.27	233.1	1.78	71.4
2013	340.22	245.4	5.3	72.2
2014	338.03	247.4	0.8	73.1
2015	328.96	239.86	(3.0)	72.9
2016	292.57	218.06	(9.0)	74.5
2017	307.72	232.42	6.6	75.5
2018	303.94	228.05	(1.9)	75.0
2019	300.13	225.73	(1.02)	75.0

Source: Sri Lanka Tea Board

Schedule No. 05

**Operation on the Tea Replanting Subsidy Scheme
1981 – 2019**

Year	Number of Permits issued	Extent of Lands Covered by Permits (Hectares)	Extent of Uprooted Lands (Hectares)	Extent of Cultivated Lands (Hectares)	Annual Expenditure (Million Rupees)	Annual Provisions (Million Rupees)
1981	1,740	-	564	563	9.40	9.60
1982	1,459	-	524	508	12.80	10.60
1983	1,758	826	454	379	11.20	11.50
1984	2,404	1,317	466	340	11.80	13.00
1985	1,160	823	615	414	16.40	8.10
1986	662	442	547	464	20.30	16.30
1987	630	390	346	349	14.00	22.80
1988	501	321	308	277	10.30	18.50
1989	758	455	246	330	18.90	17.40
1990	4,827	2,439	478	362	19.20	22.59
1991	3,109	1,423	581	304	20.49	33.91
1992	1,348	526	662	409	20.33	27.00
1993	3,699	1,147	507	516	29.79	32.24
1994	2,627	906	770	553	31.62	60.46
1995	3,465	1,267	1390	533	38.00	41.75
1996	4,475	1,319	724	508	31.05	43.41
1997	6,235	1,580	923	435	40.32	68.91
1998	5,507	1,586	674	635	65.64	61.69
1999	3,660	955	861	767	88.82	77.95
2000	6,930	1,796	722	519	72.68	92.84
2001	7,093	1,952	841	574	77.76	98.85
2002	9,983	2,565	991	736	99.17	106.57
2003	11,928	2,892	1179	765	122.82	150.11
2004	10,618	2,621	1398	891	188.10	179.07
2005	9,291	2,127	1306	1,058	174.83	182.13
2006	6,755	1,578	927	1,001	183.34	181.90
2007	5,274	1,030	1008	1,024	172.89	214.75
2008	6,945	1,337	1128	881	194.59	190.59
2009	6,493	1,610	925	777	178.17	190.17
2010	7,781	1,895	1015	847	177.85	153.00
2011	8,033	2,170	947	772	187.64	156.26
2012	11,889	2,647	1087	889	226.83	300.17
2013	13,802	2,928	1188	1,165	351.87	236.75
2014	10,134	2,540	810	720	258.09	391.75
2015	9,006	2,278	1173	806	420.07	464.69
2016	11,076	2,597	1356	733	487.87	546.00
2017	12,945	3,053	899	748	460.59	466.10
2018	5,624	1,480	909	1,027	422.69	443.10
2019	3,308	2,751	376	639	298.31	303.72

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 06

**Operation on the Crop Rehabilitation (Infilling) Subsidy Scheme
1986 – 2019**

Year	Permitted Number of Plants	Number of Plants on which the first installment was paid	Number of Plants on which the second installment was paid	Total amount of the Subsidy paid (Million Rupees)	Annual Provisions (Million Rupees)
1986	7,123,986	5,087,525	1,242,922	15.41	5.88
1987	5,818,170	5,269,971	2,484,684	16.57	8.16
1988	5,121,825	3,861,892	2,496,705	10.00	19.37
1989	3,903,899	4,257,670	3,377,046	13.30	19.60
1990	3,847,466	2,986,998	2,975,849	9.32	7.20
1991		1,029,987	3,528,586	8.95	9.04
1992		235,404	1,148,371	2.49	5.00
1993		6,607	1,658	0.30	
1994		16,432	46,030	0.12	
1995		20,298	7,073	0.46	2.45
*1996		13,278	3,181	1.19	15.20
**1996	5,600,900	3,867,981			
**1997	6,965,923	5,301,839		9.03	12.00
1998		1,707,845		4.14	15.02
*1999			14,012	8.20	11.16
**1999	617,120	2,454,895	1,846,445		
2000	2,713,972	812,174	389,248	3.68	11.54
2001	1,412,860	1,078,708	209,534	5.68	11.54
2002	4,031,727	2,522,872	486,948	11.22	10.38
2003	3,012,892	1,636,901	380,013	9.38	12.00
2004	2,303,061	1,489,167	593,906	14.46	12.99
2005	1,566,327	1,242,648	776,661	8.11	12.37
2006	972,913	520,610	540,819	7.79	8.58
2007	1092,856	516,471	308,325	4.13	6.00
2008	836,729	519,607	404,331	4.84	3.00
2009	995,822	431,699	232,217	3.25	3.59
2010	769,104	424,227	254,715	3.58	5.00
2011	1,379,734	504,322	182,401	6.32	9.24
2012	1,902,051	766,991	345,152	14.35	8.66
2013	1,060,634	497,592	420,611	11.24	6.00
2014	776,271	271,015	232,034	5.91	17.50
2015	754,170	308,950	199,923	6.43	6.00
2016	981,075	367,876	246,339	7.80	10.48
2017	1,290,408	564,145	297,068	11.70	17.29
2018	1,648,390	797,530	442,296	15.69	20.00
2019	4,699,796	1,921,568	465,084	138.99	190.59

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 07

Operation on New Planting Subsidy Scheme

1981 – 2019

Year	Number of Permits issued	Extent of Lands Covered by Permits (Hectares)	Extent of Uprooted Lands (Hectares)	Extent of Cultivated Lands (Hectares)	Annual Expenditure (Million Rupees)	Annual Provisions (Million Rupees)
1981	1,878	-	328	239	1.9	2.1
1982	1,992	-	388	316	2.9	2.4
1983	2,757	866	393	264	2.7	4
1984	7,754	2,667	461	279	2.4	3.2
1985	7,754	1,764	857	599	9.5	6.3
1986	4,999	1,982	1,586	1,430	30.5	9.3
1987	3,939	1,375	1,218	1,183	26.5	13.5
1988	3,737	1,323	814	878	19.7	29.7
1989	4,532	1,837	1,013	1,011	34.9	34.2
1990	12,680	3,937	1,676	1,647	44.6	39.9
1991	3,785	1,120	2,088	1,843	57.8	42
1992	10,533	4,163	1,954	1,948	52.2	58
1993	12,318	2,720	1,753	1,622	51.57	50.57
1994	8,106	1,803	2,339	1,661	50.95	66.50
1995	5,822	134	2,407	1,237	44.52	49.80
1996	2,176	378	486	450	20.91	18.78
1997	3,797	576	340	293	14.08	9.08
1998	4,284	632	315	381	23.82	13.50
1999	6,694	952	484	405	13.04	12.24
2000	3,674	671	433	256	7.36	9.03
2001	6,353	1,084	419	399	15.58	11.91
2002	12,338	2,542	567	562	30.62	20.86
2003*	-	654	647	642	27.95	24.94
2004	-	-	-	12	3.25	7.94
2005	-	-	1.42	8	0.30	2.42
2006	-	-	0.33	0.83	0.042	0.37
2011	430	45	28.14	28.38	1.18	2.08
2012	2,990	517	260	239	23.20	24.00
2013	2,872	543	258	263	42.41	3.60
2014	5,315	1,034	426	401	66.98	51.50
2015	4,239	846	475	479	128.12	128.88
2016	458	75	103	109	46.72	49.77
2017	2,324	349	211	202	63.71	71.12
2018	3,899	681	443	435	121.68	117.0
2019	2,887	567	299	295	91.69	92

*The Subsidy Scheme was not executed from the year 2003 to the year 2010

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 08 – A

A Issuing New Culivar of Shoots and Branches from Mother Bush Cultivations – 2019

District	Location	Commercial Nurseries	%	Tea Small Holders	%	Societies and Other	%	Institutional Nurseries	%	Production		
										Number	%	Target
Galle	Wahalanduwa	-	-	6,610	25.94	-	-	18,870	74.06	25,480	11.74	29,000
Kaluthara	Hanthana	-	-	36,660	62.14	-	-	22,340	37.86	59,000	27.17	125,000
Kalutara	Wogan	-	-	-	-	-	-	1,550	100.0	1,550	0.71	40,000
Kandy	Nelligolla and Sooriyagoda	-	-	4,900	17.38	-	-	23,290	82.62	28,190	12.98	50,000
Kegalle	Hingula	-	-	-	-	-	-	15,250	100.0	15,250	7.02	18,000
Nuwara Eliya	Rahathungoda and Thispane	5,100	7.39	-	-	1,620	2.35	62,246	90.26	68,966	31.76	125,000
Uva	Bandarawela and Hali Ela	2,300	21.52	8,387	78.48	-	-	-	-	10,687	4.92	37,500
Matara	Mawarala	-	-	-	-	-	-	8,000	100.0	8,000	2.47	200,000
Total		7,400	3.41	56,557	26.05	1,620	0.75	151,546	69.80	217,123	100.00	624, 500

Source – Progress Report – Tea Small Holdings Development Authority

Schedule No. 08 – B

Operation on Institutional Tea Nurseries – The Year 2019 (in Rupees)

Description		Hantana	Rahatungoda	Walahan duwa	Hingula	Hedigalla	Wogan	Thispane	Mawarala	Nelligolle	Sooriyagoda	Total
Status of Stock as at 01.01.2019	Number of Plants	67,044	25,565	88,128	74,714	69,574	132,975	70,023	33,654	70,042	-	631,719
	Value (Rupees)	649,918	313,938	1,485,982	1,888,104	672,516	1,338,544	1,091,659	1,181,156	1,401,315	-	10,023,132
Planted during the Year	Number of Plants	77,122	195,530	139,450	200,000	75,000	175,000	193,913	68,000	131,112	10,000	1,265,127
	Value (Rupees)	1,408,032	3,434,688	2,535,141	4,053,012	2,017,559	3,502,940	4,619,877	2,743,968	2,903,553	152,042	27,370,811
Number of dead plants		967	11,780	14,917	8,310	9,995	16,220	1,150	2,765	3,200	-	69,304
Status of Stock as at 01.01.2019	Number of Plants	36,637	112,578	26,543	198,749	49,727	48,738	118,730	60,292	81,316	11,589	744,881
	Value (Rupees)	744,986	1,748,336	507,237	2,723,322	627,954	789,80,	2,077,775	1,645,743	2,173,979	164,921	13,203,759
Sales Cost	Number of Plants	57,996	96,737	106,118	146,937	115,224	275,240	81,036	44,167	64,716	7,236	995,407
	Value (Rupees)	1,140,664	1,763,824	2,027,904	2,688,947	1,683,439	3,189,851	3,489,523	1,225,544	1,504,040	110,018	18,823,754
Production cost of a plant	Estimated (Rupees)	21.78	24.44	24.37	24.78	24.99	24.21	24.95	23.58	20.74	23.92	23.86
	Real (Rupees)	16.76	16.41	19.11	18.29	21.61	18.34	17.58	27.75	18.26	15.20	18.71
Profit / Loss		479,144	461,777	895,600	1,383,589	(417,340)	669,111	336,806	(74,218)	260,708	92,590	4,087,767

Source – Progress Report – Tea Small Holdings Development Authority

Schedule No. 08 – C₁

Operation on Commercial Tea Nurseries – 2018/2019

Regional Office	Issuance of Permits		First Inspection (CN – 04)			Second Inspection (CN –05)			Third Inspection (CN – 06)			
	No. of Nurseries	Plants Capacity	No. of Active Nurseries	No. of Planted Plants	Per Capacity %	No. of Active Nurseries	No. of successful plants	As per the planted plants	No. of Nurseries	No. of certified plants	success percentage	
Galle	154	6,798,400	128	2,704,742	40	104	2,196,830	81	48	555,450	25	
Matara	210	6,801,000	151	2,510,164	37	123	2,235,560	89	43	390,500	17	
Kalutara	61	2,960,000	26	525,400	18	21	739,750	141		-	-	
Rathnapura	52	5,947,000	53	4,174,119	70	13	833,700	20	-	-	-	
Kandy	165	7,011,000	158	2,797,900	40	69	1,946,900	70	53	1,372,590	71	
Nuwaa Eliya	24	1,103,000	12	483,000	44	7	378,000	78	-	-	-	
Uva	114	3,285,945	98	2,605,500	79	88	2,000,090	77	81	1,144,370	57	
Kegalle	90	4,855,000	56	1,638,351	34	32	1,237,210	76	11	223,932	18	
Total	870	38,761,345	682	17,439,176	45	457	11,568,040	66		236	3,686,842	32

Source – Progress Report – Tea Small Holdings Development Authority

Schedule No. 08 – C₂

Operation on Commercial Tea Nurseries – 2019/2020

Regional Office	Issuance of Permits		First Inspection (CN – 04)			Second Inspection (CN –05)			Third Inspection (CN –06)		
	No. of Nurseries	Plants Capacity	No. of Active Nurseries	No. of Planted Plants	Per Capacity %	No. of Nurseries	Plants Capacity	No. of Active Nurseries	No. of Planted Plants	No. of certified plants	No. of Nurseries
Galle	127	5,313,250	20	181,850	3	-	-	-	-	-	-
Matara	254	8,183,000	209	3,436,349	42	203	3,071,198	89	35	69,700	2
Kalutara	6	375,000	-	-	-	-	-	-	-	-	-
Rathnapura	131	12,355,500	53	4,174,119	34	7	323,700	8	-	-	-
Kandy	59	2,894,000	-	-	-	-	-	-	-	-	-
Nuwaa Eliya	32	1,132,000	-	-	-	-	-	-	-	-	-
Uva	148	3,698,844	84	2,054,668	56	4	80,000	4	-	-	-
Kegalle	71	3,602,000	-	-	-	-	-	-	-	-	-
Total	828	37,553,594	366	9,846,986	26	214	3,474,898	35	35	69,700	2

Source – Progress Report – Tea Small Holdings Development Authority

Schedule No. 09 – A

A Price for Tea as at Location in Colombo Tea Auction 1988 – 2019
(Price: Rupees per Kilogram)

Year	Up Country	Mid Country	Low Country	Mean Average
1988	44.88	40.73	42.36	42.77
1989	56.75	50.03	50.59	55.20
1990	68.10	62.69	77.47	71.03
1991	57.95	50.74	61.08	58.08
1992	65.99	54.43	61.89	61.22
1993	67.63	63.14	71.31	68.46
1994	65.89	57.71	67.29	64.89
1995	69.17	63.11	78.07	72.31
1996	93.38	89.70	114.35	103.88
1997	109.43	107.94	124.47	119.40
1998	127.60	121.45	141.45	134.35
1999	106.17	100.68	125.74	115.31
2000	128.40	119.08	144.79	135.53
2001	135.56	122.63	154.50	143.96
2002	135.65	125.45	163.19	149.30
2003	138.31	126.18	160.86	149.05
2004	171.78	157.96	189.86	180.74
2005	170.85	161.37	198.59	185.84
2006	204.32	175.12	204.19	199.58
2007	253.41	245.72	299.34	279.52
2008	273.83	270.13	336.38	310.81
2009	321.28	316.79	388.44	360.45
2010	337.82	330.88	393.40	370.61
2011	340.27	319.77	381.27	359.89
2012	375.53	351.08	407.14	391.64
2013	402.98	398.65	469.91	444.42
2014	420.36	410.13	488.06	461.86
2015	388.38	362.57	416.32	402.14
2016	449.8	419.59	486.74	468.61
2017	606.59	565.85	637.95	620.17
2018	579.54	524.21	602.01	584.50
2019	518.35	473.16	577.68	548.15

Source: Sri Lanka Tea Board

Schedule No. 09 – B**Estimate on the Production Cost of Green Tea Leaves a Kilogram - 2019 (Low Country)****9,537 Kilograms of Green Leaves per Hectare /Year (As 2,051 Kilograms of Prepared Tea)**

	Activity	Frequency of Practice	Units of Labor	Cost of Raw Materials Rupees Cents	Total Cost Rupees Cents	%
1	i Leaves Plucking (20 Kilograms per person per day)	1/2 labor for 45 times	381	-	304,800.00	58.67
2	Suppression of Weeds	10 laborers per month	58	-	62,640.00	12.06
3	Fertilizer mixture and application					
	i Applying matured tea fertilizer mixture	8 laborers each (for 2-4 times)	24	22,724.00	48,644.00	9.36
	ii Applying Dolomite	4 laborers each (for 2 times cycle)	2	4,135.00	6,295.00	1.21
	iii Applying Zinc Sulfate	5 laborers each (for 2 times)	5	550.00	5,950.00	1.15
4	Shade Tree Management	5 laborers each (for 2 times)	10		10,800.00	2.08
5	Pruning	30-40 laborers each (for 2 times cycle)	20		30,000.00	5.77
6	Moss Removal	12-20 laborers each (for 2 times cycle)	6		6,480.00	1.25
7	Trimming Levels	12-20 laborers each (for 2 times cycle)	6		6,480.00	1.25
8	Draining	36 laborers each (for 2 times cycle)	18		19,440.00	3.74
9	Infilling	16 laborers for 375 plants	8	9,375.00	18,015.00	3.74
			538	36,784.00	519,544.00	100
	Average Production Cost for One Kilogram of Green Tea Leaves		54.48	(Exempt General Expenses)		
	Transportation Expenses		1.80			
	Cost of Production		56.28			
*	2-year time cycle has been used for Lowlands					
*	Fertilizer mixtures and volumes are in accordance with the recommendations of Tea Research Institute and the prices are that existed within the year					
*	The price of a tea shoot plant is 25 Rupees					
*	The transportation cost has been included in the cost of raw materials					
*	Daily wage of a laborer		1080			
*	Daily wage for pruning		1500			
*	1 Metric Ton of Dolomite		6200			
*	1 Kilogram of Zinc Sulfate		50			
*	1 Metric Ton of UT-397/VPLC/U 709/ UT 752		23000			
*	Tea Leaves Plucking		800			

Schedule No. 10 – A

A Estimate on Cultivation Cost – in Highlands/Mid lands per Hectare of Tea Replanting – 2019

(From Uprooting to Leaves Plucking Phases) 1,500 Rupees of Daily Wage per Hectare/Rupees

	Amount	Expenditure	Uprooting First Year			Soil Rehabilitation Second Year			Tea Planting Third Year			First Year Maintenance Fourth Year			Second Year Maintenance Fifth year			Total cost			Percentage of the Total Cost %
			Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	
1			132		198000													132		198000	5.70
2			200		300000													200		300000	8.64
3			100		150000	40		60000	10		15000	5		7500	5		7500	160		240000	6.91
4	3952	35568	2	35568	38568													2	35568	38568	1.11
5			54		81000													54		81000	2.35
6	1300	29900	4	8510	14510	4	14260	20260	1	7130	8630							9	29900	43400	1.25
7			14		21000	56		84000										70		105000	3.02
8			30		45000	20		30000	100		150000	120		180000	120		180000	390		585000	16.85
9	740	5550	6	5550	14550	1	242	1742										7	5792	16292	0.47
10	100	7223	4	7223	13223	1	108	1608										5	7331	14831	0.43
11									20		30000							20		30000	0.86

12	Digging holes, Lining Pegging								180		270000							180		270000		7.78
13	Tea Planting (30 Rupees per plant)	12500	375000						60	375000	465000							60	375000	465000		13.40
14	Shade tree management (Two times per year)					6		9000	12		18000	15		22500	15		22500	48		72000		2.07
15	Suppressing Blister Blight (1000 Rupees for 200 grams of Perenox, 280 Kilograms per time)								40	14000	74000	40	14000	74000	40	14000	74000	120	42000	222000		6.40
16	Shaping Tea plants in a way that it suits for plucking											12		18000	15		22500	27		40500		1.17
17	Mulching								100		150000	75		112500				175		262500		7.56
18	Applying Tea fertilizer (T.200, Third year)	1200	27600						20	27600	57600											
19	Fourth year	2430	55890						60		90000							40	83490	143490		4.13
20	T.750 Fifth year	1750	40250														40250	40250		40250	40250	1.16
21	Infilling	2000	25									12	11250	29250	6	11250	20250	18	22500	49500		1.43
22	Suppressing threat from roundworms (Supplying Curators on 200 Rupees per hole)	88	4840						4	4840	10840							4	4840	10840		0.31
23	For pest control and equipment					3000	3000		3000	3000			3000	3000		3000	3000			15000	15000	0.43
	Total			546	598518	878851	128	17610	209610	607	431570	1342070	359	84140	622640	233	68500	418000	1873	661671	3471171	100

The cost estimate is in conformity with the recommendations of the Tea Research Institute and the cost of raw materials & the cost transportations have also been included.

Dolomite	9000	
U 625	23000	23
T 750	23000	23
T 200	23000	23

Schedule No. 10 – B

A Estimate on Cultivation Cost – in Lowlands per Hectare of Tea Replanting – 2019

(From Uprooting to Leaves Plucking Phases) 1,500 Rupees of Daily Wage per Hectare/Rupees

	Amount	Expenditure	Uprooting First Year			Soil Rehabilitation Second Year			Tea Planting Third Year			First Year Maintenance Fourth Year			Second Year Maintenance Fifth year			Total cost			Percentage of the Total Cost %
			Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	Units of Labour	Cost of Raw Materials	Total Cost	
1			104		156000													104		156000	4.84
2			125		187500													125		187500	5.82
3			100		150000	40		60000	10		15000	5		7500	5		7500	160		240000	7.44
4	1976	17784	2	17784	20784													2	17784	20784	0.64
5			54		81000													54		81000	2.51
6	1610	37030	4	8510	14510	4	21390	27390	1	7130	8630							9	37030	50530	1.57
7			14		21000	56		84000										70		105000	3.26
8			30		45000	20		30000	100		150000	120		180000	120		180000	390		585000	18.14
9	300	4230	8	4230	16230	1	423	1923										9	4653	18153	0.56
10	100	2823	6	2823	11823	1	1412	2912										7	4235	14735	0.46
11									20		30000							20		30000	0.93

12	Digging holes, Lining Pegging								180		270000							180		270000		8.37	
13	Tea Planting (30 Rupees per plant)	12500	375000						60	375000	465000							60	375000	465000		14.42	
14	Shade tree management (Two times per year)					6		9000	12		18000	15		22500	15		22500	48		72000		2.23	
15	Suppressing Blister Blight (1000 Rupees for 200 grams of Perenox, 280 Kilograms per time)	3	14000						20	14000	44000	20	14000	44000	20	14000	74000	60	42000	132000		4.09	
16	Shaping Tea plants in a way that it suits for plucking											12		18000	15		22500				27	40500	1.26
17	Mulching								100		150000	75		112500				175		262500		8.14	
18	Applying Tea fertilizer (T.200, Third year)	1200	27600						20	22600	52600												
19	Fourth year	2430	55890						60		90000							40	73490	133490		4.14	
20	T.750 Fifth year	1750	40250																				
21	Infilling	2000	25									12	15000	33000	12	15000	20250	24	30000	66000		2.05	
22	Suppressing threat from roundworms (Supplying Curators on 200 Rupees per hole)	88	4840						4	4840	10840							4	4840	10840		0.34	
23	For pest control and equipment					3000	3000		3000	3000		3000	3000		3000	3000			3000	3000		0.47	
	Total			447	36347	706847	128	26225	218225	587	426570	1307070	339	82390	591390	219	72250	400750	1720	644282	3,224,282	100	

The cost estimate is in conformity with the recommendations of the Tea Research Institute and the cost of raw materials & the cost transportations have also been included.

Dolomite	9000	
U 625	23000	23
T 750	23000	23
T 200	23000	23

Schedule No. 11

Tea Exports and Foreign Exchange Revenues

1995 – 2019

Year	** Exported Amount (Million Kilograms)	*Export Revenues (Million Rupees)	Percentage of the Contribution of Total Export Revenues (%)
1995	240	24,638	12.62
1996	244	34,068	15.02
1997	269	42,533	15.51
1998	272	50,280	16.19
1999	269	43,728	13.44
2000	288	53,133	12.06
2001	294	61,602	14.31
2002	291	63,105	14.00
2003	298	65,937	13.30
2004	300	74,890	12.08
2005	309	81,480	12.70
2006	***315	***86,337	12.80
2007	***294	***106,217	13.20
2008	320	137,585	15.60
2009	280	136,183	16.70
2010	315	155,608	16.60
2011	323	164,869	14.10
2012	320	180,430	14.48
2013	319.6	199,446	14.80
2014	327.3	212,588	14.60
2015	306.9	182,054	12.80
2016	288.7	184,778	12.30
2017	288.9	233,338	13.50
2018	282.4	231,750	12.00
2019	292.65	240,636	13.41

*With re-export revenues included

**Including imported tea

*** Excluding re-export revenues

Source: Central Bank of Sri Lanka

Schedule No. 12**Smallholder Tea and Rubber Revitalization (STaRR) Project****Progress as at 31/12/2019**

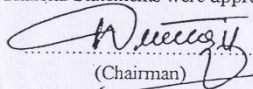
Regional office	Applications		No. of Permits		Land Preparation			Soil Rehabilitation - I			Soil Rehabilitation - II			Planting			
	No. of Applications	Extent of lands covered (Hectares)	No. of Permits	Extent of lands covered (Hectares)	No. of Farmers	Extent of lands covered (Hectares)	Amount of Subsidy paid on cultivation (Million Rupees)	No. of Farmers	Extent of lands covered (Hectares)	Amount of Subsidy paid on cultivation (Million Rupees)	No. of Farmers	Extent of lands covered (Hectares)	Amount of Subsidy paid on cultivation (Million Rupees)	No. of Farmers	Extent of lands covered (Hectares)	Amount of Subsidy paid on cultivation (Million Rupees)	
1	Galle	5181	1325.8341	4625	1057.0654	2003	327.6515	42.59	1566	254.0336	12.70	793	119.7432	23.94	171	27.0468	1.89
3	Matara	7163	1564.8392	6889	1413.4428	3682	575.1626	74.77	2938	453.8431	22.68	1454	216.3777	43.28	408	57.0906	3.99
4	Rathnapura	5474	1542.1925	4808	1311.9895	1329	255.7067	33.24	1147	218.2636	10.92	591	110.2832	22.06	78	14.1484	0.99
5	Kandy	2229	596.9584	1649	343.2558	780	115.6743	15.04	615	89.6980	4.49	420	61.6188	12.32	195	25.9413	1.82
6	Nuwara Eliya	1507	369.5882	1106	207.0066	433	62.5387	8.13	358	53.8858	2.70	206	39.7847	6.16	29	5.2179	0.36
7	Uva	2683	674.7727	2295	420.1293	825	111.8536	14.55	628	84.5041	4.22	360	49.6221	9.93	132	19.1316	1.34
Total		24237	6074.1851	21372	4752.8894	9052	1448.5874	188.32	7252	1154.2282	57.71	3824	588.4297	117.69	1013	148.5766	10.39

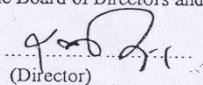
TIA SMALL HOLDINGS DEVELOPMENT AUTHORITY

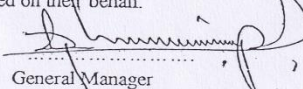
STATEMENT OF FINANCIAL POSITION AS AT 31st December 2019

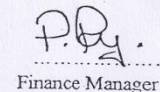
	Schedule No.	2019		(Rs'000) 2018	
ASSETS					
Current Assets					
Cash and Cash equivalents	7	119,885		117,051	
Receivables	4,5	123,280		124,122	
Inventories	3	68,199		42,408	
Prepayments	6	1,293		897	
Other Current Assets	2A	12,929		13,703	
			325,585		298,181
Non-Current Assets					
Investments (Fixed Deposit)	2		15,327		13,907
Other financial assets	2B		24,261		79,533
Property, Plant and Equipment	1	635,284		524,105	
Less: Acc. Depreciation		(159,719)	475,565	(166,969)	357,136
Total Assets			840,738		748,756
LIABILITIES					
Current Liabilities					
Payables	8	218,524		232,380	
Accrued Expenses	9	327,806	546,330	268,933	501,313
Non-Current Liabilities					
Employee benefits (Gratuity)	10		183,963		161,308
Total Liabilities			730,293		662,621
Net Assets			110,444		86,135
NET ASSETS/EQUITY					
Capital contributed by government	01A	224,341		136,966	
Revaluation Surplus	01B	144,651		124,109	
Accumulated surplus/(deficits)		(311,348)	57,644	(232,548)	28,527
Grants	01C		52,801		57,609
Total Net Assets / Equity			110,444		86,135

The Accounting policies on pages 03 to 04 and Notes on pages 07 to 24 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.


(Chairman)


(Director)


General Manager


Finance Manager

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY					
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER 2019					
					(Rs '000)
	Schedule No.		2019		2018
Government Grant					
Development Capital			586,072		576,272
Recurrent			411,101		373,480
Other Income					
Interest - F/D	16	2,101		2,012	
Interest - C/D		2,707		4,637	
Interest on Loan to Employees		3,354		3,443	
Miscellaneous Income		4,730		3,581	
Motor Vehicle Sales Profit		-		4,512	
Surplus (Deficit) in Tea Field & Mother Bush	17	(2,381)		(483)	
Surplus (Deficit) in Nurseries	18	4,088		3,917	
Income Over Expenditure Hanthana	16A	2,157	16,755	2,847	24,466
			1,013,928		974,218
Development Expenditure					
Subsidies	13	(588,395)		(579,926)	
Extension	14	(29,072)		(32,360)	
Social Development	13	(7,522)		(15,144)	
Insitution Strenathering		(3,910)		(4,735)	
			(628,899)		(632,165)
Operating Expenses					
Personal Emoluments	12				
Salaries Allowance E.P.F, E.T.F,ect.		(305,051)		(282,441)	
O/T, H/pay		(5,751)		(5,534)	
Travelling		(9,792)		(8,453)	
Supplies and consumable used		(6,322)		(6,078)	
Maintenance		(25,054)		(23,610)	
Communication		(8,437)		(8,515)	
Rent , Rates & Electricity		(9,645)		(8,943)	
Other operating expenses		(39,984)		(36,480)	
Total operating expenses			(410,034)		(380,054)
Surplus / (Deficit) from operating activities			(25,005)		(38,001)
Gratuity		(45,685)		(17,601)	
Depreciation and amortization expenses		(23,782)		(15,781)	
Provisions for Bad Debt/written off debtors		(498)		(516)	
Provision of Contingency		(190)	(70,156)	(4,830)	(38,728)
			(95,161)		(76,729)
Gain on sales of property plant and equipment					
STaRR Project - Rrcurrnt Grants	14	-		2,841	
- Recurrent Expenses		-		(2,841)	-
Net surplus / (Deficit) before extra ordinary items					
			(95,161)		(76,729)
Prior year Adjustment					
Deferred Income			16,361		13,981
Net surplus / (Deficit) for the period					
			(78,799)		(62,748)

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity**1.1. Corporate information**

Tea Small Holdings Development Authority (TSHDA) was established in 1977, under the Tea Small Holdings Development Act No. 35 of 1975. As the sole statutory body mandated for the development of tea small holdings in the country, increase of production, marketing activities, improvement of productivity and working for the welfare of the tea small holders are the objects of the organization

Tea Small Holding Development Authority consists with eight regional offices & Rathnasiri Wikramanayake Training Center.

1.2. Financial Statements

The Financial Statements of the Tea Small Holding Development Authority are prepared as at for the year ended 31 December 2019.

2. Accounting Policies**2.1. Basis of Accounting**

The Financial Statements of the T.S.H.D.A have been prepared in accordance with Sri Lanka Public Sector Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka. There is no adjustment has been made for inflationary factors affecting those accounts.

2.2. Comparative Information

The comparative information is provided, if it is relevant to understand the current period's Financial Statements and reclassified wherever necessary to conform to the current year's presentation.

2.3. Events after the Reporting Date

All material events occurring after the Balance Sheet have been considered and where necessary, adjustments & disclosures have been made.

2.4 Trade Debtors & Receivables

Trade and other receivable are stated at their book values and provision had been made for doubtful receivables.

Age of the Debt	Provision
Less than one year	Nil
More than one to two years	10%

More than two to three years	30%
More than three to five years	50%
Over five years	100%

3. Property, Plant and Equipment

3.1. Recognition

Property, Plant and Equipment (PPE) are recognised if it is probable that future economic benefits associated with the assets will flow to the Authority and the cost of the asset can be reliably measured.

3.2.Measurement

Cost of Property, Plant and Equipment includes expenditures that are directly attributable to the acquisition of the asset. Items of Property, Plant and Equipment are measured at cost less accumulated depreciation. Properties that carried at revaluation amount being their fair value at the date of revaluation, less any subsequent accumulated depreciation.

Any surplus arising on revaluation of an asset is accumulated under the Revaluation Reserve in Equity through Other Comprehensive Income.

According to the Sri Lanka public sector accounting standard 07, Fully depreciated assets are still using. Hence the revaluation has been carried out for the year ended 31/12/2018 with the assistance of department of valuation. Whereas due the failure of completion no any entries have been passed at the end of date 31/12/2018. All the entries have been passed at the date of 31/12/2019. 20Mn has been recognized as Revaluation Surplus.

3.3.Depreciation

Depreciation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful lives.

Estimated useful lives for the current and comparative periods are as follows,

Buildings	2.00%
Motor Vehicles	20.0%
Furniture, Fittings	12.5%
Office Equipment	12.5%
Computer	20.0%
Machinery	20.0%

Land is not depreciated. Further, cost of expansion and major renovations on the building are depreciated over the remaining useful lives of the original buildings.

4. Investment

Investments include fixed deposit for gratuity fund.

5. Other Financial Assets

The expenditure build a net house cost for the material use in Institutional Nurseries has been categorized in to useful lifetime and the relevant cost for the period has been brought forward as straggled cost. The balance Rs 12.9 Mn has been shown as at 31.12.2019.

6. Other Current Assets

The plant stock as at 31.12.2019 of Rs.14.2 Mn has shown under Other Current Assets. The plant stock is valued on accumulated cost of production up to 31st December 2019.

7. Stocks & Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the Frist In Frist Out principle. Value of inventories includes expenditure incurred in acquiring, conversion costs and other costs incurred in bringing them to their existing location and condition.

The new stock controlling system has been introduced at present to manage stock effectively & efficiency which has result reduce the practical issues of stock controls

Under the project “increase the effectiveness of the field of tea small holding” of Ministry of plantation Industry has been purchased Agricultural equipment (Water Pump & sprayers) & located temporally on our premise due to they are lacked with sufficient space. No any Accounting entries have been made by T.S.H.D.A due to the ownership of the goods are vested by the Ministry of Plantation Industry.

Summary to the Goods Received

Equipment	Water Pump	Sprayers
Description	Quantity	Quantity
Received as at 31/12/2019	4725	4700
Received after the reporting period	1575	0
Total Received	6300	4700
Distributions as per the request made by director to the development of the MOPI	712	2
Balance in hand	5588	4698

8. Trade Debtors & Receivables

Trade and other receivable are stated at their book values and provision had been made for doubtful receivables.

Age of the Debt	Provision
Less than one year	Nil
More than one to two years	10%
More than two to three years	30%
More than three to five years	50%
Over five years	100%

9. Other Receivables

Receivables other than Trade Debtors are also stated at their amounts.

10. Cash & Cash Equivalents

Cash & Cash equivalent includes cash in hand, Bank and Call Deposits.

Cash balances as at 31.12.2019 is Rs.119.8 million.

Rs. 372.9 million capital expenditures were not received by the treasury at the end of the financial year.

11. Cash Flow

Cash Flow statement has been prepared using the indirect method.

12. Accounting for Funds Received

Since year 2007 Funds have been remitted from the Treasury through the Consolidated Fund.

13. Liabilities

All material liabilities as at Balance Sheet date have been included in the accounts and adequate provision has been made for liabilities which are known to exist, Liabilities classified as current liabilities on the Balance sheet, are those which are due for payment on demand.

14. Provision for Gratuity

Every employee who has been completed one year of service period will be provided for gratuity payments. Provision for the year is Rs.183.9 million.

15. Taxation

T.S.H.D.A. is exempt from income tax being an institution funded by consolidated fund.

16. Contingent Liability

A contingent liability of approximately Rs.2.7 million exists in respect of L.T. & court cases against following persons.

Court Case	Liability (Rs.Mn)
Mr. W.E.B.S. Surasinghe	2.00
Ms A.M Dhanushka Bandara	0.7

17. Capital Grant

Funds received from 1981 to 2014 for IRDP, SHTDP, TDP, Other Projects and treasury grant had been amortized. Accordingly Rs16.36 million had been accounted as deferred income and remaining balances have been brought forward to amortize for future years.

18. Action plan for the year has been prepared align with the national requirements of replanting etc.
19. 100 Lorries had been given to the Tea Small Holder's Societies to transport tea leaves under the special loan scheme with collaboration of bank of Ceylon & TSHDA in 1998. Whereas some of Societies have been defaulted the loan & TSHDA had to incur 6.7 Mn loss of reschedule loan. Even if TSHDA sought approval of treasure to write off this from the books. Whereas they still did not give the approval. Therefore TSHDA has been sold these Lorries & earn 9.1 Mn. It has been indicated in income schedule.
20. Tea Shakthi welfare division has been transferred to T.S.H.D.A. by cabinet decision Insurance premium was received by Ministry was 21.8 Mn and Rs. Mn 20.7 was paid as insurance claim for Tea Shakthi members during the year.
21. Rs 22.6 Mn has been unrealized due to the defaults & deactivation of accounts that were given as fertilizer & flood assistances to Tea Small Holders. That amount has been utilized to purchase forks funder special program of giving agricultural equipment for Tea Small Holders.

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY		
CASH FLOW STATEMENT FOR YEAR ENDED 31st DECEMBER , 2019		
Cash Flow from Operating Activities	2019	2018
Surplus/(deficit) from ordinary activities	(78,799)	(62,748)
Non-cash movements		
Deferred Income	(16,361)	(13,981)
Depreciation	23,782	15,781
Provision For Gratuity	45,685	17,601
Increase/decrease in provision for doubtful debts	(498)	516
Contingency Payment	(2,019)	(2,759)
Provision of Contingency	190	5,700
Interest Income	(4,808)	(6,649)
Increase /decrease in payables	70,884	10,215
Revaluation Loss		
Increase in provisions relating to employee costs		
(Gains)/losses on sale of property, plant and equipment	144	(4,559)
Increase /decrease in other assets	2,194	(73,454)
Increase /decrease in receivables	1,730	(3,928)
Increase /decrease in Inventory Item	(25,791)	16,423
Net cash flows operating activities	16,333	(101,842)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(121,895)	(56,064)
Proceeds from sale of plant and equipment	164	4,861
Net cash flows investing activities	(121,731)	(51,203)
Interest received	6,984	6,045
Gratuity Paid	(23,031)	(13,396)
CASH FLOWS FROM FINANCING ACTIVITIES	(16,047)	(7,351)
Government Grant for Development Ex.	-	-

Capital Grants	4,808	2,401
Revaluation Surplus	20,542	-
Government Contribution	98,928	40,728
Net Cash flow from financing activities	124,279	43,129
Net increase/(decrease) in cash and cash equivalents	2,834	(117,267)
Cash and cash equivalents at beginning of period	117,051	234,318
Cash and cash equivalents at end of period	119,885	117,051

Tea Small Holdings Development Authority					
Statement of Changes in Net Assets/Equity					
for the Year Ended 31/12/2019					
	Rs.'000				
	Attributable To Owners of the Controlling Entity				
Description	Contributed Capital	Other Reserves	Revaluation Reserves	Accumulated Surpluses (Deficits)	Total Net Assets/Equity
Balance as at 31/12/2018	136,966	57,609	124,109	(232,548)	86,136
Surplus/(Deficit) for the year			20,542	(78,799)	(58,257)
Gain on property revaluation					-
Government Grant for the year	98,928				98,928
Government Grant for Development Ex.					-
Other Grant for the year					-
Deferred Income for the year	(11,553)	(4,808)			(16,361)
					-
					-
Balance as at 31/12/2019	224,341	52,801	144,651	(311,347)	110,446

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2019

NOTE 01

PROPERTY PLANT & EQUIPMENT 2019

Rs.

DESCRIPTION	COST AS AT 01.01.19	ADDITIONS FOR THE YEAR	TRANSFER / DISPOSAL	COST AS AT 31.12.19
Land	73,907,078.57	-	-	74,224,233.75
Buildings	273,357,232.17	106,711,156.94	463,448.77	379,604,940.34
Motor Vehicles	69,425,776.22	2,283,910.00	3,000.00	71,712,686.22
Project Motor Vehicle	17,950,685.00	-	-	17,950,685.00
Furniture Fittings & Office Equip.	46,584,102.66	11,358,019.37	281,315.00	57,660,807.03
Computer	28,727,003.31	1,541,680.00	104,500.00	30,164,183.31
Plant & Machinery	4,289,459.00			4,289,459.00
Total	514,241,336.93	121,894,766.31	852,263.77	635,283,838.47

DEPRECIATION

DESCRIPTION	DEPRECIATION AS AT 01.01.19	DEPRECIATION FOR THE YEAR	TRANSFER / DISPOSAL	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE
Land	-	-	-	-	74,224,233.75
Buildings	47,885,272.27	6,219,998.94	-	54,105,271.21	324,985,002.31
Motor Vehicles	59,334,259.19	5,960,067.59		65,291,326.78	6,415,358.44
Project Motor Vehicle	14,033,955.00	800,950.00		14,834,905.00	3,115,780.00
Furniture Fittings & Office Equip.	5,189,437.63	5,535,654.33	246,639.75	10,478,452.21	47,182,354.82
Computer	8,149,896.32	4,695,076.62	104,500.00	12,740,172.94	17,424,010.37
Plant & Machinery	1,784,181.92	560,052.38	273,200.62	2,071,033.68	2,218,425.32
Total	136,377,002.33	23,771,799.86	624,340.37	159,718,673.46	475,565,165.01

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2019

NOTES

Description	Rs.
Note 02	
INVESTMENTS -	15,326,811.61
Fixed Deposit - Gratuity	12,590,855.67
Note 02 A	
Other Financial Assets	
Staggered Cost	12,928,542.28
	12,928,542.28
Other Current Assets	
WIP Civil Works	10,000,000.00
Plants Stocks	14,260,602.63
	24,260,602.63
Note 03	
Inventories	
Stationary	4,040,344.81
Sundry Stocks	21,381,646.73
Tea	292,560.00
Fertilizer	
Basamid/Methum sodiam	1,223,554.00
Polythene	2,381,204.64
Sprayers	2,735,684.55
Nursery Equipment	253,450.00
Rural Development Project stock	7,760,155.87
Scales	31,575.00
Plucking Seizers/Basket	172,674.14
Aid Package	10,299,405.62
Tyre & Tube	51,746.00
Training Equipments	108,560.50
Forks	17,263,799.97
Other Stocks	202,794.44
	68,199,156.27

Note 04 05	
Receivables	
Debtors	32,766,114.26
Loan and Advances	98,357,629.33
Deposits and Advances	808,701.84
Other Balance	13,919,171.46
Total	145,851,616.89
Less Bad Debts Proviton	(22,572,101.64)
Total	123,279,515.25
Description	Rs.
Note 06	
Pre Payments	1,292,877.60
Note 07	
Cash In Transit	335,066.64
Cash in Hand & at Bank	34,691,465.23
Deposits	84,858,661.10
Total	119,885,192.97
Note 08	
Payables	
Creditors	89,851,594.75
Deposit payable	14,754,663.16
Other Provisions	3,993,694.24
Other Balance	109,924,007.94
Total	218,523,960.09
Note 09	
Accrued Expenditure	
Annual Trip	34,000.00
EPF & ETF	7,065,635.61
Electricity	176,439.72
Maintenance of Computer	24,806.00
Rates & Taxes	1,091,249.03
Fuel	994,670.08
Holiday Payments	30,548.64
Medical Care	925,605.81
Motor Cycle Maintenance	180,750.00
Newspapers	15,400.00
Welfare	20,400.00
Office Equipment Maintenance	219,690.60
Overtime	355,705.65
Postage	21,769.33
Rent	357,550.48
Salaries / Wages	2,697,941.50
Security	1,699,415.11

Description	Rs.
Stationery	197,287.84
Insurance	199,785.00
Water	32,320.45
Incidental Expenditure	4,450.00
Vehicle Maintenance	1,332,151.63
Stamp Duty	58,133.00
Re Planting Subsidy	118,629,685.26
New Planting Subsidy	55,162,448.50
Crop Rehabilitation	126,592,377.00
Extension Program	1,229,407.08
Operational Leasing	568,966.25
Dolomite subsidy	130,060.00
Sundry	17,962.50
Nursary & Mother Bush	343,961.55
Other	127,647.95
	327,806,495.44
Note 10	
Employee Benefits (Gratuity)	183,962,645.51

NATIONAL AUDIT OFFICE

My No: PLA/B/TSHDA/01/19/08

Date: 15 October 2020

Chairman,

Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended in 31 December 2019 on Financial statement and other Legal & Regulatory requirements, in accordance with the Section 12 of the National Audit Act, No. 19 of 2018.

Herewith enclosed the above report.

Sgd. Illegibly

W. P. C Wickramrathne

Auditor General

Edition –

01. Secretary, Ministry of Plantation Industries and Export Agriculture
02. Secretary, Ministry of Finance, Economy and Policy Development

NATIONAL AUDIT OFFICE

My No: PLA/B/TSHDA/01/19/08

Date: 15 October 2020

Chairman,

Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended in 31 December 2019 on Financial statement and other Legal & Regulatory requirements, in accordance with the Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements**1.1. Qualified Opinion**

The Financial Quality Statement of the Tea Small Holdings Development Authority for the year ended in 31 December 2019 and the Financial Performance Statement for the year then ended, Statement of change in claim & Cash Flow Statement for the year then ended and corresponding notes on financial statements, and a summary on significant accounting policies consisting of financial statements for the year ended in 31 December 2019, were audited under my direction in pursuance in accordance with the provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of National Audit Act, No. 19 of 2018 and Finance Act, No. 38 of 1971. In due course, my report would be presented to the Parliament in accordance with the Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis section for the statistical opinion in my report, the financial position of the Tea Small Holdings Development Authority as at 31 December 2019 and its financial performance & cash flow for the year then ended, are true and impartial in accordance with Sri Lanka Public Sector Accounting Standards.

1.2. Basis for Qualified Opinion

- (a) In terms of Sri Lanka Public Sector Accounting Standard 02, in the preparation of the Cash Flow Statement, an amount of Rs.58,090,138 that should be shown in Investment activities, had been indicated under Operational activities and the excess allocation of machinery depreciation valued Rs.273,201 had not been adjusted to pre-tax profit. Furthermore, an excess of Rs.272,461 spent on deflation of office equipment had been indicated in the Cash Flow Statement.
- (b) The productive lifespan of the vehicles being further used and fully depreciated by the Authority under the current cost of Rs.36,839,950 had not been reviewed in terms of Sri

Lanka Public Sector Accounting Standard 03 whilst these assets had not been detected in the financial statements in terms of Sri Lanka Public Sector Accounting Standard 07.

- (c) In terms of Paragraph 49 of Sri Lanka Public Sector Accounting Standard 07, in revaluation of property, plant and equipment elements, as the asset related to the same category of the property, plant and equipment should be revaluated, all the furniture fixtures & office equipment of Galle Regional Office were revaluated whilst the above asset category in the Head Office & other Regional Offices were not revaluated. Although the property, installation and equipment elements should be revaluated in every 3 or 5 years, in terms of Paragraph 47 of Accounting Standard, the lands stated in the financial statements valued at Rs.38,815,350 had not been revaluated by the Authority after 31 December 2015. Therefore, it was examined that the reasonable value of these lands had not been represented in financial statements.

In the year under review, the income tax liability of Rs.1,346,202 payable on the interest income of Rs.4,807,865 had not been stated in financial statements.

- (d) At the end of the year under review, for the vehicle loans provided under 1998 lease basis for Tea Small Holdings Development Societies, the amount of Rs.6,664,321 had been accounted as restructured vehicle loans receivable from those societies. Even though, in the year under review and in the previous year, from the amount of Rs.9,823,577 received by the Authority through acquisition and sale of 23 vehicles from the vehicles pertained to that loan balance, a sum of Rs.9,207,958 had been accounted as deposits payable, the amount to be recovered from the above restructured loan balance had not been identified as adjustable in the accounts.
- (e) In place of accounting a sum of Rs.1,056,844 as payment made in advance for the Wahalanduwa nursery belongs to Galle Regional Office, that expense had been added to the final closing stock value of the nursery existed at the end of the year under review. Therefore, the final closing stock value in financial statements had been indicated with that amount over valued.
- (f) Even though, the contract valued at Rs.8,096,120 had been offered to a private contractor in Pitigala, Galle in 31 December 2019 on refurbishing the Galle Regional Office, the work on the contract had not been commenced in the year under review. Despite that, a sum of Rs.10,000,000 had been accounted as Work in progress under other financial assets yet crediting the credit account with that value. Therefore, the Work in progress and the creditors in financial statements had been indicated with that amount over valued.
- (g) At the end of the year under review, in accordance with the physical stock verification, even if it was revealed that the stock balance of the Head Office valued Rs.6,454,098 is physically non-existent, the required adjustments had not been made in financial statements.

- (h) In the year under review, as an inventory valued Rs.5,723,641 had been debited to the sundry stock account even before receiving them, in financial statements, the balance of the sundry stock account for 31 December of the year under review had been indicated with that amount over valued.
- (i) Even though, the stock of nursery valued Rs.14,260,603 should be indicated under current assets in the Financial Statement, it had been indicated as another financial asset.
- (j) Even though, in the value of lands worth Rs.73,907,078 included in the Financial Statement in the year under review, together with the lands held possession by the institutions such as the Government, Land Reforms Commission, Mahaweli Authority, and unclaimed by the Authority, valued Rs.35,091,728, had not been disclosure in financial statements on these lands.
- (k) Although a discrepancy of Rs.1,460,283 was examined among the values of 5 account balances indicated in the financial statements related to the Regional Offices and in the corresponding accounts kept in the Regional Offices, that discrepancy had not been identified as adjustable in the accounts.

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

1.3. Management's and Governing Parties' Responsibility for the Financial Statements

Management is responsible for the preparation and impartial presentation of the financial statements in accordance with Sri Lanka Public Sector Accounting Standards and 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.

In the preparation of financial statements, Management is responsible for determining the Authority's capability of continuity, disclosing of matters related to the Authority's continuity as applicable and accounting on the basis of continuity except the management either intends to liquidate the Authority or to terminate operations when no alternative exists.

The Governing Parties are responsible for overseeing the Authority's financial reporting process.

In accordance with the Sub Section 16 (1) of the National Audit Act, No. 19 of 2018, it is required for the Authority to accurately maintain books and reports on its own revenues, expenses, assets and liabilities in a way it enables the preparation of the Authority's annual and periodic financial statements.

1.4. Auditor's Responsibility on the Audit of Financial Statements

My intent is to deliver an impartial assurance on whether the financial statements, all in all, are free from material misstatement caused by fraud or error, and to issue the auditor's report that includes my opinion.

Even though, the impartial assurance is an advanced assurance; when the audit is performed in accordance with Sri Lanka Auditing Standards, it could not assure that it constantly detects material misstatements. Given that material misstatements can be caused by individual or collective impact on frauds and errors, it is expected to have an impact on economic decisions taken by the users based on these financial statements.

The audit has been conducted, considering Professional Judgment and Professional Skepticism and due in accordance with the Sri Lanka Auditing Standards. Furthermore,

- The basis of my opinion stands on obtaining sufficient and appropriate audit evidence in order to divert risks cause by the arrangement of opportunistic appropriate audit procedures result in fraud or error, through identifying and verifying the risks of faulty material misstatements in financial statements cause due to fraud or error. The impact of a fraud is more advanced than an impact of faulty material misstatements, as a fraud may result from collusion, forgery, intentional omissions, misrepresentations or from disregarding internal control.
- Even though an understanding on the internal control of the Authority over the preparation of opportunistic appropriate audit procedures has taken, this is not for the intention of stating an opinion on its efficacy.
- Impartiality of applied accounting policies & accounting estimates, and appropriateness of associated revelations performed by the management were evaluated.
- Based on the audit evidence gathered from examining whether a material uncertainty caused by incidents or conditions, occurs on the Authority's continuity; the relevance of the application of the basis of the Authority's continuity on accounting was concluded. If I would conclude that a material uncertainty exists, it is expected to focus on the associated revelations in financial statements, and, if those revelations are inadequate, my opinion should be revised. However, the continuity could be discontinued due to upcoming incidents or conditions.
- The presentation, structure and content of the financial statements with disclosures, and the associated transactions & incidents that had been appropriately & impartially included in financial statements were evaluated.

The significant audit findings, principal deficiencies in internal control and other matters identified during my audit were informed to the Governing Parties.

Report on Other Legal and Regulatory Requirements

The National Audit Act, No. 19 of 2018 contains specific Provisions for the requirements mentioned below.

- In accordance with the requirement mention in Section 12 (a) of the National Audit Act, No. 19 of 2018; with exception of the impact of the matters described in the basis section for the qualified opinion of my report, all the details & explanations needed for the audit were gathered by myself, and as far as it appears from my observation, the Authority had maintained appropriate financial reports.
- In accordance with the requirement mention in Section 06 (1) (d) (III) of the National Audit Act, No. 19 of 2018, the financial statements submitted by the Authority are compatible with the previous year.
- In accordance with the requirement mention in Section 06 (1) (d) (IV) of the National Audit Act, No. 19 of 2018, with exception of the observations mentioned in 1.2 (b) (d) of this report, the recommendations I presented in the previous year are included in the submitted financial statements.

Being limited to quantitative matters based on the procedures followed and on evidence gathered, it did not appear to be needed to express the following statements.

- In accordance with the requirement mention in Section 12 (d) of the National Audit Act, No. 19 of 2018; stating that any member of the management board of the Authority has direct or indirect connection with a contract that the board is related & gone beyond the usual business circumstances.
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In accordance with the requirements mention in Section 12 (f) of the National Audit Act, No. 19 of 2018; stating that with exception of the following observations, the Authority has complied with any written law, or other general or specific directives issued by the Management Board of the Authority.

Description

Reference to Rules/Directives

(a) Financial Regulations of the Government
of the Democratic Socialist Republic of
Sri Lanka

(i) F.R 681

In accordance with the procedures, when advertising through radio & television is considered to be essential, even if the advertising should be performed after obtaining the pre-approval from the Secretary of the related Ministry, in the year under review, a sum of Rs.2,194,091 had been spent on television

advertising without any pre-approval.

- (ii) F.R 682
- Even though, the publication of newspaper leaflet & advertisements demonstrating people engaged in politics & political parties are forbidden, a sum of Rs.3,583,162 had been spent on publication of advertisements demonstrating politicians & political parties.
- (b) Ministry of Finance and Communication Circular, No.2018/01 of 19 March 2018
- A sum of Rs.9,872,227 earned through deflation of soceity union vehicles acquired from the Tea Shakthi Fund by the Authority in years of 2018 & 2019, had been retained in the Authority without crediting it to the Consolidated Fund.
- (c) Section 8 & 12 of Public Contracts Act No. 03 of 1987
- Despite the fact that the officials in Procurement and Evaluation Committees should not work with tenderers without a valid Certificate of registration under the General Contractor Registrar, the contracts of the construction of the side wall of Wickramanayaka National Training Centre for a contractual value of Rs.11,213,888 and the placement of Aluminum doors & windows to the Head Office for Rs.7,682,375 had not been handled as mentioned.
- (d) No. PRD/12 & 02 June 2003 of Public Enterprises Circular and Section 11 of Finance Act No.38 of 1971
- Even though, as of 31 December 2019, a sum of Rs.100,185,473 had been invested in fixed & short-term deposits by the Authority, the required consent of the corresponding Minister & the Minister of Finance had not been taken.

- In accordance with the requirement mention in Section 12 (g) of the National Audit Act, No. 19 of 2018; stating that the Authority had not performed accordingly with the Authority's powers, duties and functions.
- In accordance with the requirement mention in Section 12 (h) of the National Audit Act, No. 19 of 2018; stating that with exception of the following observation, the resources of the Authority had not been procured & utilized in frugality, efficiently and productively in compliance with the related rules, within time periods.

As per the recommendations of the Tea Research Institute, though the most appropriate gardening fork to be used in tea lands is a gardening fork with its blade and handle made in the same metal mold, going beyond that specification, when tendering, a sum of Rs.27,145,150 had been procured in the year under review on 9,450 gardening forks with metal blade and handle produced from metal welding. Therefore, the Authority was incapable of purchasing the most appropriate gardening fork for the tea farmers in the tea industry and it was observed that the Authority had performed without considering the productivity. Along with that, in accordance with the Section 2.8.4 (c) of the Code of Government Procurement Guidelines, a related professional on this subject matter had not also been appointed to the Technical Evaluation Committee assigned to process the above purchase. In the year under review, under the program of agricultural equipment distribution, even though there were 12,335 gardening forks to be distributed to the tea farmers, including the gardening forks purchased at the above price, only 596 gardening forks were distributed. Therefore, it was examined that gardening forks valued Rs.32,095,016 were stored inoperative at Regional Offices without being used for expected objectives.

2. Other Audit Observations

- (a) The Tea re Planting Subsidy was designed to be paid from 5 stages. The farmers those who had obtained an amount of Rs.918,115,761 for the first 3 stages out of these 5 stages for the years from 2012 to 2016, had not been acted upon either obtaining the remaining amount of the subsidy or replanting tea. Therefore, it was observed that about 50% of the amount of the Tea re Planting Subsidy given during the last 5 years was not being used for expected objectives. Even so, the management had not acted on either to direct the subsidized-on tea replanting or to recover that money.
- (b) According to the orders executed by the Minister of Plantation Industries under the desolate plants supply program through No. 170/1 & 11 April 2011 of the Extraordinary Gazette Notification of the Democratic Socialist Republic of Sri Lanka, the subsidy for a tea plant was set at Rs.25 per plant. Even so, without taking action on formally amending the relevant amount

payable, a sum of Rs.138,992,167 had been spent on paying Rs.100 per plant in accordance with a decision taken by the Board of Directors in the year under review.

- (c) Under the Crop Rehabilitation Subsidy Scheme, though the Authority had called for bids to have 2,460,000 tea plants and as the Technical Evaluation Committee was able to confirm that all 3 nurseries those which submitted prices were deceptive; supplying desolate plants had been set back. Even so, despite the fact that the Authority had 744,881 tea plants left unsold from 10 nurseries owned by the Authority in the year under review, no focus was given to achieve the above requirement of the Crop Rehabilitation Program through developing these nurseries.
- (d) In the year under review, a sum of Rs.7,522,098 had been spent on performing the roles of the Authority: registering Tea Small Holdings Development Societies, monitoring and providing funds for the members of the societies. Even though, it had been confirmed that at the end of the year under review, from 1,475 of Tea Small Holdings Development Societies, only 270 societies were in the satisfactory level. Furthermore, it was observed that compared to the previous year, in the year under review, the number of member farmers had been reduced by 17,462. Moreover, due to the lack of Tea Inspection/adversary officers in each division, the performance of 61 registered societies had not been evaluated.
- (e) In order to enhance tea production and productivity, though 870 registered commercial nurseries had been under the Authority for tea small holders to have quality plants, respectively in the years of 18/19, the tea nurseries those which were inspected by the Tea Research Officers were only about 25%. Therefore, it was examined that the supervision on commercial tea nurseries was at a lower level.
- (f) In the year under review, as the Authority had spent a sum of Rs.17,313,714 on Expansion and Instructional Training Programs, and from that, a sum of Rs.7,104,573, about 41% had been expended on electronic and print advertising of sports events held in the regions under Regional Offices.
- (g) In order to pay the subsidy for tea farmers under the Tea Fertilizer Project conducted by the Government, a sum of Rs.32,065,870 from the money received by the Authority for the year of 2016 had been retained until the end of the year under review without spending it on expected objectives.
- (h) Due to the flood disaster in 2017, with the amount left from the subsidy allowance given as full and partial damage for the damage happened to small tea lands in the regions of Regional Offices

in Galle, Matara, Rathnapura and Kaluthara, a sum of Rs.46,991,673 had been retained in the accounts until the end of the year under review without remittance to the Treasury.

- (i) At the end of the year under review, as fertilizer & flood disaster subsidy for tea farmers, direct bank debits valued Rs.10,554,689 had been transferred to the account of unclaimed checks due to the matters as the deactivation of accounts submitted by the subsidized tea farmers and changes in the name & account numbers, and their duration ranged from 6 months to 5 years. No actions were taken on this money either paying it to the subsidized or transmitting it to the Treasury.
- (j) It was observed in the audit that at the end of the year under review, the duration of the Seven day call deposits valued Rs.20,390,000 were ranged from 189 days to 2,584 days; and, furthermore, the Authority had lost the opportunity to gain a high interest rate as the interest rate of the Seven day call deposits remained at 5.5% as at 31 December 2019 and due regards, it caused in not investing in the Fixed deposits.
- (k) Under the Divinaguma program, the amount of Rs.3,196,085 received for the development of the tea small holdings on development activities as tea new planting & replanting, pepper cultivation & infilling in tea lands for the year of 2016 had been retained until the end of the year under review without spending it on the corresponding action.
- (l) In the year under review, 8 Tea Inspection/Extension officers were recruited based on written examinations and interviews, and 13 were entered into the waiting list. Even though, a sum of Rs.532,553 had been spent on training the listed officers in the waiting list, since there were no legal provisions to recruit these 13 trainees, a newspaper advertisement was published in 24 June 2019 in order to fill out the vacancies. Therefore, it was examined that the money spent on training the listed applicants in the waiting list as an expense illegitimate & non-financial.
- (m) The Authority had provided motorcycles for 70 Tea Inspection/Extension officers for the field duties, and even before the expiration of the claim period of 8 years, as the Authority had certified to provide new motorcycles to those 70 officers under the 2014/15 Budget proposals, the government met with a loss of Rs.10,112,300.
- (n) From the year 2017 to the year under review, in order to obtain deeds of insurance for the members of the Tea Shakthi Fund, the Authority had paid a sum of Rs.27,358,214 to a private insurance company. Even so, an amount of Rs.690,525 received from the year 2017 for the holders of the Tea Shakthi Fund, it had not been given to the beneficiaries. In accordance with the internal auditor's report as at 15 November 2019, it stated that an amount of Rs.8,502,397

was due to be paid to the beneficiaries of the Tea Shakthi Fund. But then, this money had not been received by the Authority even by 15 September 2020.

- (o) In accordance with the Section 07 of the Public Administration Circular, No. 25/2014 & 12 November 2014, in the year under review, the Authority had recruited 52 workers on a casual, check roll & contract basis without obtaining pre-approval spending a sum of Rs.16,004,184 on the above recruitment.
- (p) Under the Fertilizer Loan Scheme of the year 1998, from the loan amount that had given to the Tea Small Holdings Societies in order to obtain fertilizers, liquid spraying machines and weighing scales, no steps had been taken for over 20 years either to recover or to write-off the debt balance of Rs.4,300,942 exists even by the end of the year under review.
- (q) From the loan given through the program of the distribution of color separators to the tea factories in the year of 1998, an amount of Rs.5,916,589 that should be receivable from 4 private companies, had not been charged even by the end of the year under review.

Sgd. Illegibly

W. P. C Wickramrathne

Auditor General