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சிறு தேயிலைத் தோட்ட அபிவிருத்தி அதிகார சபை
Tea Small Holdings Development Authority

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வருடாந்த அறிக்கை
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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 supportive
services.

Message of the Chairman

In January in the year 2020, I took over the work as the Chairman of the Tea Small Holdings Development Authority and herewith, I am keeping a remark on the overall performance of the Authority in the past year 2020.

The year 2020 could be mentioned as the base year that provided a fundamental approach for the plan of reorganization naming it as ‘Yali Pibidena Tea – Tea Punarjeewana Ardhadashakaya 2021 – 2025’ in conjunction with the targets & procedures related to the Tea industry as at ‘Saubhagya Dakma’ policy statement published by his Excellency the President.

The priority had been given in the year 2020 on achieving goals in the midst of various challenges occurred in a period of five years from 2021 to 2025 and on the preparation of an approach for the criteria identified until then on various aspects for tea small holdings by implementing an people-centered economic approach from the tea lands to upwards through the short-term, mid-term & long-term plans of tea lands of the rural community of tea small holders with the guidance of the Line Ministry on the leadership of Hon. Dr. Ramesh Pathirana as the Minister of Plantation, Hon. Mr. Kanchana Wijesekara as the subjective State Ministers in charge of the Tea Small Holdings Development Authority in the first quarter and Hon. Mr. Kanaka Herath.

Furthermore, the unexpected extreme drought condition occurred at the first quarter of the year 2020 and the first & the second COVID pandemic disaster being an extreme obstruction to perform the cultivation targets & designed project activities of the Authority within the time frame, it caused in a certain depression on achieving the tea production targets of the other parties in the tea lands sector & the tea small holdings sector.

At the end of the year 2019, as the formal policies related to the financial, development, extension, services & administrative schemes those which are the crucial factors in the internal planning of the Authority being deviated from legitimate management without implementation, and as the evaluation on the motivation of the corporate officers on the working environment & the disciplinary systems not being implemented within advanced policies, it was able to highly prioritize on the flow of state provisions to tea lands & lands-owned community continually in a high percentage, formalizing the unfavorable condition that was going up. As a result, it was able to reduce the operational cost that exceeded 60 cents per capital Rupee in the year 2019 to 38 cents in the year 2020.

Moreover, compared to the year 2019, it is a pleasure to be able to improve the targets of tea replanting, tea new planting and planting infillings by about doubly in the year 2020 even with the drought conditions and the COVID pandemic conditions faced.

Furthermore, it should peculiarly be mentioned here that it was able to provide a special supplementary subsidy for seedlings as 30 Rupees each for the tea plants died due to the damage caused by the drought and with the special intervention of our Hon. Minister, Dr. Ramesh Pathirana, it was able to initiate an amount of 500 plant nurseries within the year to produce 25 million high quality tea plants in the year 2020 under the 250 million provisions of the Sri Lanka Tea Board.

Moreover, in order to decentralize the affairs regulated by the Head Office & 8 Regional Offices on 26 Regional Development Offices in the country through re-organizing the development & extension approach existed so far, it was able to initiate empowering Regional Development

officer offices gradually by establishing Regional Development Committees in each area of jurisdiction.

In this year, in order to accomplish the targets concurrent with the 2021 – 2025 national plan on the productivity of the tea small holdings sector, it was able to schematize several contributory programs under the guidance of our Ministry and the State Ministry.

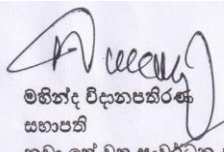
01. Sprinkler water supply scheme on the reduction of damages of droughts.
02. Direct replanting scheme up to ½ acres.
03. Proposed program on providing a monthly allowance for the loss of income that existed as an obstruction in establishing replanting up to 01 acre.
04. Free Zinc Sulphate supply scheme.
05. “Lassana Tea” - Competition that provides approaches for the establishment of the GAP schemes in tea small holdings.
06. "Tea Shiksha” - Model cultivation program of tea innovations in thousand (1000) national schools in 14 tea cultivation districts.
07. Productivity of the tea bush (40+ program on increasing the extra amount of raw leaves obtained in one season of plucking raw leaves).
08. Provision of high and low shade plants.
09. Project on supplying Dolomite for concessional prices.
10. Pilot program on the extension of tea planting within the coconut cultivation.
11. Special project on the production of 250 million high quality tea plants.
12. Modernization of the old building owned by the Authority located in the Galle Fort to be used as a tea promotion and a development project.
13. Recruitment of 19 Trainee Tea Inspectors. etc could be considered.

However, in order to provide a wide intensive service, developing the number of Tea inspection divisions up to 200 was directed to the attention of the corresponding sections.

The year 2021 would be an appropriate year for tea planting on which numerous activities would be launched and those which would develop the productivity of the tea small holdings sector of Sri Lanka.

I thank his Excellency the President for guiding us through providing instructions & guidance to the Board of Directors including me, to the entire staff & to the Tea Small Holdings societies Organization and through providing the corresponding provisions adequately with no delay; Hon. Prime Minister, Hon. Mr. Basil Rajapaksha, Hon. Minister of Plantation who makes a boundless dedication for the modern approach of the Tea industry, the subjective State Minister who provides leadership through executing novel strategies, the Secretaries & the staff of the Ministry of Plantation & the State Ministry, Ministry of Finance, the General Treasury, Sri Lanka Tea Board, Tea Research Institute, the National Plantation Management Institute and all the supportive parties major to the Association of Tea Factory Owners.

Furthermore, special thanks to the Small-holder Tea and Rubber Revitalization (STaRR) Project that joined hands with us in introducing modern technological cultivation mechanisms such as Co3 grass distribution, GAP Technology for the tea small holdings sector of Sri Lanka.


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Performance Indicators of Tea Small Holdings Sector - 2020

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	2017	2018	2019	2020
1. Extent of Tea Small Holdings (Hectares)	122,169	122,604	122,900	123,324
2. Number of Tea Small Holders	395,414	399,313	400,987	404,291
3. Made Tea production of the Tea Small Holding sector (Million Kilograms)	232.417	228.049	225.728	205.666
4. Percentage of Contribution of the Tea Small Holding sector to the National production	75.5	75.0	75.2	73.8
5. Average Productivity (Made Tea/Kilograms/per Hectare)	1,995	1,958	1,938	1,766
6. Extent of lands of Tea replanting/ Hectare (Under incentives)	748	1,027	639	649
7. Extent of lands of new Tea planting/ Hectare (Under incentives)	202	435	296	424
8. Percentage of Tea replanting (%)	0.75	1.03	0.63	0.65
9. Crop Rehabilitation – Number of plants (Millions)	0.564	0.798	1.921	2.137
10. Tea Small Holdings Development Societies				
No. of Societies	1,435	1,460	1,475	1,483
No. of Members	329,778	347,425	329,963	309,710
11. Extension and Advisory Services				
No. of Individual Extension Services	33,373	37,750	12,955	14,439
No. of Group Programs	6,680	6,679	4,575	1,956
No. of Participated Farmers	188,085	175,722	119,265	53,068
12. Institute's Cost of Operation (per Development Rupee)		0.66	0.65	0.55
13. Tea Inspection/Extension Officer – Tea Farmer Ratio	1:2751	1:2958	1:2784	1:2807
14. Average Gross Price of raw leaves per Kilogram in Rupees	90.69	85.48	80.15	92.55

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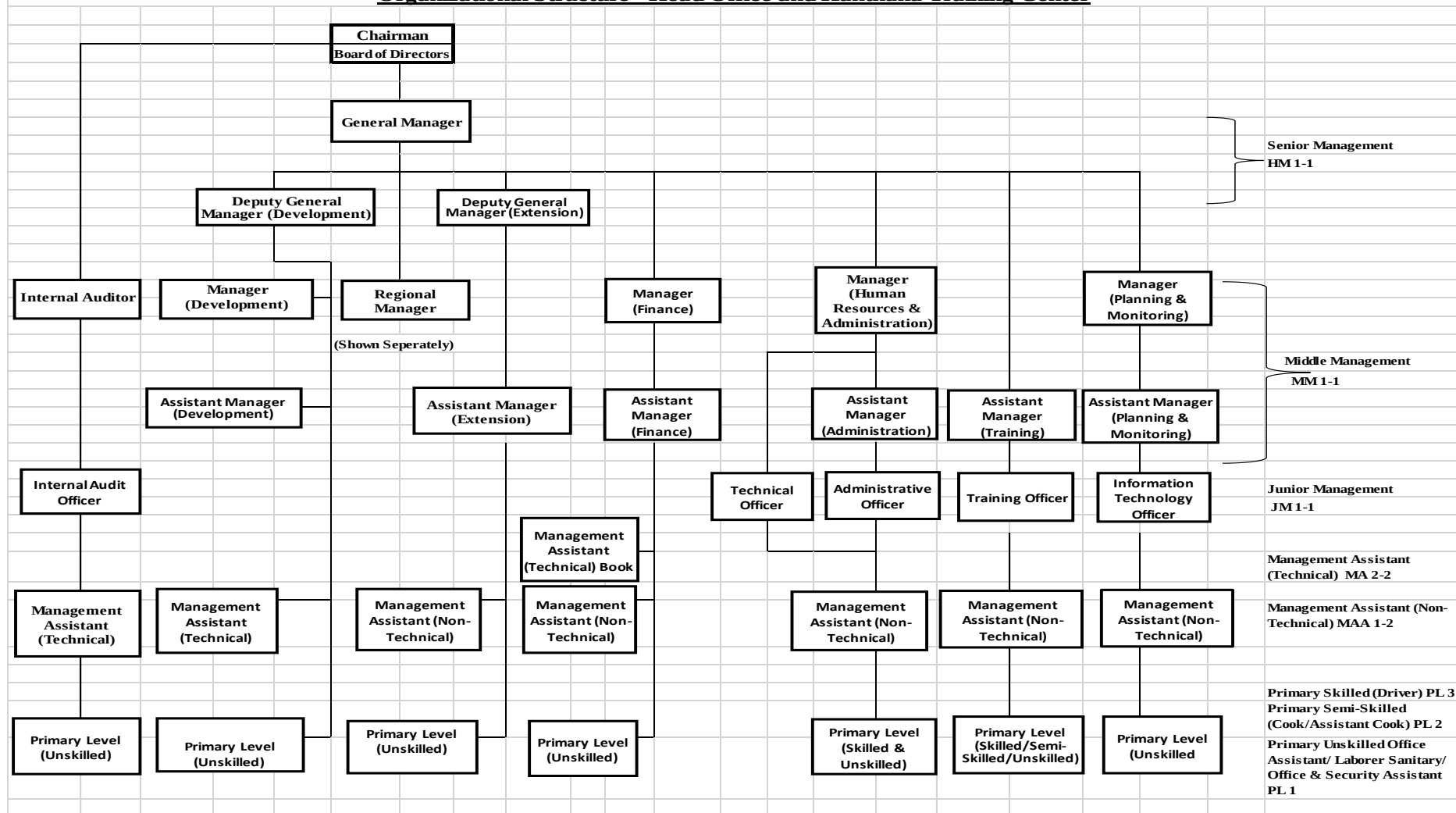
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Tea Small Holdings Development Authority
Organizational Structure - Head Office and Hanthana Training Center





Board of Directors

1	Chairman	Mr. Mahinda Widanapathirana
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Members of the Director Board

	Name	Designation	Representation	Telephone No.
2	Dr.M. W. N. Dharmawardhana	Chairman	Sri Lanka Tea Research Institute	070-6454456
3	Mr. K.S Wijayakeerthi	Senior Assistant Secretary	Ministry of Plantation Industries	077-7486964
4	Mr. J. Jayasundara	Director	Department of National Budget	071-4406151
5	Mr. E.A.J.K. Edirisinghe	Tea Commissioner	Sri Lanka Tea Board	071-4491618
6	Dr. L.S.K Hettiarachchi	Director	Tea Research Institute	052-2258201 071-2746483
7	Dr W. Jinadasa	Representative	Tea Factory Owners' Association	077-7906024
8	Mr. K.L Gunarathne	Chairman	All Island Federation of Societies	077-7707623
9	Mr. Roshan Rajadurei	Managing Director	Sri Lanka State Plantations Company	077-7743457
10	Mr. Jagath Senarath Pathirana	Secretary	All Island Federation of Societies	070-3750550
11	Mr. T. M. Richard	Observer/Member of the Board of Directors		071-8054893

07 Director Board meetings were held in the year 2020.

Audit and Management Committee

	Name	Designation	Representation	Telephone No.
1	Mr. J. Jayasundara	Director	Department of National Budget	071-4406151
2	Mr. K.S Wijayakeerthi	Senior Assistant Secretary	Ministry of Plantation Industries	077-7486964
3	Dr W. Jinadasa	Representative	Tea Factory Owners' Association	077-7906024
4	Mrs. S. D. Katuwawalage	Auditor General	Department o Auditor General (Sri Lanka Tea Board)	011-2583687

05 Audit and Management Committee meetings have been held in the year 2020.

Executive Staff and District Administrative Offices**Head Office****No: 70, Parliament Road, Pelawatte, Battaramulla.****Telephone No. : 011-7909020/21****Fax :- 011-22784925/28 / Email :- gmtshda@gmail.com/ aetshda1@gmail.com****Executive Staff – Head Office**

Chairman	: Mr. Mahinda Widanapathirana
General Manager	: Mr. D.G. Mahipala

Extension Division

Deputy General Manager (Extension) (Acting)	: Mr.W.T.R.P. Wimalarathne
Assistant Manager (Extension)	: Mr. Prabuddha Pethum Weerasuriya

Development Division

Deputy General Manager (Development)	: Mr. C.J.I.T. Fernando
Manager (Development)	: Mr. R.A. Waidyaratne
Assistant Manager (Development)	: Mr. A.A.D.P. Abeythilaka

Planning & Monitoring Division

Manager (Planning & Monitoring)	: Mrs. M.A. Piyaseeli
Assistant Manager (Planning & Monitoring)	: Mrs. W.D C. Krishanthi
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

Human Resources and Administration Division

Manager (Human Resources & Administration)	: Mr. Harshan De Silva
Manager (Human Resources & Administration)	: Mr. R. Indika Perera (Covering Duties) (With effect from 2019.12.06 up to 2020.02.24)

Manager (Human Resources & Administration)	: Mr. C. J. I. T. Fernando (Covering Duties) (With effect from 2020.02.24)
Assistant Manager (Administration) (Acting)	: Miss. P.G.I Surangika (With effect from 2019.06.03 up to 2020.02.06)
Assistant Manager (Administration)	: Mrs. E. K. P. A. Priyadarshani (Performing Duties) (With effect from 2020.06.01)
Administrative Officer	: Mr. Sarathchandra Muramudalige

Internal Audit Division

Internal Auditor	: Mr. W.W.J.L. Fernando
Internal Audit Officer	: Mr. D. Daminda Priyanjith

Services Division

Assistant General Manager (Services)	: Mr. Amitha Pasquel
--------------------------------------	----------------------

Regional Office – Galle – Administrative District: Galle

No. 81, Lighthouse Road, Fort, Galle

Telephone No. : 091-7201126

Fax : 091-2244382 / Email ; tshdaga@gmail.com

Regional Manager	: Mr. E.R.S. Gunawardane
Assistant Regional Manager (Extensions)	: Mr. I.U.H. Mohotti
Assistant Regional Manager (Planning and Development)	: Mr. D.L.C. Sooriyaarachchi (Performing Duties)
Regional Tea Development Extension Officer	: Mr. D.L.C. Sooriyaarachchi : Mr. M.T. Amararuwan : Mr. H. M. K. G. B. Herath
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 2020.11.10)
Administrative Officer (Covering Duties)	: Mr. S. J. Algewatta (With effect from 2020.11.10)
Accounts Officer	: Mrs. K.W.W. Perera

Regional Office – Matara – Administrative Districts: Matara, Hambantota

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Regional Manager (Performing Duties)	: Mr. Saliya Narangaspitiya
--------------------------------------	-----------------------------

Assistant Regional Manager (Planning and Development)	: Mr. Saliya Narangaspitiya
Assistant Regional Manager (Extensions)	: Mr. K.H.L Sanjeewa
Regional Tea Development Extension Officer	: Mr. J.L. Edirisooriya
	: Mr. Mahinda Batagoda
	: 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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Regional Manager	: Mr. K.A.B. Padmaraja
Assistant Regional Manager (Planning and Development)	: Mr. H.K. Lalith Kumara
Assistant Regional Manager (Extensions)	: Mr. P. N. Yahamuni
Regional Tea Development Extension Officer	: Mr. P.D.K Balachandra
	: Mr. M.A.I. Abeysena
Regional Tea Development Extension Officer (Acting)	: Mr. P.S.K Perera
Administrative Officer	: Mrs. Dhammika Weththasinghe
Accounts Officer	: Mr. E.G.T.N Serasinghe

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

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

Regional Office – Nuwara Eliya - Administrative District: Nuwara Eliya**New Town, Kotmale****Telephone No.: 052-4930265/ 052-4930247****Fax : 052-2259060 / Email : tshdane@gmail.com**

Regional Manager	: Mr. W.T.R.P. Wimalarathne
Assistant Regional Manager (Planning & Development)	: Mr. P.A.N. Pushpa Kumara
Assistant Regional Manager (Extension)	: Mr. R.A.S. S. Ranathunga
Regional Tea Development Extension Officer	: Mr. A.T.A. Gunawardhane ; Mr. S.I. U. Senadeera
Regional Tea Development Extension Officer (Covering Duties)	: Mr. R.A.S.S. Ranathunga
Administrative Officer	: Mrs. M. G. D. A. Pushpakumari (With effect from 2020.11.10)
Accounts Officer	: Mrs. D. M. L Nawalage

Regional Office – Uva - Administrative Districts: Badulla, Moneragala**New Badulla Road, Bandarawela****Telephone No. : 057-7200241/ 057-7200081****Fax : 057- 2232237 / Email: uvatshda@gmail.com**

Regional Manager (Acting)	: Mr. G.G.N. Pushpakumara
Assistant Regional Manager (Planning & Development)	: Vacant
Assistant Regional Manager (Extension)	: Mr. H. Tharanga De Zoysa
Regional Tea Development Extension Officer	: Mr.H.M. Premakumara : Mr. H.M Kumarasinghe : Mr. R.M.A.D. Rathnayake
Administrative Officer	: Mrs. R.D.C.K. Ranathunga
Accounts Officer	: Mrs. W.D.M.M. Amarasinghe

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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.P.S. Ekanayake
Regional 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**Dadugodayawatte Road, Iddagoda, Mathugama****Telephone No. : 034-7200183 / 034-7201630****Fax : 034-2249690 / Email : tshdakalu@gmail.com**

Regional Manager (Acting)	: Mr. R. A. Vaidyarathne (With effect from 2020.02.05)
Regional Manager (Performing Duties)	: Mr. S.C. Mudannayake (With effect from 2020.02.05)
Assistant Regional Manager (Extension)	: Mr. S.C. Mudannayake
Regional Tea Development Extension Officer	: Mr. T.M.S.L. Priyadarshaka
Regional Tea Development Extension Officer (Acting)	: Mrs. H.P. Pushpa Kumari
Administrative Officer	: Mr. H.P.L.S. Pushpa Kumara
Accounts Officer (Performing Duties)	: Mr. D.D. Priyanjith (With effect from 2020.02.06)
Accounts Officer	: Miss. P. G. I. Surangika (With effect from 2020.02.06)

Rathnasiri Wickramanayaka National Training Institute**5th Milepost, Middle Division, Udawela, Hantana****Telephone No.: 081-7201760/ 081-7201973****Fax: 081-3800679 / Email : tshdantc@gmail.com**

Assistant Manager (Training)	: Mr. H.K.G.I.S.B. Hapuhinna
Training Officer	: Vacant

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 holdings after being declared.

In the year 2020, 3,034 tea farmers were newly involved in tea cultivation for the tea small holdings sector. Including them, the total number of farmers in the year 2020 was 404,291. Comprising with the newly cultivated 424 hectares in the year 2020, the overall extent of tea small holdings at the end of 2020 was 123,324 hectares.

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

The national tea production in the year 2020 was 278.489 million kilograms and the production of the tea small holdings sector was 205.666 million kilograms. The tea small holdings sector had produced 73.85% 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 7.2% and the production of the tea small holdings sector had been reduced by 8.8%. Compared to the year 2014 on which the maximum production in the tea small holdings sector was reported, the production had been reduced by 16%.

Productivity of the Tea Small Holdings Sector

Compared to the previous year, the average productivity of the tea small holdings sector in the year 2020 had reduced by 8.8%. Accordingly, the average productivity of the year 2020 was 1,766 kilograms of made tea per hectare. The average productivity in the Low country was 1,833 kilograms of made tea. It was 1,418 kilograms of made tea in the mid country and 2,003 kilograms of made tea in the up country. In the year 2020, the average productivity in Uva had been 1,403 kilograms of made tea.

Extent of Lands of Tea Replanting and Percentage of Replanting

As the national policy for constant maintenance of the extent of lands of tea cultivation obtaining a maximum harvest, it is required to replant 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 about 2,400 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. In accordance with the annual provisions, it was targeted to uproot 840 hectares in the year 2020.

Under the Small-holder Tea and Rubber Revitalization (STaRR) project, it was targeted to uproot 2,367 hectares. Permits pertaining 5,797 hectares were issued so far and land preparations were made on 2,133 hectares under the Small-holder Tea and Rubber Revitalization (STaRR) project. Until the year 2020, 1,766.9 hectares were fertilized under soil rehabilitation I, 1,184 hectares were fertilized under soil rehabilitation II and tea cultivation was made on 297 hectares.

In accordance with the data in the past decade, an average extent of 960 hectares of land had

been uprooted annually for tea replanting and about an average of 819 hectares of land had been replanted annually with subsidies. As per the trend in last 03 years, about an extent of 786 hectares of land was annually replanted.

In the year 2020, 800 hectares were targeted to be replanted from tea and it was able to complete replanting on 649 hectares. Accordingly, compared to the tea replanting target in the year 2020, the percentage of progress was 81.18%.

New Tea Planting

In the year 2020, land preparation for new tea planting was targeted on 400 hectares and the progress achieved by 422 hectares. New tea planting had been completed on an extent of 424 hectares of land in the year 2020.

Crop Rehabilitation

As per the recommendations, planting desolates in tea lands is performed through this in collaboration with pruning, the usage of soil conservation methods and shade control. Accordingly, 2,000,000 plants were targeted on desolate planting for the year 2020 and desolate planting had been completed for 2,137,450 plants even exceeding that target.

Special Drought Infillings Subsidy Scheme

Due to the drought occurred in the first quarter of the year 2020, a Special Drought Infillings Subsidy Scheme was implemented in order to supply desolates for the dead plants in immature tea cultivations, and under that, aids were paid for 3,580,366 plants as 30 Rupees per plant.

Extension and Consultation Services

2,151 group extension programs had been targeted to be conducted in supplying extension & consultation services on improving the productivity of tea small holdings (Table No. 13 – i), improving the quality of tea leaves (Table No. 14) and managing tea-based farms (Table

No. 16), and from that, 1,956, about 90% had been implemented.

The participation of 59,284 farmers for these programs was targeted and the number of farmers participated was 53,068. The percentage of the progress was 89.5%. 35,840 individual extension programs were targeted for the year 2020 and the percentage of the progress was 40%.

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

Institutional Tea Nurseries and Mother Bush Cultivations

1,188,807 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, Nuwara Eliya, 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 the All-Island Federation of societies had been established in the year 1989 and had made them to be legal organizations. At the end of the year 2020, the number of registered Tea Small Holdings Development Societies was 1,483 with 309,710 members. Compared to the previous year, the number of societies had been increased by 0.5%.

Operational Cost of the Institution

The development cost of the institution in the year 2020 was 752.76 million Rupees. The recurring cost was 421.121 million Rupees. When it compared to the previous year, the development cost had been increased by 123.96 million Rupees and the recurring cost had been increased by 11.12 million Rupees. Accordingly, the ratio between the Operational Cost and Development Cost was 0.55.

the year 2020, the production margin for Low country was 37.75 Rupees and the average production margin for all regions was 32.61 Rupees.

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 in the year 2020 was 1:2807. Accordingly, though the number of officers should be increased in order to decrease the number of farmers covered, it is 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 in providing services.

Special Project of 25 Million Plants

Under this project, in order to produce 25 million plants, preliminary actions were commenced based on 250 million Rupees of cash grants of the Tea Board.

Price of Raw Leaves

In accordance with the national elevation average values in the year 2020, the price paid for one kilogram of Upcountry raw leaf was 86.76 Rupees as per the tea market prices of Sri Lanka. It was paid 81.42 Rupees for one kilogram of Mid country raw leaf , 97.69 Rupees for one kilogram of the areas in Low country and 92.55 Rupees for the national elevation average value for all the regions. In

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 had been 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 in accordance with the Act

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 01st January 1978, the Authority had continued performing 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, equipment and providing transportation facilities.

3. Implementing extension and consulting services.

Actions taken by the Authority in the year 2020

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. 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.
3. Promoting investments on tea small holdings.
4. Undertaking the process of data collection & data distribution and being known of the development competence of tea small holdings.
5. Providing instructions to the Ministry on appropriate policies and aligning with the other related agencies.
6. Implementing extension and consulting services.

1.2 Audit and Management Committee Activities

The Audit Plan for the year 2020 was approved by the Board of Directors on 2020.03.12 and 05 Audit and Management Committee meetings were held during the year under review.

The following key decisions had been taken by that Audit and Management Committee focusing on the following subject areas.

1. Reviewing the matters disclosed by the internal audit reports and working on accelerating the execution of proposals.
2. Reviewing the Auditor General's report and taking measures on performing necessary adjustments required to prevent the recurrence of deficiencies as shown thereto.
3. Examining the progress of the submission of responses regarding audit inquiries.
4. Inquiring on whether the circulars and regulations are accordingly adhered and taking necessary measures on revising shortcomings.
5. Inquiring on the delay of submitting Board handouts to the Board of Directors and on the 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.

Even though, the approval of the Department of Management Services and the Ministry of Plantation Industries had been granted to fill the vacancies existed in the Authority, as per the instructions mentioned in the letter No. DMS/Policy/Recruitments of the Ministry of Finance issued on 2019.11.20, the actions on recruitments had been temporarily discontinued and at the end of the year after the election period, only 18 Tea Inspection/Extension Officers were recruited.

1.3.2 Appointments made during the year

Recruitments

Designation	Recruitments
Deputy General Manager (Extension)	-
Regional Manager	-
Assistant Manager (Administration)	-
Training Officer	-
Regional Tea Development Extension Officer	-
Administrative Officer	-
Tea Inspection/Extension Officer	18

Book Keeper	-
Management Assistant	-
Driver	-

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. 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 2020.

For that, the productivity (Made 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 up country, mid Country, and low country to accomplish the targeted outcome after the annual goals were introduced to the field officers. (The national goal identified for the year 2020 on the tea crop is 2,307 Kilograms of made tea per hectare). The core development goals and achievements used to measure the performance in the years 2018, 2019 & 2020 are mentioned below.

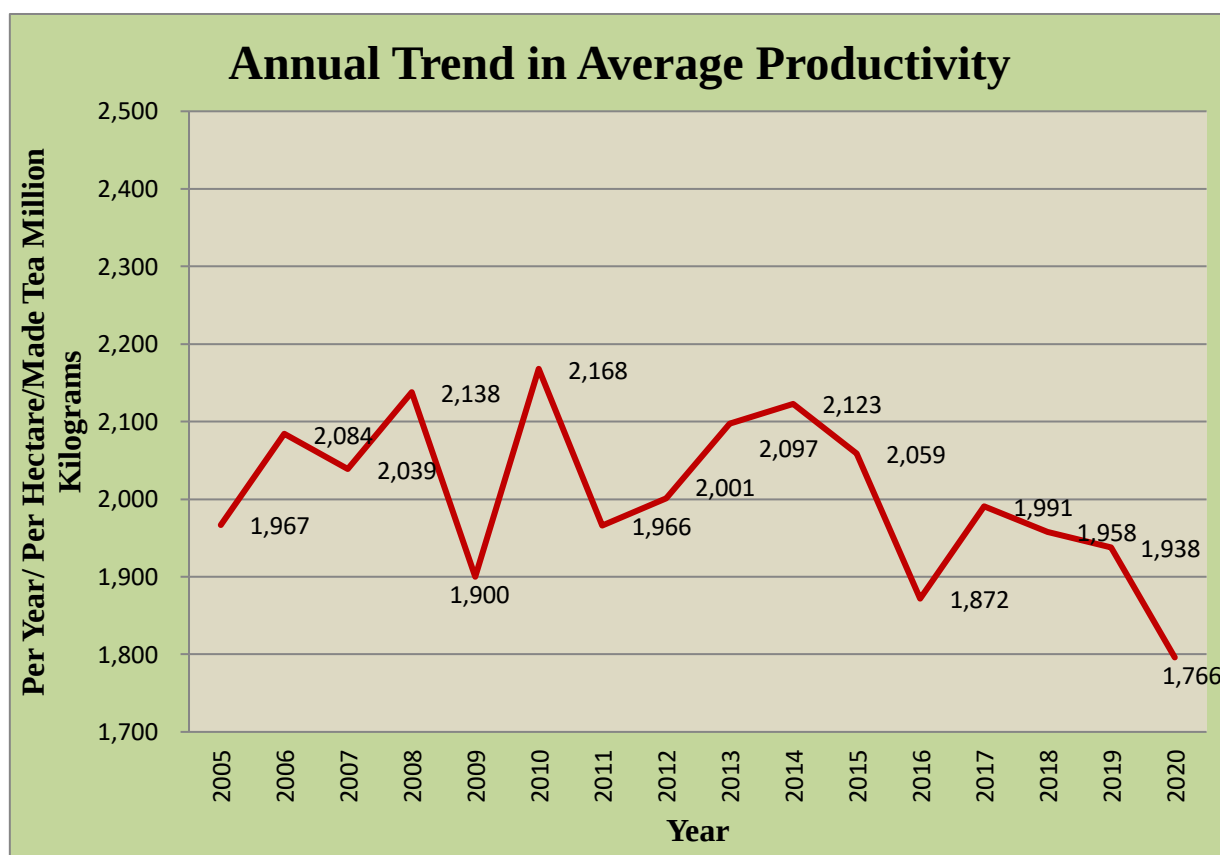
Table No. 01

Productivity Goals and Performance anticipated by the institution - 2018/2019/2020

(Made Tea in Kilograms per hectare/ per year)

	2018			2019			2020		
	Target	Achievement	Percentage	Target	Achievement	Percentage	Target	Achievement	Percentage
Low Country	2,500	2,075	83%	2,500	2,051	82 %	2,500	1,833	73%
Mid Country	1,700	1,449	85%	1,700	1,462	86%	1,700	1,418	83%
Uva	1,600	1,380	86%	1,600	1,300	81%	1,600	1,403	88%
Average	2,307	1,958	84.8%	2,307	1,938	84%	2,307	1,766	77%

Diagram No. 01



Development Outcomes

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

Mid-term Outcomes

1. Increasing production of made 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 in 03 years and annually adopting good agricultural practices in a 10% of tea lands.
2. Improving the quality of raw leaves in 03 years up to 65% at factory level.
3. Developing the community sources as 'A' Grade societies and it's 25% of the 1,483 Tea Small Holdings Development societies.
4. Establishing an occupational training procedure in a way that all the employee activities are contributing towards the long-term development of the institution.
5. Diverting 10% from the 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 of the Tea Small Holdings Sector

Tea Small Holdings Sector of 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 so far 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.

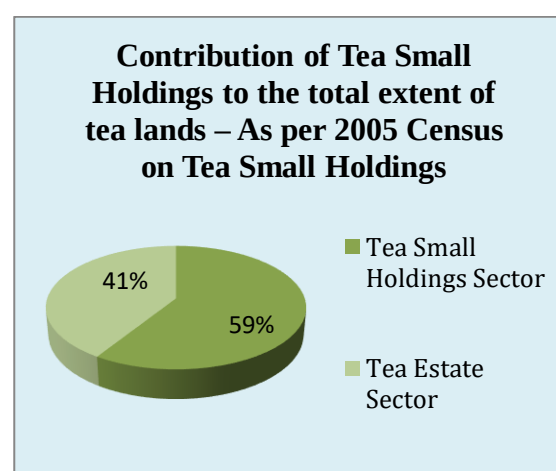
2.2 Extent of Tea Small Holdings

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.

Based on the 2005 census on tea small holdings, comprising with the extent of newly cultivated lands, the extent of tea small holdings stated at the end of year 2020 was 123,324 hectares.

Diagram No. 02



Source - 2005 Census on Tea Small Holdings in Sri Lanka – 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/Extension officers, the total number of tea small holders at the end of 2020 was 404,291 even with addition of the number of tea farmers

who had recently joined tea plantation from 2005 to 2020.

2.4 Number of Tea Small Holdings

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 scat-

tered 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 Raw 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 Holders, 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
Ratnapura	92,038	97,984	30,441
Kegalle	18,893	19,637	6,093
Total	370,842	397,223	132,329

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

2.5. Classification of Lands

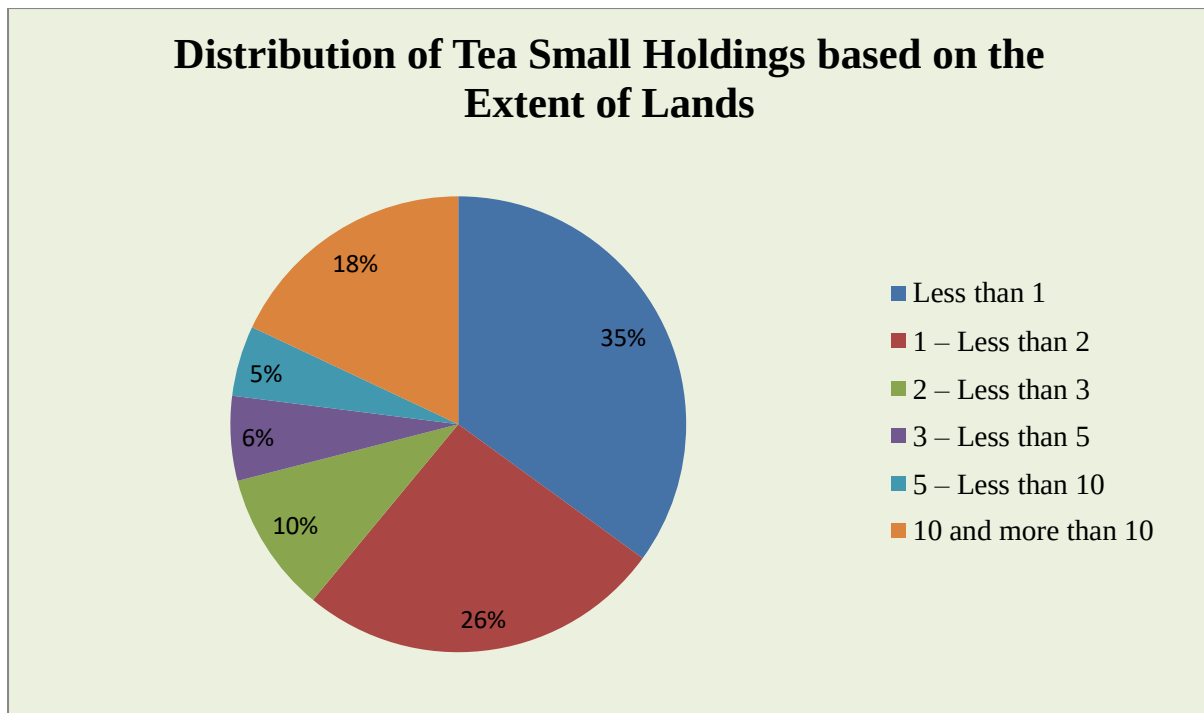
Actions on updating the data and information provided by the tea lands registration program held in conjunction with the Sri Lanka Tea Board in the year 2016, would be taken in the future. Up until now, the details gathered from the census held in 2005 were applied on activities related to institutional development in the year 2020.

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).

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

Table No. 03

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 on Tea Small Holdings in Sri Lanka – 2005

2.6 Production of the Tea Small Holdings Sector

The national tea production in the year 2020 was 278.489 million kilograms. Compared to the previous year, there was a reduction of 21.645 million kilograms, and it was 7.2 % of the national production.

The Tea Small Holdings Sector had produced 50% of the national tea production in the year

Similarly, the overall production of the tea small holdings sector had also been reduced by 20.062 million kilograms and it was 8.8% of the production.

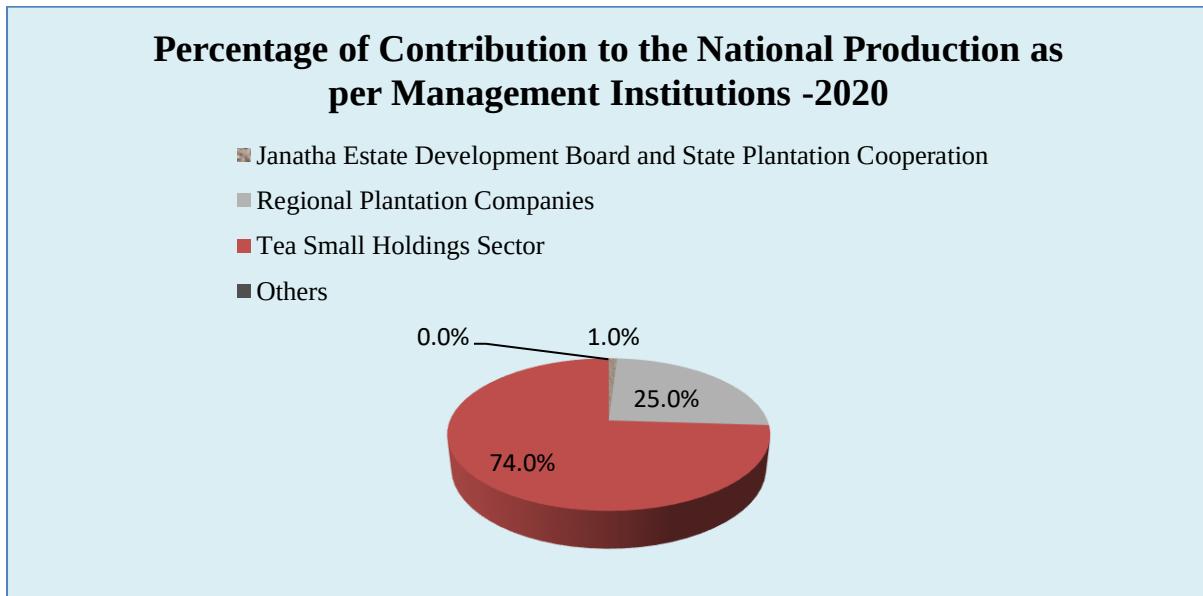
1991, and in the year under review, they had contributed with a production of 73.8%.

Table No. 04

National Tea Production in Sri Lanka – 2018/2019/2020
Contribution in accordance with Management Institutions

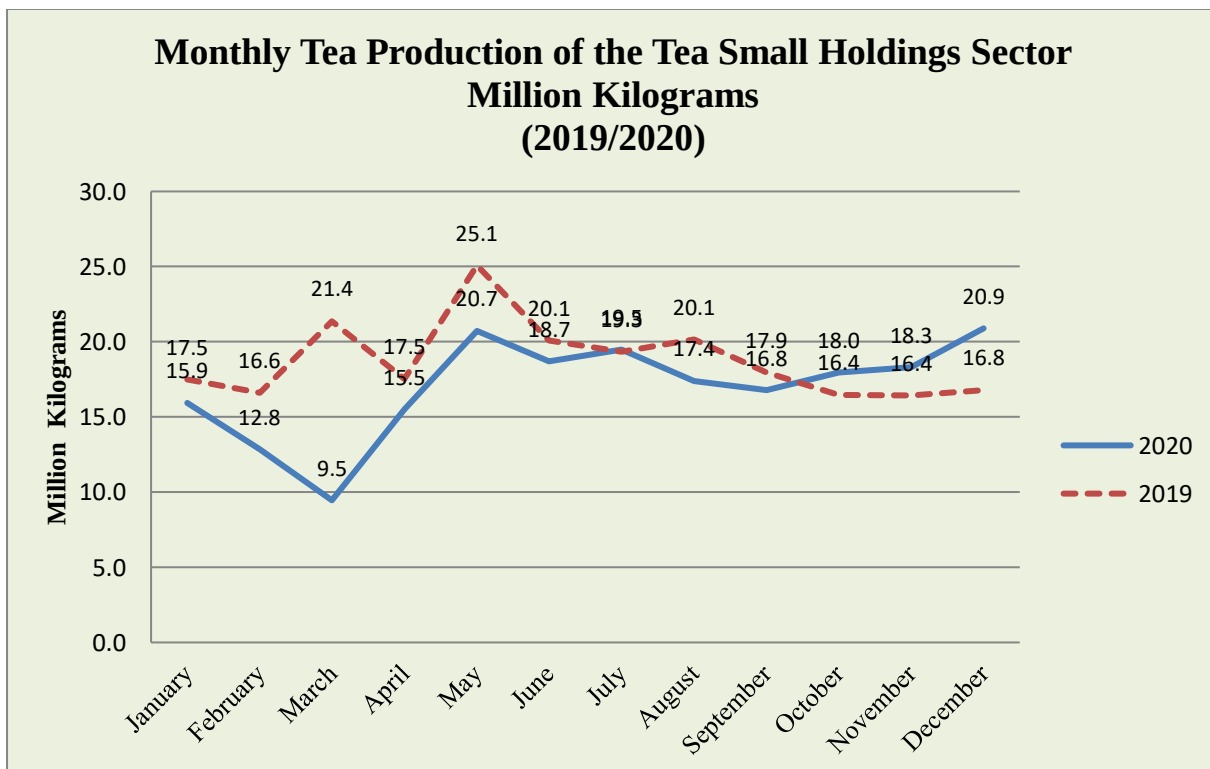
Management Institutions		Tea Production (Metric Tons)					
		2018	%	2019	%	2020	%
1	Private sector (Tea Small Holdings Sector)	228,049	75.02%	225,728	75.21%	205,666	73.85%
2	Regional Plantation Companies	73,540	24.2%	72,176	24.05%	70,662	25.37%
3	Janatha Estate Development Board and State Plantation Cooperation	1,699	0.56%	1,449	0.48%	1,470	0.53%
4	Others	656	0.22%	780	0.26%	691	0.25%
Total		303,944	100%	300,133	100%	278,489	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

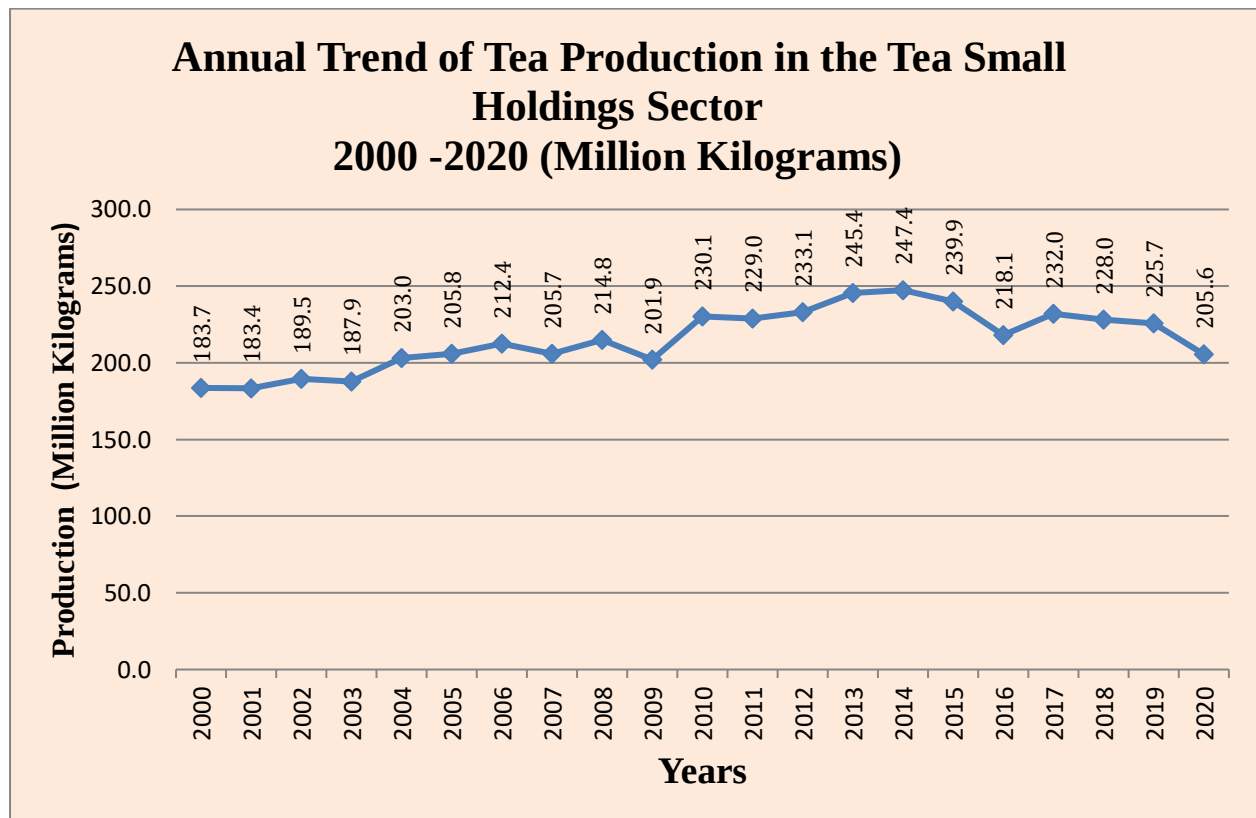
Source: (Sri Lanka Tea Board)

(In the categorization of institutions, all the purchased leaves were included in the production of the Tea Small Holdings Sector. Private Sector was 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 2020, the Tea Small Holdings Sector had contributed to the national tea production by 96% of the overall Low Country tea production, 65% of the overall Mid Country tea production and 19% of the overall Up Country tea production. (Table No. 05). Similarly, even in the year 2020, Low Country tea production was 79% from the overall tea production of the private sector while since it was 81% in the year 2019, the production was reduced by 2%.

Compared to the year 2019, in the year 2020, the tea production of the Tea Small Holdings Sectors had increased by 1% from the Up-country tea production and 1% from Mid country tea production while it had been declined by 2% from Low country tea production.

Table No. 05**Physical and Production Contribution of the Tea Small Holdings Sector
(Based on location) – 2019/2020**

		Year	Up Country	Mid Country	Low Country	Total
No. of Tea Small Holdings	(Hectares)		5,913	21,403	89,176	116,492
Percentage of Contribution			5%	18%	77%	
National Production	Metric Tons	2019	63,046	47,172	189,915	300,134
	%		21%	16%	63%	
	Metric Tons	2020	62,202	46,553	169,733	278,489
	%		22%	17%	61%	
Production of Tea Small Holdings	Metric Tons	2019	11,553	31,300	182,874	225,728
	%		5%	14%	81%	
	Metric Tons	2020	11,846	30,353	163,467	205,666
	%		6%	15%	79%	
Contribution to the National Production		2019	3.8%	10.40%	60.90%	75.00%
	%	2020	4.30%	10.90%	58.70%	73.85%
Productivity	Made tea / per hectare/ per year	2019	1,954	1,462	2,051	1,938
		2020	2,003	1,418	1,833	1,766

Sources: 1. Census Report on Tea Small Holdings 2005 - Department of Census and Statistics
2. Summary of Monthly Statistics - Sri Lanka Tea Board 2020

2.8 Productivity of Tea Small Holdings Sector

The growth of the National tea production in both the years 2019 and 2020 had been primarily caused by the contribution of the Tea Small Holdings Sector on tea production.

As per the data on the tea production in the Sri Lanka Tea Board, the average

productivity of the Tea Small Holdings Sector in the year 2020 was 1,766 Kilograms of made tea per hectare. Since the average productivity of the Tea Small Holdings Sector in the year 2019 was 1,938 Kilograms of made tea per hectare, the productivity had been reduced by 8.8% in the year 2020.

Table No. 06

Productivity of Tea Small Holdings Sector 2020 (Finished Tea/ Kilograms)
Based on Administrative Districts

Administrative District	Extent of Tea Small Holdings (Hectares) **	Up Country	Mid country	Low Country	Total	Productivity (Made Tea Kilograms per Hectare) *
Badulla	7,863	5,317,371	5,721,327	-	11,038,698	1,404
Galle	25,325	-	-	36,918,163	36,918,163	1,458
Hambantota	492	-	-	125,973	125,973	256
Kalutara	7,588	-	-	17,125,730	17,125,730	2,257
Colombo	246	-	-	1,049,512	1,049,512	4,266
Kandy	12,486	150,656	15,889,512	10,432,313	26,472,481	2,120
Kegalle	5,753		57,807	8,741,742	8,799,549	1,520
Matale	1,190	-	1,464,489	315,197	1,779,686	1,496
Matara	22,971	-	67,826	29,559,456	29,627,282	1,290
Nuwara Eliya	5,971	6,305,347	6,405,878	945,188	13,656,413	2,287
Rathnapura	28,232	72,965	746,498	58,253,792	59,073,255	2,092
Total		11,846,339	30,353,337	163,467,066	205,666,742	-
Extent of lands based on Census 2005		5,913	21,403	89,176	116,492	-
Estimated Average Productivity /per Hectare	2017	2,212	1,346	2,132	1,995	-
	2018	2,029	1,449	2,075	1,958	-
	2019	1,954	1,462	2,051	1,938	-
	2020	2,003	1,418	1,833	1,766	-

****** 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 raw leaves for factories

2.9 Investments and Operations Review of the Tea Small Holdings Sector

The Action Plan was prepared for 1547.00 million Rupees comprising with 1127.00 million Rupees as the Cost of Development and Institutional Capital and 420.00 million

Rupees as Recurrent Expenses in the year 2020.

The total amount of Payments was 1173.881 million Rupees comprising with 752.76 million Rupees as the amount of Capital Expenses and Recurrent as 421.121 million Rupees for the year 2020.

Table No. 07
Tea Production in Private Sector
and Treasury Funds Receipts –
2008 - 2020

Year	Overall Tea production (Million 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	1009.45
2017	307.72	75.5	24.5	784.45
2018	303.94	75.0	25.0	850.02
2019	300.13	75.21	24.05	800.00
2020	278.49	74.8	25.2	1127.00

Operational Review

The Operational Cost in the year 2020 was 421.121 million Rupees. Compared to the year 2019, the Operational Cost in the year 2020 had been increased by 11.09 million Rupees.

Table No. 08

Operational Review **(From 2008 to 2020)**

Year	Development Cost Rs. '000	Operational Cost Rs. '000	Operational Cost per one Development Rupee (Cents)
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
2020	752,760	421,121	0.55

Chapter 03: Development Activities for Statutory Objectives

3.1 Introduction to Development Activities for Statutory Objectives

3.2 Goals and Performance-based Mid-term Outcomes

3.3 Special Projects Activities promoting Investments on Tea Small Holdings

3.4 Key Performance Indicator

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 raw 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 providing plantation equipment and 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 in 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 Schemes, 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 through providing facilities needed to minimize the increasing cost of investment over time.

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: -

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 2020 targeted through the Result-driven Management Approach for the Tea Small Holdings Sector, the estimated cost of development on the prepared Action Plan was 831 million Rupees.

96.08% from the cost of developmental capital was assigned on land development

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.

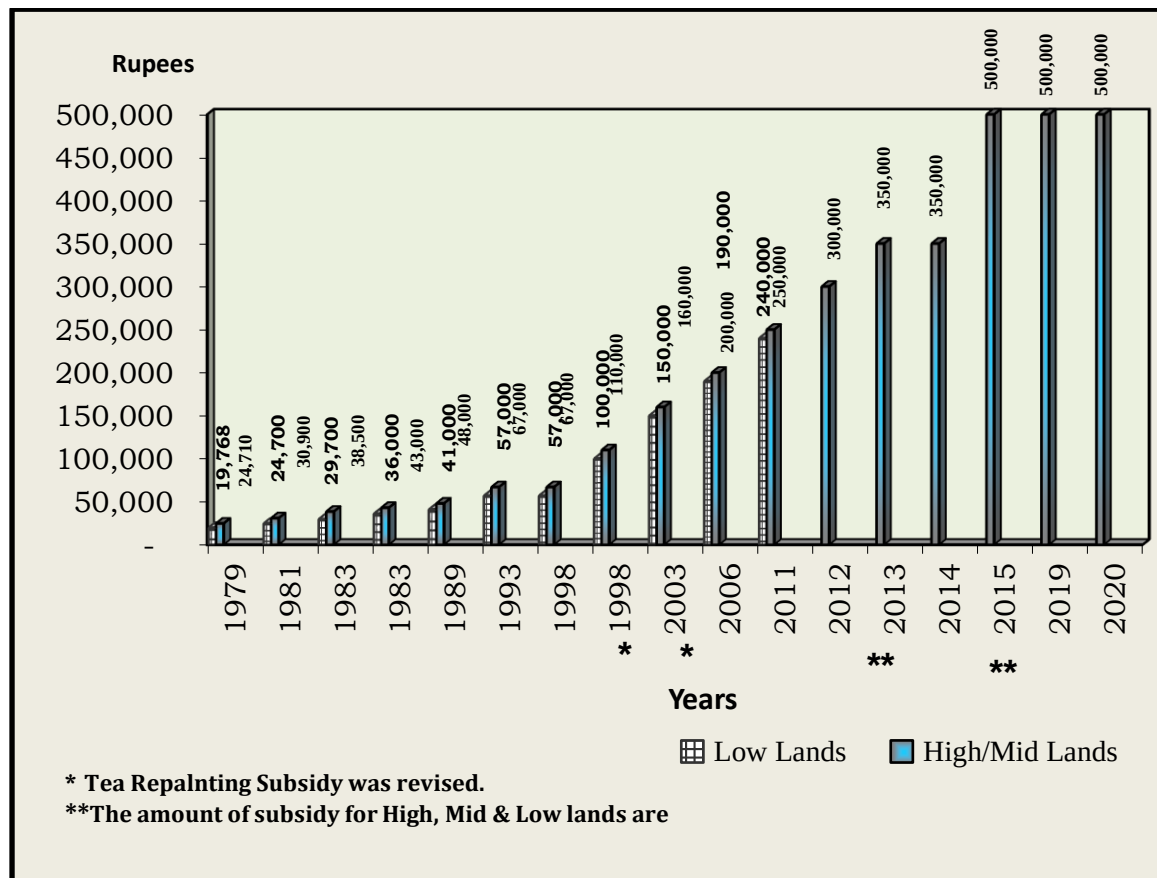
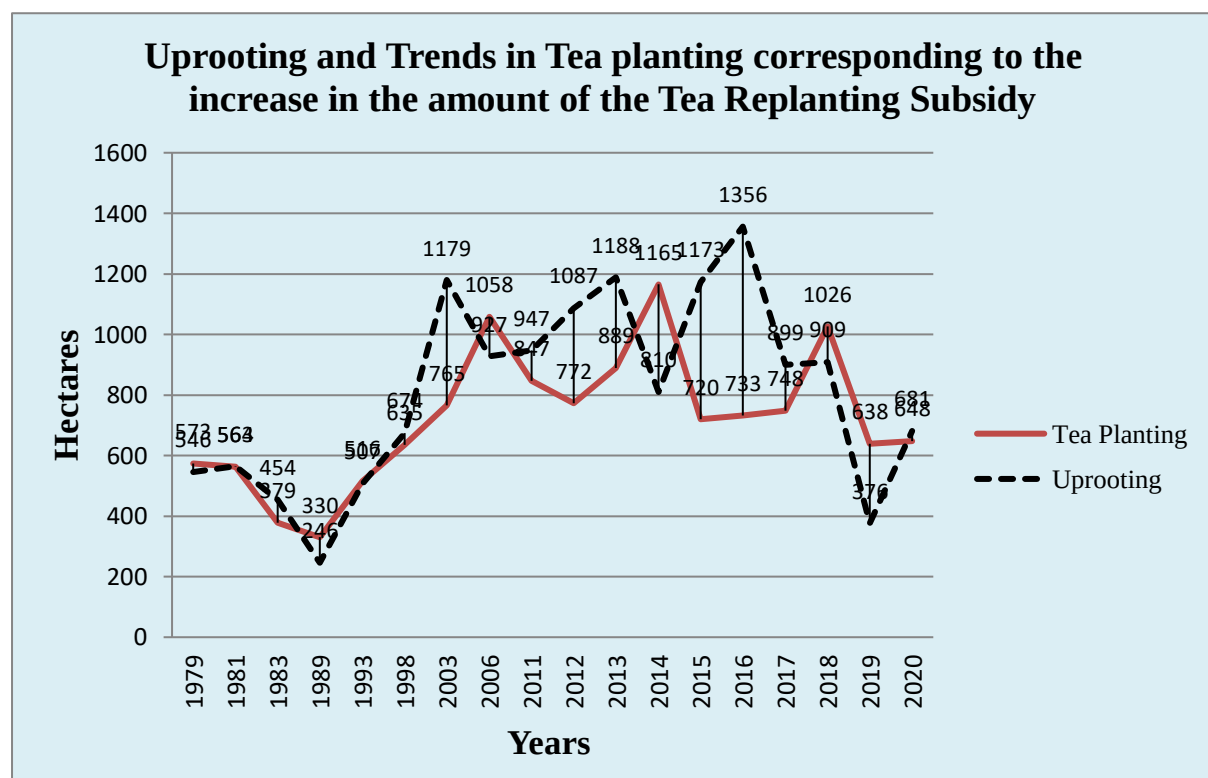
activities. It had been estimated to assign 2.52% on extension activities, 0.42% on strengthening community-based organizations and 0.98% on strengthening institutional activities.

In accordance with the national necessity to continue the annual tea replanting ratio at the level of 2%, an amount of 340.5 million Rupees was assigned for tea replanting subsidies under the cost of developmental capital in the annual Action Plan for the year 2020 covering 840 hectares for tea uprooting, 400 hectares for soil conservation – I, 624 hectares for soil conservation – II, 800 hectares for cultivation, 610 hectares for the maintenance under tea replanting. At the end of the year, it was able to pay 300.448 million Rupees as tea replanting subsidies under total provisions.

The amount of the subsidy given on tea replanting to provide relieves 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 2020, an extent of 13.1% of provisions was able to be targeted on the uprooting phase of tea replanting and the percentage achieved was 7.8%. Though, a percentage of 5% of provisions was targeted for the phases of tea replanting in the year 2020, the percentage of performance of tea replanting had been declined to 4%.

Moreover, in accordance with the Result-driven Management Approach commenced in the year 2010, the average productivity of tea small holdings had been reduced to 1,766 kilograms of made tea per hectare in the year 2020. Even so, reporting the maximum production, the average productivity in the year 2014 had been 2,123 kilograms of made tea.

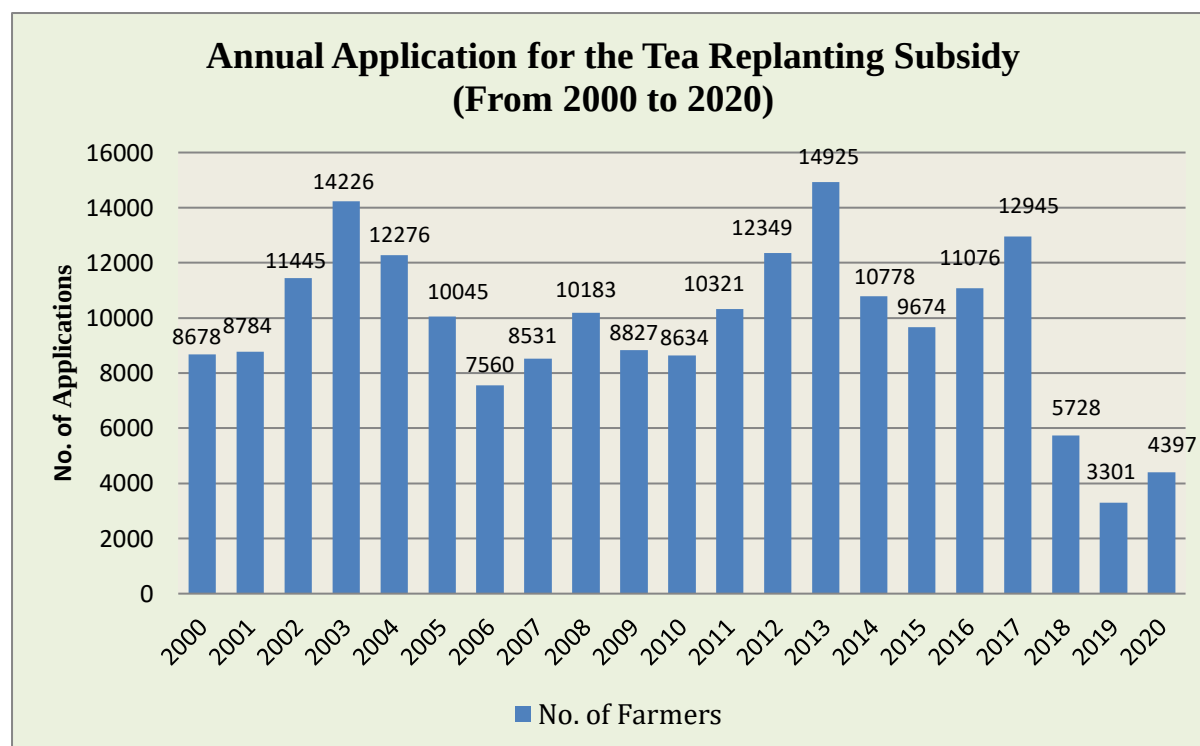
Diagram No. 07 -A**Increasing the amount of the tea re-planting subsidy / (Per hectare)****Diagram No. 07 -B**

Applying for Replanting

Receiving applications from 9,268 farmers for tea replanting was targeted through the Action Plan for the year 2020.

Accordingly, 4,408 farmers had applied for tea replanting and from that amount, the permits had been issued for 4,408 farmers. Compared to the year 2019, applying for the tea replanting subsidy scheme had been increased by 33% in the year 2020

Diagram No. 08



The Achievement

In the year 2020, the issuance of permits for tea replanting was increased by 41% and the permit holders who had applied for uprooting old tea plants was increased by an extent of 52% hectares.

The extent of lands uprooted for tea replanting for the year 2020 was 682 hectares. It marked an 81% progress from the annual targeted extent of lands of 840 hectares. Compared to the previous year, the percentage of uprooting was increased by 81% and the extent of lands had also been increased by 306 hectares.

The main reason for this increase was the decrease in the target of uprooting for institutional tea replanting in the previous year up to 376 hectares due to the limitations in provisions.

In the year 2020, 400 hectares were targeted under Soil Conservation – I and the extent of lands on which the Soil Conservation – I was completed was 411 hectares.

In the year 2019, this was an extent of 507 hectares. Accordingly, compared to the year 2019, this was a reduction of 19%. When it compared to the above extent of lands targeted under Soil Conservation – I

in the year 2020, it showed a progress percentage of 103%.

In the year 2020, the targeted extent of lands under Soil Conservation – II was 624 hectares and its achievement was a progress percentage of 94%.

In the year 2020, the extent of lands assigned for tea replanting was 649 hectares and the targeted extent of lands was 800

hectares. Accordingly, a progress of 81% was achieved during the year. Compared to the year 2019, the extent of cultivated lands was increased by 1%. That means, more than 10 hectares had been cultivated than the extent of lands cultivated in the year 2019.

Land Preparation for Tea Replanting



Soil Fertilization



Planting Manna (18 Months)



Planting Tea Seedlings



Maintenance after one year



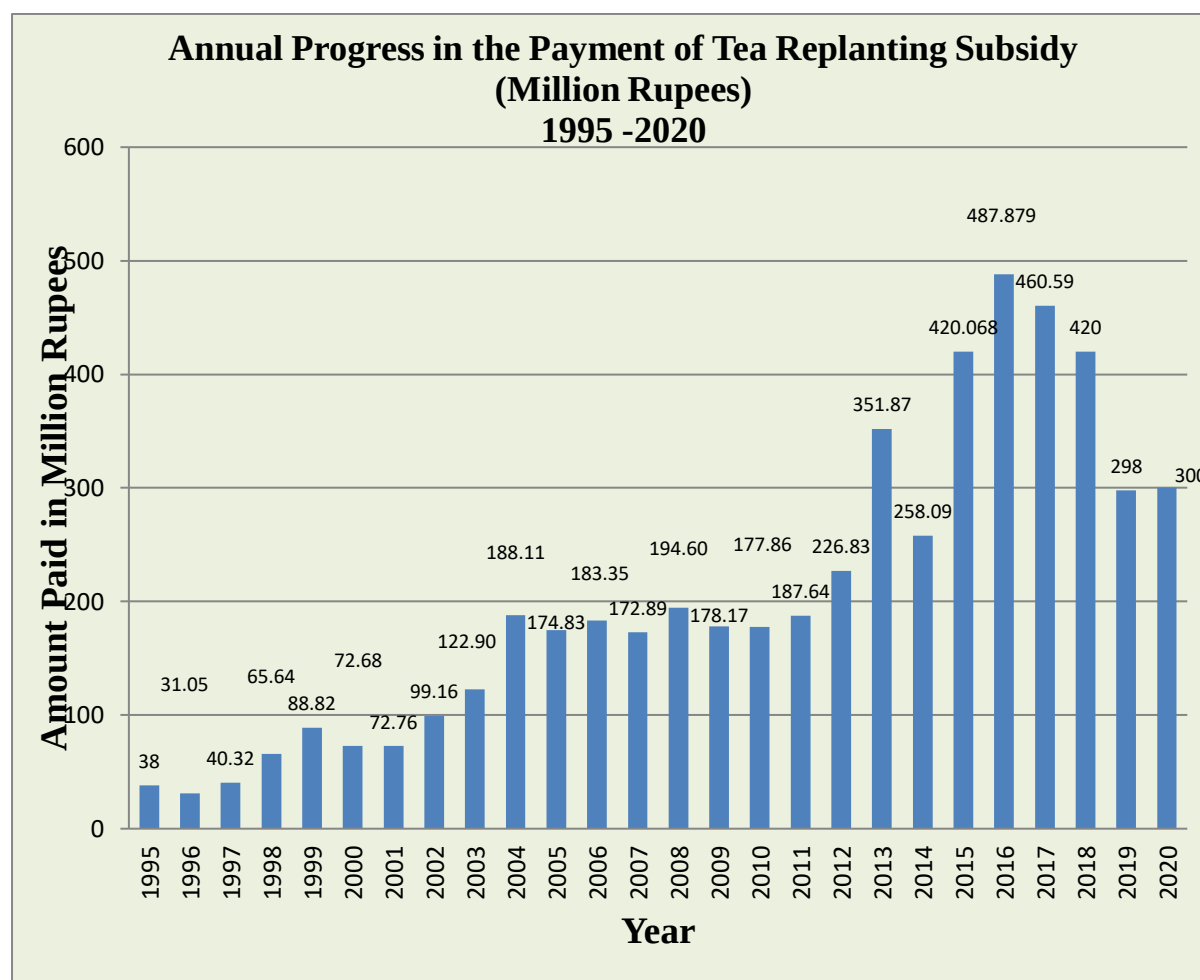
Table No. 09

Tea Replanting Subsidy Scheme
The physical achievements in the year 2019/2020 (Hectares)

Activity	Year	Low Country			High/Mid Lands					Total	Annual Target	Percentage of decrease/increase in progress compared to the previous year
		Galle	Kalutara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1. No. of Applications recieved.	2019	1988	368	2860	2999	464	1186	670	1254	3,308	8,033	-42
	2020	693	354	973	685	372	636	333	352	4,408	13,241	30
2.No. of permits issued	2019	299	363	313	554	426	477	266	416	3,114	6,869	-45
	2020	687	358	955	656	359	558	299	536	4,408	11,836	41
3.Extent of lands covered through permits	2019	89	119	91	140	108	112	55	81	795	814	-46
	2020	193	112	281	212	102	147	61	107	1,215	1,257	52
4.Land Preparation	2019	64	62	39	56	72	30	21	32	376	376	-59
	2020	101	53	144	131	73	75	39	66	682	840	81
5. Soil Rehabilitation – Installment I	2019	82	57	80	92	68	51	34	43	507	508	-40
	2020	67	40	47	102	55	36	33	31	411	400	-19
6. Soil Rehabilitation – Installment II	2019	144	96	110	137	81	88	47	42	743	803	-23
	2020	93	48	99	126	78	57	40	47	588	624	-21
7. Tea Replanting	2019	137	71	98	116	64	77	24	51	639	621	-38
	2020	126	44	110	125	71	86	39	48	649	800	1
8. Maintenance after one year	2019	132	68	154	140	63	82	30	52	721	651	4
	2020	118	47	100	115	28	47	22	47	524	610	-27
9. Amount of Cultivation Subsidies paid (Million Rupees)	2019	53.26	32.11	44.51	57.25	37.32	30.08	18.89	23.32	298.31	303.72	-29
	2020	53.26	27.22	53.00	60.61	33.41	29.22	19.14	24.58	300.448	340.5	8

Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. 09



In the year 2020, 300.448 million Rupees had been paid to the beneficiaries of the Tea Replanting Subsidy Scheme. Compared to the year 2019, the amount of the subsidy

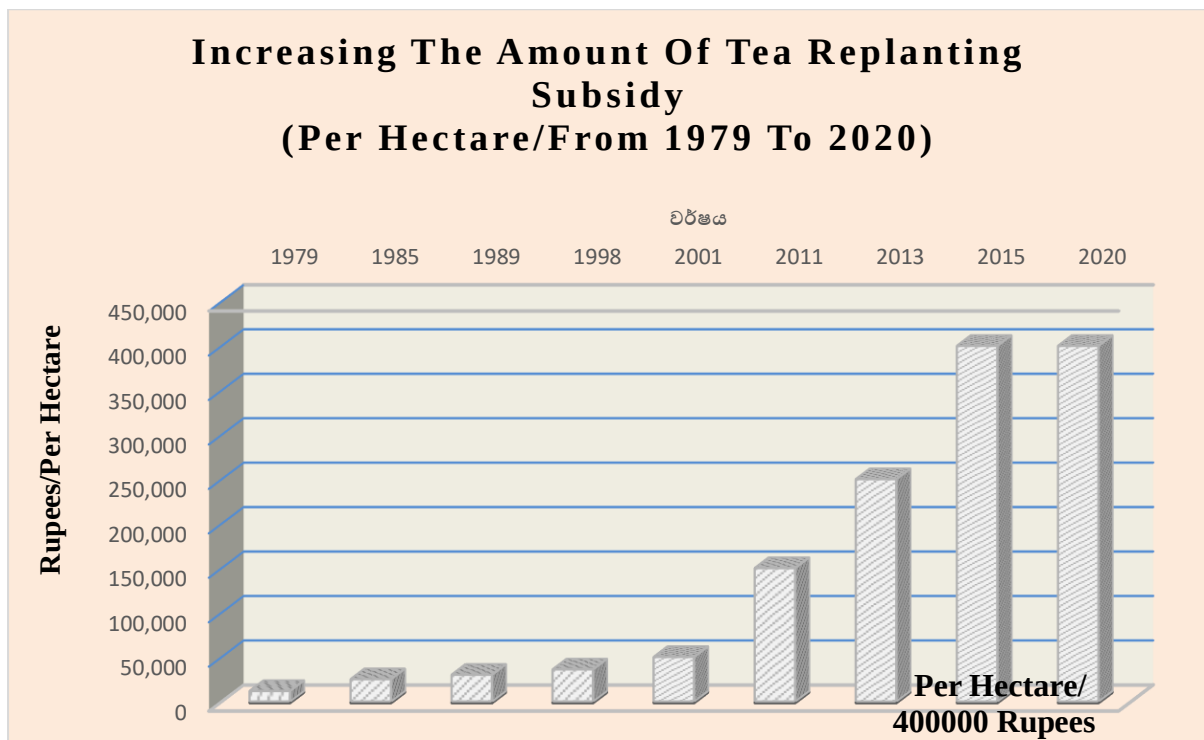
paid was increased by 2.13 million Rupees or by 0.7 % by the year 2020.

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 paying for tea new planting had been increased up to 400,000 Rupees per one hectare from 2015.01.01.

Diagram No. 10



The Achievement

In the year 2020, the number of applications received for tea new planting was 3,583 and the targeted number of applications was 4,390. Considering limited provisions, permits were issued to 3,304 individuals.

It was targeted in the year to perform land preparation in an extent of 400 hectares and land preparation had been completed in an

extent of 422 hectares. Accordingly, that extent is a progress of 105% as per the target.

In the year 2020, the total amount paid on tea new planting was 123.47 million Rupees. Compared to the year 2019, the amount of subsidy paid was increased by 31.15 million Rupees or by 33%.

Land Preparation for Tea New Planting



Planting Seedlings



Maintenance after one year

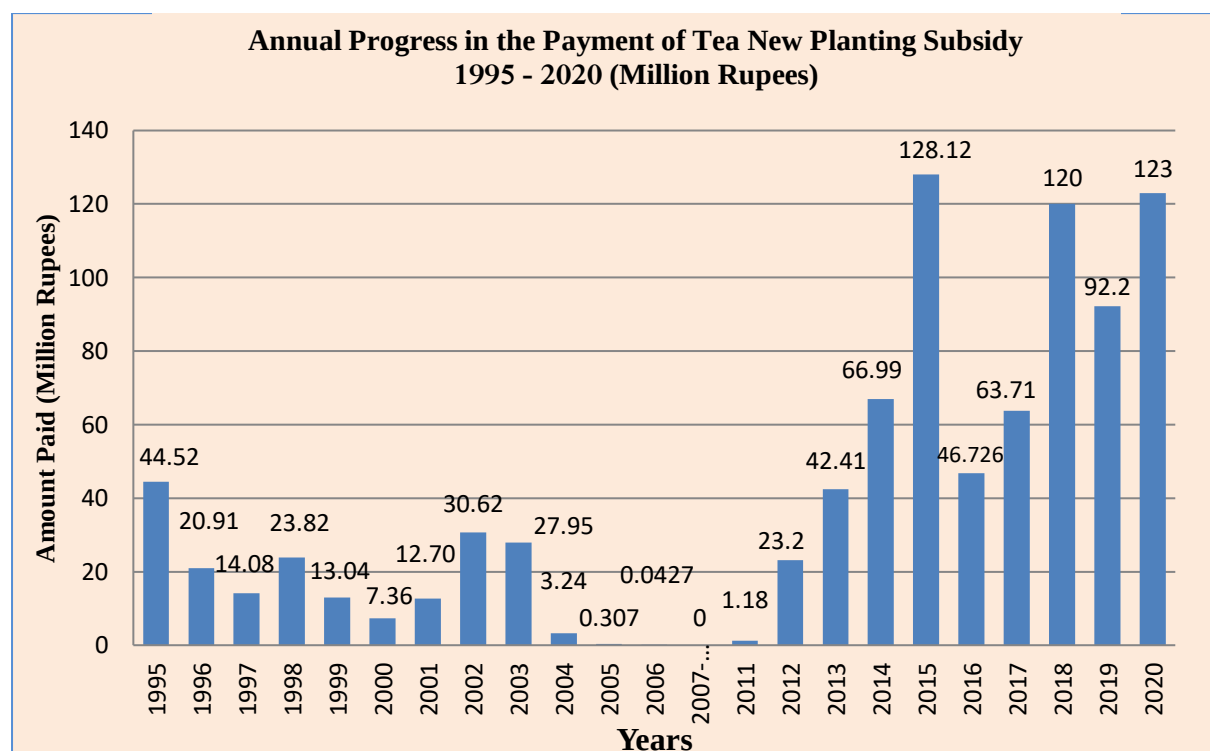


Table No. 10

Tea New Planting Subsidy Scheme
The physical achievements in the year 2019/2020 (Hectares)

Activity	Year	Low Country					High/Mid Country			Total	Annual Target	Percentage of decrease/increase in progress compared to the previous year
		Galle	Kalutara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1. No. of Applications recieved	2019	339	781	338	200	1073	237	194	111	3273	4906	-20
	2020	420	903	401	309	926	241	194	189	3583	4390	-10
2. No. of permits issued	2019	331	782	326	175	842	163	137	131	2887	4553	-26
	2020	419	906	399	272	774	174	155	205	3304	4175	14
3. Land Preparation	2019	31.9	103.4	29	12	93.9	13.33	8.1	7.4	299	100	-32
	2020	47	124	51	51	94	20	14	21	422	400	41
4. Cultivation	2019	29.4	103.1	29.7	14.8	91.6	13.5	6	7.9	296	100	-32
	2020	47	124	50	53	94	20	16	20	424	400	43
5. Maintenance	2019	36.8	77.5	40.1	25.8	73.1	18.9	8.5	6.3	287	300	46
	2020	15	70	31	17	33	8	11	8	193	235	-33
6. Amount of Subsidy paid (Million Rupees)	2019	8.2	31.84	10.13	4.27	27.78	4.68	2.72	2.67	92.29	92	-24
	2020	15.51	37.7	14.62	13.7	26.14	5.78	4.85	5.17	123.47	117	33

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 (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 phase of pruning or those which exceeded 4 years of age would make them eligible for granting subsidies.

Under this subsidy scheme, subsidies are paid in 2 installments for a maximum of 1000 seedlings per acre based on the rehabilitation of the tea leaves plucking tea cultivations on which the infillings those which are assembled from place to place and scattered individually, are 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 (0.4047 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 seedlings. Furthermore, subsidies cannot be applied for the next 04 years.

Planting Seedlings



Maintenance after one year



Table No. 11

Crop Rehabilitation Subsidy Scheme
The physical achievements in the year 2019/2020 (Hectares)

Activity	Year	Low Country					High/ Mid Country			Total	Targets	Percentage of decrease/increase compared to the previous year
		Galle	Kalutara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1. No. of Applications received	2019	2568	632	1531	1213	724	1642	1035	1014	10359	11,136	211
	2020	1594	500	1745	865	845	1474	825	643	8491	13,980	-18
2. No. of permits issued.	2019	2532	631	1482	976	518	1342	796	1020	9297	10,355	197
	2020	1596	499	1696	795	547	1180	666	778	7757	13,545	-17
3. Targeted No. of plants	2019	489,937	128,930	412,578	371,320	77,358	335,220	361,006	283,651	2460000	2,460,000	146
	2020	400000	150000	300000	300000	75000	300000	225000	250000	2000000	2,000,000	-19
4. No. of plants on which the first installment was paid	2019	354,877	157,872	282,480	197,855	170,427	393,865	176,626	187,566	1,921,568	2,460,000	141
	2020	405,543	120,018	376,191	244,059	158,736	445,657	168,556	218,690	2,137,450	2,000,000	11
5. No. of plants on which the first installment was paid	2019	47,476	56,616	87,424	51,685	66,135	90,040	27,049	38,659	465,084	640,000	5
	2020	207,162	101,085	133,271	112,462	86,668	387,697	70,051	144,441	1,242,837	1,605,865	167
6. Amount of Subsidy paid (Million Rupees)	2019	23.55	10.05	20.12	15.33	13.24	30.06	13.06	13.58	138.99	148.77	785
	2020	35.717	13.043	31.713	19.829	12.995	42.523	13.709	18.326	187.855	190.59	35

Source: The Progress Report – Tea Small Holdings Development Authority

The Achievement

In the year 2020, the number of individuals applied for the Crop Rehabilitation Subsidy Scheme was 8,491. From this amount, permits were issued for 7,757 individuals. Compared to the year 2019, the number of applications received was declined by 18% and the number of permits issued had also been declined by 17%.

The first installment was paid on 2,137,450 plants and it was a progress of 107% from the targeted number of 2,000,000 plants. Compared to the previous year, the number of plants on which the first installment was paid had been increased by 11%.

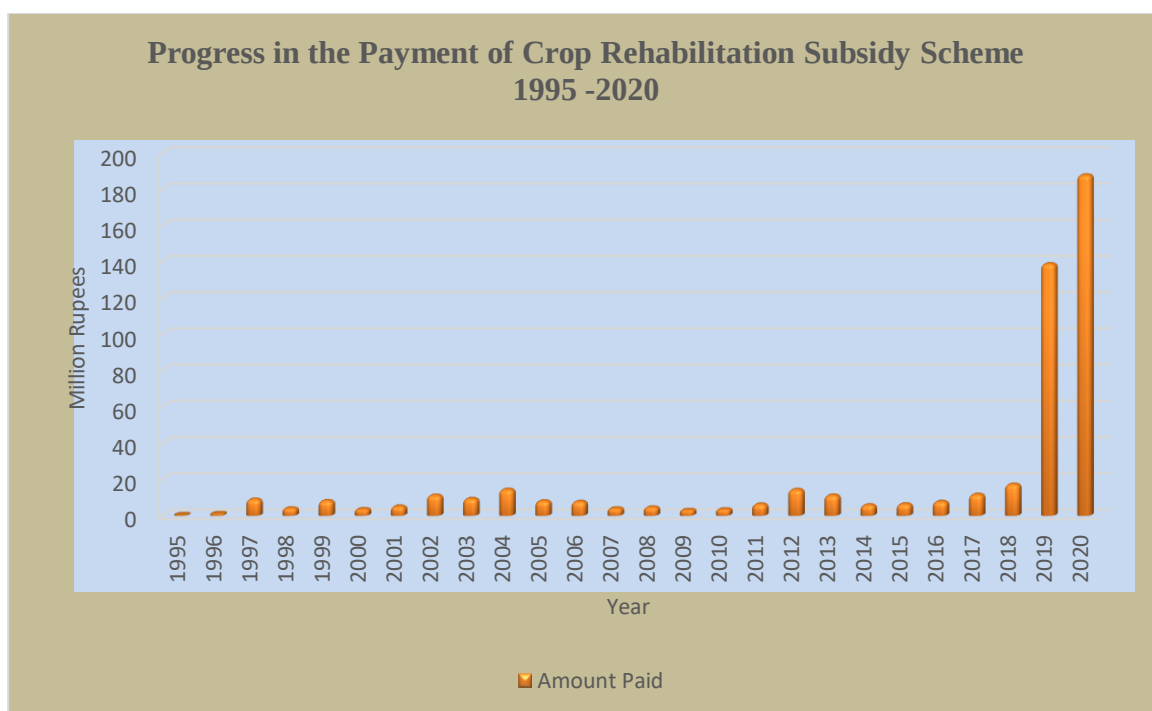
The number of plants on which the second installment was paid was 1,242,837 and it was a progress of 77% from the targeted number of 1,605,865 plants. Compared to the previous year, the number of plants on which the second installment was paid had been increased by 167% and the reason behind this was the increase of the number of plants planted in the previous year.

In the year 2020, 187,855 million Rupees was paid as subsidies for Crop Rehabilitation. Compared to the previous year, it was an increase of 48.86 million Rupees.

Special Drought Project on Infilling Cultivation

Implementing a Special Subsidy program on the provision of Drought Infillings due to the death of immature tea plants after the drought.

- Implementation of a Special Subsidy Scheme on the provision of Drought infillings for the plants died due to the drought began in the months of January and February in 2020 in the lands of tea small holders those which were cultivated under the subsidies given in the years 2017, 2018 and 2019.
- The Ministry's approval was granted to provide the payments of the subsidy amount through managing the capital provisions in the warrant account.
- In the year 2020, a number of 9,341 applications was received on 7,404,245 tea plants for the Special program on the provision of Drought Infillings.
- From that, only the applications from 6,196 tea small holdings those which were cultivated under the subsidies given in the years 2017, 2018 and 2019 were considered and 107.411 million Rupees were paid for 6,045 farmers on 3,580,366 tea plants.

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 201,007 shoots through maintaining quality mother bush cultivations with highly improved cultivar. From these, 28% of shoots were issued to tea small holders, 15% of shoots to commercial tea nursery operators and 57% of shoots to institutional tea nurseries. Compared to the previous year, this amount had been reduced by 7%. The targeted annual production of shoots through mother bush cultivations was 392,500. Therefore, it is a progress of 51%. Descriptive details on the issuance of shoots through mother bush

cultivations are indicated in Schedule No. 8 – A.

Commercial Tea Nurseries

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

Accordingly, 898 commercial tea nurseries were registered thorough the regional offices for the year 2019/2020. From these, the recommendations had been given by the institute to 13.05 million plants in 585 nurseries at the first inspection, 6.349 million plants in 313 nurseries at the second inspection and 0.45 million plants in 125 nurseries at the third inspection.

At the end of the year, 1,408 commercial nurseries had been registered for the year 2020/2021. The expected capacity of plants was 65.90 million. From that, the first inspection had been completed in 211 nurseries for 5.90 million seedlings. The recommendations were given by the

institute for 2.05 million seedlings from 97 nurseries at the second inspection and for 0.81 million seedlings from 71 nurseries at the third inspection. The descriptive details

on the number of certified plants in those nurseries in the year 2020/2021 are indicated in Schedule No. 8 – C1 and 8 – C2.

Table No. 12

**Commercial Tea Nurseries
Issuance of permits and Capacity of Plants
(2019 / 2020) and (2020 / 2021)**

District	No. of permits issued		Capacity of Plants	
	2019/2020	2020/2021	2019/2020	2020/2021
Galle	151	418	6,749,500	16,728,500
Matara	209	190	6,880,000	6,011,000
Kalutara	14	158	910,000	7,832,000
Rathnapura	132	252	12,755,500	21,493,000
Kegalle	75	65	3,562,000	3,025,000
Kandy	133	104	5,740,000	4,499,000
Nuwara Eliya	36	54	1,192,000	1,865,000
Uva/Badulla	148	167	3,698,844	4,446,944
Total	898	1,408	41,487,844	65,900,444

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, 1,188,807 vegetative propagated tea plants were produced in 10 nurseries for the Southwestern and Northeastern cultivation seasons in the year 2019/2020. The total number of plants marketed was 1,016,263 including the plants from the cultivation season in 2019/2018. The marketing price of a plant at nursery level is indicated in Schedule No. 8 – B.

Even though, the estimated average cost of a plant was 24.66 Rupees, the actual average cost of a plant was 21.03 Rupees.

In certain nurseries, there were instances where the estimated cost had been decreased and in certain nurseries, that cost had been increased.





Demonstrations of Cultivation

432 demonstrations of cultivations were established as 3 demonstrations of cultivations per every service division and actions were taken on setting up high shades & on practicing good agricultural methods as basic measures in order to develop them as field training schools.

Demonstrations of Cultivations maintaining by the institution



Mechanization

The labor shortage and the shortage of skilled labourers at the present time had started to be intensely felt because of the low tendency in engrafting technology with tea cultivation through the antiquated usage of machinery in tea cultivation.

While the young workers being not attracted to the tea cultivation affects the future of the tea industry, this program was implemented as a pilot project targeted at directing the young community to perform the essential activities of tea cultivation using technical tools through making an

attitude change and at amalgamating technology into the tea cultivation through generating income earning opportunities as self-employed & through generating a trained mechanical labor force.

In the year 2020, a Theoretical and a Practical Training was provided for six days at the Hanthana Training Centre for four groups, each group containing 21 young tea farmers. Those groups were consistent of Galle, Matara, Kandy & Rathnapura Regional Offices and after the training , the Practical Training was assigned to Regional Tea Development Officers at the sub-office level. .

3.2.4 Extension and Advisory Training Programs

2,151 Extension and Advisory Training Programs were scheduled for the year under review and the targeted number of participation of farmers for these programs was 59,284.

In order to improve the production and the productivity of tea small holdings, from the above number of programs scheduled for the year 2020, 1,956 programs could be implemented. Accordingly, as per the target, the progress of the programs was 91%. From the above targeted participation of farmers, the number of farmers participated was 53,068 and it was a progress of 90%. Those detailed information is shown in the table below.

Table No. 13 - I

Extension and Advisory Services – The Productivity Growth
Number of Training Programs – (1) and Number of Participants - (2)

Regional Office	Galle		Matara		Kalutara		Rathnapura		Kegalle		Kandy		Nuwara Eliya		Uva		Total		Target	
Program	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	73	2,100	50	2,115	19	904	14	376	17	412	56	1,274	66	1,612	33	1,078	328	9,871	391	10,164
Training for Nursery Operators	49	673	24	367	15	121	9	94	4	25	30	368	10	119	17	309	158	2,076	170	2,679
Training on Tea Cultivation	29	693	34	538	8	175	3	103	5	99	28	881	23	552	16	381	146	3,422	200	4,408
Training on Proper Agricultural Practices	122	3,724	131	3,388	120	3,354	154	4,012	86	2,915	148	3,876	83	1,761	101	2,492	945	25,522	902	28,905
Training on the Usage of Machines	12	394	10	289	5	128	5	450	1	25	6	164	7	160	5	185	51	1,795	75	2,593
Training on Tea Leaves Plucking	17	476	30	453	18	334	24	343	7	126	11	293	33	612	15	389	155	3,026	150	4,139
Training on the Quality of Leaves	30	2,733	31	877	7	265	20	532	5	90	15	598	12	268	16	479	136	5,842	144	4,542
Training on Tea-based Farms	10	664	15	647	2	22	2	61	-	-	2	46	4	61	1	7	36	1,508	118	1,770
Training on the Development of Entrepreneurship	-	-	1	6	-	-	-	-	-	-	-	-	-	-	-	-	1	6	1	84
Total	342	11,457	326	8,680	194	5,303	231	5,971	125	3,692	296	7,500	238	5,145	204	5,320	1,956	53,068	2,151	59,284

Source: The Progress Report – Tea Small Holdings Development Authorit

Soil Sample Testing

As the soil acidity should be accurately maintained due in accordance with improving the production and the

productivity of tea small holdings, it was targeted to annually test 62,825 soil samples as follows in order to test the soil acidity and 22,514 (36%) soil samples had been tested within the year.

Table No. 13 - II

Individual Extension Activities and Number of Soil Tests - 2020

Regional Office		Galle	Matara	Kaluthara	Kegalle	Kandy	Nuwara Eliya	Rathnapura	Uva	Total
Soil Test	Target	9,100	8,000	5,200	4,285	12,000	4,800	10,000	9,440	62,825
	Progress	3,518	4,385	1,850	2,000	2,974	2,856	3,369	1,562	22,514
Individual Extensions	Target	6,210	5,400	3,510	2,970	3,240	3,240	6,750	4,320	35,640
	Progress	968	3,442	2,306	831	1,027	1,524	2,027	2,314	14,439

Source: The Progress Report – Tea Small Holdings Development Authority

Mid-Term Outcomes – 02

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

In order to improve the income of the tea small holders, a high yield with a low production cost and a high market price act as the crucial factors. To obtain a high market price for raw leaves, it is essential to improve the production of quality raw leaves.

Targeted at achieving this outcome, the expected activities performed were training

3,026 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 2020, 144 training programs on improving the quality of tea leaves were scheduled and 136 programs were conducted. (Table No. 14) The number of farmers participated was 5,842 from the targeted number of 4,542 farmers scheduled for the year. Accordingly, the progress of participation was 129%.

Table No. 14

**Number of Training Programs on developing the quality of tea leaves and
Number of Farmers Participated - 2020**

Regional Office	Item	Training tea leaves pluckers	Training on Tea-based Farms	Training on the quality of tea leaves	Total
		(2.1.1)	(5.1.3)	(2.2.1)	
Galle	Programs	17	10	30	57
	Participation	476	664	2,733	3,873
Matara	Programs	30	15	31	76
	Participation	453	647	877	1,977
Kalutara	Programs	18	2	7	27
	Participation	334	22	265	621
Kegalle	Programs	7	0	5	12
	Participation	126	0	90	216
Kandy	Programs	11	2	15	28
	Participation	293	46	598	937
Nuwara Eliya	Programs	33	4	12	49
	Participation	612	61	268	941
Rathnapura	Programs	24	2	20	46
	Participation	343	61	532	936
Uva	Programs	15	1	16	32
	Participation	389	7	479	875
Total	Programs	155	36	136	327
	Participation	3,026	1,508	5,842	10,376
Target	Programs	150	118	144	412
	Participation	4,139	1,770	4,542	10,451

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 the 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 12.272 million Rupees had been spent in comprising with 9.676 million Rupees on Extension and Advisory Training programs, 0.042 million Rupees on training materials and 2.121 million Rupees on the exhibitions and media related activities.

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.

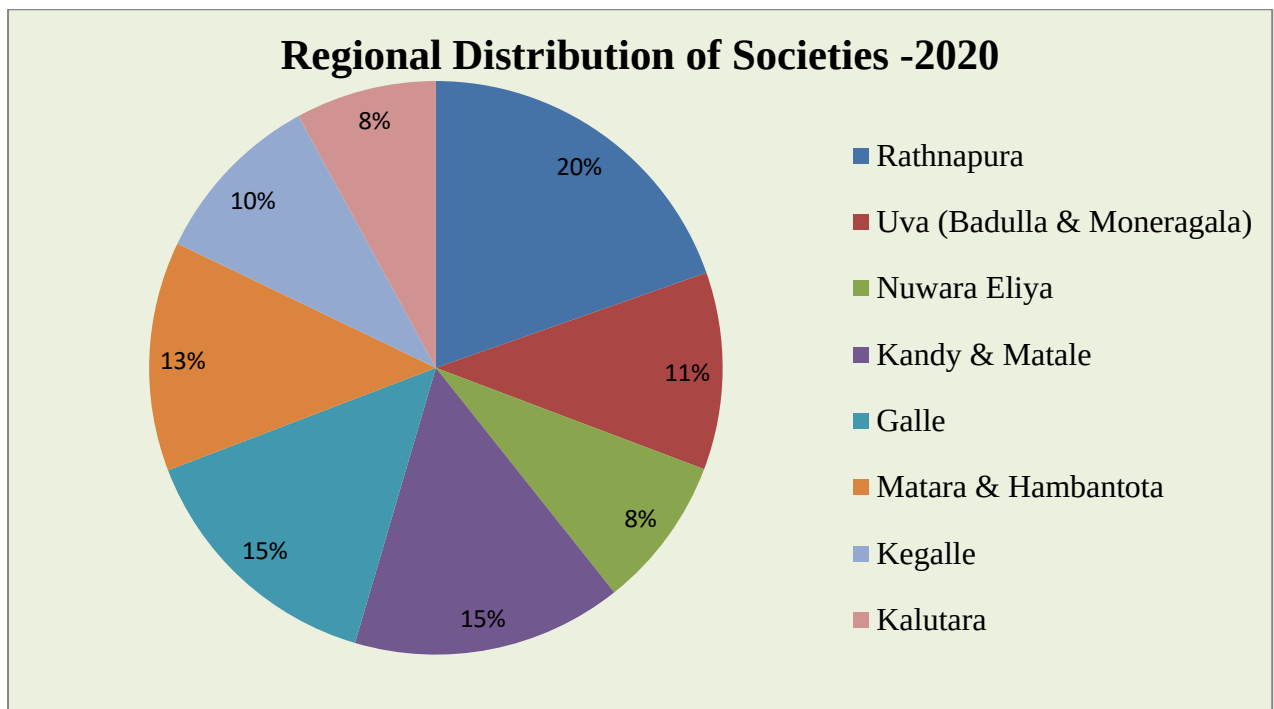
1,483 Tea Small Holding Development Societies were registered at the end of the year 2020, and the number of members belonged to those societies was 309,710. Accordingly, compared to the year 2019, the number of societies in the year 2020 had been improved by 0.5%.

The system of societies operates with 08 district organizations and an All-Island Federation under a common constitution. Even though, the society elections should have been held in the year 2020, it was able to restructure only 189 societies as gathering the members was limited due to the COVID-19 pandemic.

Table No. 15

Extension of Tea Small Holdings Development Societies 2018/ 2019/ 2020

Office area of Jurisdiction	No. of Societies			No. of Members		
	2018	2019	2020	2018	2019	2020
Rathnapura	289	291	291	97,599	107,693	87,796
Uva (Badulla & Moneragala)	163	165	165	29,916	25,913	27,029
Nuwara Eliya	123	127	127	13,984	14,610	14,619
Kandy & Matale	223	225	226	21,429	21,832	22,101
Galle	215	216	217	61,441	53,602	52,263
Matara & Hambantota	191	192	192	71,518	52,488	53,374
Kegalle	141	144	147	26,811	28,519	28,570
Kalutara	115	115	118	24,727	25,306	23,958
Total	1,460	1,475	1,483	347,425	329,963	309,710

Diagram No. 13

Source: The Progress Report – Tea Small Holdings Development Authority

Compared to the year 2019, the number of newly registered societies was increased by 08 in the year 2020 and granting the membership of the societies was reduced by 6% (20,253).

Even though, several programs covering all the districts were scheduled to be held in the

year 2020 to strengthen the operation of the Tea Small Holdings Development Societies in a productive manner, it could not be held due to the COVID-19 pandemic situation. A total of 2.252 million Rupees had been spent by the institute on strengthening the community-based organizations.

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 takes the priority and from that the percentage of tea replanting is considered as a special performance indicator. In the year 2020, it was targeted on 800 hectares of tea replanting and the percentage of progress achieved was 81%. 340.50 million Rupees of provisions were allocated on total tea replanting and the percentage of progress achieved was 88.2%.

Even though, it was expected to continue staff vacancies at a minimum level of 5% as a short-term outcome of the institute, at the end of the year 2020, the percentage of staff vacancies was 12%.

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.

Even though, targeted at improving the positive attitudes within the institutional staff regarding the duties, 14 local training programs with the representation of several grades of the institute were scheduled to be conducted in the year 2020, one day seminar on disciplinary procedures, one day seminar on answering audit clarifications and two days training program for Trainee Tea Inspection/Extension Officers were conducted as the employees could not be involved in training programs as per the instructions given by the health sector due to the pandemic situation existed within the country in the year 2020.

The performance-based evaluation system was implemented in the year 2020 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, from the 118 programs scheduled under this, 36 programs

were implemented within the relevant year. The targeted number of farmers was 1,770 and the number of farmers participated was 1,508. The programs implemented in the year 2020 are as follows.

Table No. 16

Tea-based Farm Training (5.1.3) Number of Programs and number of Farmers Participated – 2020

	Regional Office								Total
	Galle	Matara	Kaluthara	Kegalle	Kandy	Nuwara Eliya	Ratnapura	Uva	
Programs									
Target	23	9	12	6	24	24	17	3	118
Progress	10	15	2	0	2	4	2	1	36
Participation									
Target	230	270	240	120	240	285	340	45	1,770
Progress	664	647	22	0	46	61	61	7	1,508

Source: The Progress Report – Tea Small Holdings Development Authority

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

3.3 Special Project Activities of promoting investments in 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 executing 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 2020, loan recommendations had been provided by the institute on an amount

of 269.326 million Rupees for 796 tea small holders.

From this amount, loan recommendations were provided as 186.66 million Rupees on tea replanting for 552 farmers, 50.04 million Rupees on developing tea nurseries for 136 farmers, 30.69 million Rupees on tea new planting for 98 farmers and 1.9 million Rupees for 10 other farmers.

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. Thereby, 68% 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 objectives 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. Those are, 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 4,500 hectares of tea small holdings and supplying infillings for up to a percentage of 15% for those tea lands. Apart from these, it is expected to strengthen the entrepreneurship 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 tea nursery operators, 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.

From the overall target of an extent of 4,500 hectares of uprooting for project tea replanting, a target of an extent of 2366.97 hectares was remained to be performed in the year 2020. The descriptive details of its progress are indicated in Schedule No. 12.

3.3.3 Tea Nurseries Project

Special Project of 25 million Plants

The Special Project of 25 million plants was commenced in this year to fulfill the necessity of the annual vegetative propagated tea plants needed for the tea sector. This project is implemented through the absolute involvement of our Authority that carries the responsibility of the tea small holders those who borne 75% of contribution to the tea production and through the provisions of the Sri Lanka Tea Board. The core objective of this project is to encourage the nurserymen on producing quality & standardized vegetative propagated tea plants while minimizing the production of vegetative propagated tea plants with no standard.

The nurserymen would be admitted to the group with benefits after choosing them at the regional office level considering the capacity of plants from 25,000 to 50,000, conducting preliminary tests and issuing the permits. The following financial aids and applications were provided to the nurserymen as benefits in accordance with the capacity of plants.

The details regarding these payments are mentioned below in Table No. 17 and 18.

Table No. 17

Item	Applications given for a capacity of 25,000 plants	Applications given for a capacity of 50,000 plants
Preparing the structure of the nursery applying Galvanized pipes/Box bars	100,000.00 Rupees	200,000.00 Rupees
150 Gauge Polythene Bags	26,250	52,500
300 Gauge Polythene Bags	12.5 Kilograms	25 Kilograms
400 Milliliters Bottles of Metam Sodium	50	100
Black coloured Shade nets	500 Square Meters	1000 Square Meters
Water Motors	1	1

Source: The Progress Report – Tea Small Holdings Development Authority

The Tea Small Holdings Development Authority supervise those nurserymen for a

period of 03 years, and they should be bound to sell a plant at a price of 25 Rupees.

Table No. 18**Progress as at 31.12.2021**

Regional Office	No. of 25000 Nurseries	No. of 50000 Nurseries	Total No. of Nurseries	No. of Plants	Amount provided as the first installment (Rupees)
Galle	146	56	202	6,450,000	12,900,000.00
Kegalle	48	55	103	3,950,000	7,900,000.00
Kalutara	14	21	35	1,700,000	1,750,000.00
Matara	30	64	94	3,950,000	3,950,000.00
Kandy	13	26	39	1,625,000	3,250,000.00
Total	251	222	473	17,675,000	29,750,000.00

Source: The Progress Report – Tea Small Holdings Development Authority

3.3.4 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 that was 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. For Accidents and Natural Deaths.

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.

In the year 2020, 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, an amount of 2.888 million Rupees was paid for 156 members.

The insurance benefits paid by the Welfare division for the affected tea small holders in the year 2020 is presented in Table No. 19.

Table No. 19

Tea Small Holdings Development Authority
Welfare Division
From 01.01.2020 to 12.31.2020

Regional Office	Natural Deaths (Age between 18 – 70 years)		Accidental Deaths		Elderly Grants in Natural Deaths (Age more than 70 years)		Elderly Grants in Accidental Deaths (Age between 18 – 70 years)		Surgeries		Paralysis		Full/partial Passivity occurred from accidents		Total Number of Payments	Total Amount Paid (Rupees)
	Payments	Amount (Rupees)	Payments	Amount (Rupees)	Payments	Amount (Rupees)	Payments	Amount (Rupees)	Payments	Amount (Rupees)	Payments	Amount (Rupees)	Payments	Amount (Rupees)		
		25000/-		100000/-		-5,000.00		- 10,000.00		Up to 200000		From 10000 Up to 50000/-		From 10000 Up to 100000/-		
Galle	5	125,000.00			18	90,000.00			1	200,000.00					24	415,000.00
Matara	11	275,000.00			12	60,000.00			3	424,531.65					26	759,531.65
Kaluthara	1	25,000.00			6	30,000.00			1	200,000.00					8	255,000.00
Bandarawela	8	200,000.00			11	55,000.00									19	255,000.00
Kegalle	8	200,000.00			13	65,000.00			2	400,000.00					23	665,000.00
Nuwara Eliya	2	50,000.00			11	55,000.00									13	105,000.00
Rathnapura	3	75,000.00			25	125,000.00					1	25,000.00			29	225,000.00
Kandy	6	150,000.00			7	35,000.00									13	185,000.00
Head Office									1	25,000.00					1	25,000.00
Total Payments	44	1,100,000.00			103	515,000.00			8	1,249,531.65	1	25,000.00			156	2,889,531.65

An amount of 1,100,000.00 Rupees was paid for 44 natural deaths in the age between 18 – 70 years.

An amount of 515,000.00 Rupees was paid for 103 natural deaths in the age more than 70 years.

An amount of 1,249,531.65 Rupees was paid for 8 beneficiaries on heart surgeries in the age between 18 – 70 years.

An amount of 25,000.00 Rupees was paid for a beneficiary with passivity in the age between 18 – 70 years.

An amount of 2,889,531.65 Rupees was paid for 156 Insurance beneficiaries by the Allianz Insurance Company from 01.01.2020 to 31.12.2020.

Table No. 20

3. 4 - Key Performance Indicators for Managing Development Outcomes

Mid-Term Outcomes		Key Performance Indicators	Base Year 2008	Performance Indicators Targets & Progress 2020		Special Remarks
				Target	Progress	
1	Long-Term Outcome	I Progress of developing assets of household units				Socio Economic Survey
	Enhancing the standard of living of tea small holders	II Progress of the secondary education of the children				
	Per Year/ Per Hectare within 03 years	1.1 Developing the unit productivity at district level and at elevation level Statistical				Statistical Data of the Sri Lanka Tea Board
	Increasing the Kilograms of made tea,					
	Low Country up to 2,500		2,085	2,500	1,833	
	Mid Country up to 1,700		1,050	1,700	1,418	
	Uva up to 1,600		1,055	1,600	1,403	
		1.2 Improving the production of tea small holdings (Million Kilograms)	215	225	205	Data of the Tea Commissioner Section of Sri Lanka Tea Board
2	Improving the quality of raw leaves up to 60% at the factory level within 03 years	2.1 Progress of good tea leaves at the factory level	35%			
3	Strengthening 50% of community-based organization within 03 years	3.1 Improving the asset value	NA			Socio Economic Survey Census
		3.2 No. of societies monitoring the identified roles	100		1,483	
		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 targets				
		Tea Replanting Subsidy Scheme				
		a. Financial	102%	340.5	300.4	
		b. Physical	92%	800	649	
		4.2 The Audit Opinion		True & Reasonable		
		4.3 Percentage of Deviation from the budget (Developmental Capital)	13%	88.2%	0.55	
5	Directing 10% of the lands on additional income earning activities within 03 years	4.4 Attitudes of the staff on the productivity of the institution	NA			Socio Economic Survey Census
		5.1 Percentage of lands with other crops	35%			
		Percentage of lands with animal husbandry	NA			
	Total					

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

4.1. Labor Cost

4.2. Production Cost for one kilogram of Raw leaves

4.3. Production Margin and Price

4.4 Cost of Tea Replanting

4.5 Rate of Incentives and Cost of Cultivation per one Hectare

The Cultivation Cost and the Price of Raw 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, the revealing factor that caused in increasing the labor cost is that the payment of a high amount of wages higher than the standard level of wages confirmed by the Wages Boards Ordinance. Furthermore, there are several instances where variances in the wage level have been 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 Raw leaves

Accordingly with the data of Sri Lanka Tea Board, the estimated production cost of one kilogram of Raw leaves as per the prices received from the Colombo Tea Auction based on the location (Schedule No. 09 – A, Page No. 70) and the average price of one kilogram of leaves are mentioned in Table No. 21.

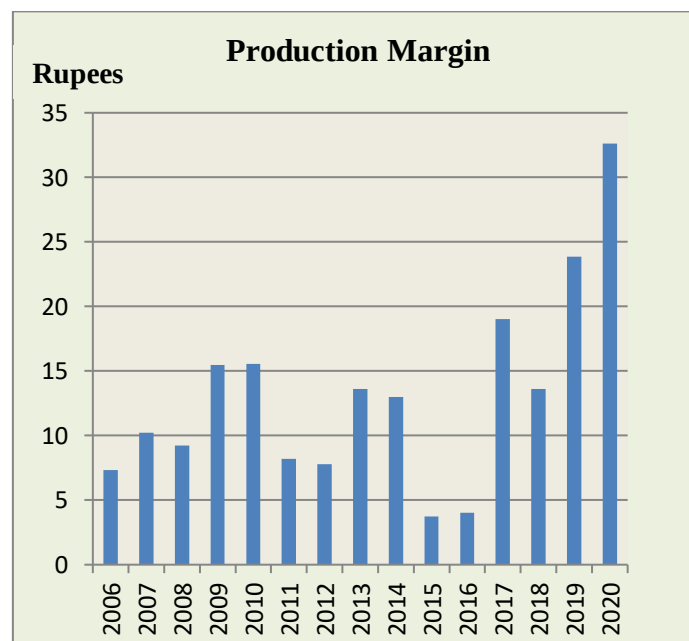
In the year 2020, in order to calculate the cost of production of one kilogram of

Table No. 21

**The Price received for one kilogram of raw leaves and the Production Cost
2006 – 2020**

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
2020	92.55	59.94

Diagram No. 14



leaves, the calculations were made considering the average extent of yields per

hectare and per year as 8,523 Kilograms (Low Country Vegetative Propagated Tea). (In accordance with the data of Sri Lanka Tea Board) In the year 2019, the average extent of yields per year and per hectare was 9,537 Kilograms.

Compared to the year 2019, the average price paid for one kilogram of raw leaves had been increased by 12.40 Rupees or by 15 %. The cost of production had been increased by 3.66 Rupees.

Prices of Raw leaves and the Estimated Cost been in the year 2020

Accordingly with the data of the Sri Lanka Tea Board (Schedule No. 09 – A), compared to the year 2019, the average price of one kilogram of made tea for all the elevations had been increased in the year 2020.

In the year 2020, the price paid for one kilogram of Up-Country raw leaves had been increased up to 86.76 Rupees, the price paid for Mid-lands up to 81.42 Rupees and the price paid for Low country up to 97.69 Rupees. The total average price paid for one kilogram of raw leaves in the year 2019 was 80.15 Rupees and it had been increased up to 92.55 Rupees in the year 2020. Those details are indicated in Table No.21.

4.2 Production Margin and Price

The average productivity of production of the Tea Small Holdings Sector in the year 2020 as per the average price of tea leaves for the year and the estimated cost, the average of the production margin was 32.61 Rupees. In the year 2019, it was 23.87 Rupees. Accordingly, compared to the year 2019, the Production Margin had been increased by 8.74 Rupees.

Table No. 22

Price paid for one kilogram of Raw leaves

	Year of 2019 (Rupees)	Year of 2020 (Rupees)	The amount of the Price Change (Rupees)
Up Country Raw leaves	75.80	86.76	10.96
For Mid country	69.19	81.42	12.23
For Low country	88.07	97.69	9.62
Total Average Price per one Kilogram of tea leaves	80.15	92.55	12.40

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 has been revealed in Table No. 23 that from the total cost, an amount of 80% should be spent as cost of labor.

Table No. 23

Estimate on the Cost of Replanting per Hectare
2019/2020 (Rupees) (From the phase of Uprooting to Tea leaves Plucking)

Activity	2019		2020	
	High and Mid (Rupees)	Low Country (Rupees)	High and Mid (Rupees)	Low Country (Rupees)
Uprooting (First Year)	878,851.00	706,847.00	880,441.00	708,437.00
Soil Rehabilitation (Second Year)	209,610.00	218,225.00	212,950.00	223,735.00
Tea Planting (Third Year)	1,342,070.00	1,307,070.00	1,355,640.00	1,316,640.00
First Year Maintenance (Fourth Year)	622,640.00	591,390.00	642,650.00	607,400.00
Second Year Maintenance (Fifth Year)	418,000.00	400,750.00	429,250.00	412,000.00
Total	3,471,171.00	3,224,282.00	3,520,931.00	3,268,212.00

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 2020, 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. 24

Year	Cost of Cultivation (Rupees)		Cultivation Subsidy Ratio		Percentage covered by Cost of Cultivation (%)	
	High/Mid country	High/Mid country	High/Mid country	High/Mid country	High/Mid country	High/Mid Country
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	*110000	*100000	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%
2020	3,520,931	3,268,212	500,000	500,000	14%	15%

* From 01/07/1998

Schedule No. 01**The Approved Cadres of the Tea Small Holdings Development Authority - 2020-12-31**

The Approved Cadres of the Tea Small Holdings Development Authority - 2020.12.31	
Post	No. of Approved Cadres
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
Regional 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 cadres 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 Regional Tea Development Extension Officer.

Schedule No. 02

Tea Small Holdings Development Authority
Details of the Number of Cadres (As at 2020.12.31)

Post		Service Category	Grade	Head		Galle		Matar a		Rathnap ura		Kand y		Nuwa ra Eliya		Uva		Kaluth ara		Kegal le		Hantha na		Total		
				APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR	ACT	APR
1	General Manager	HM 1-1	-	1	1																			1	1	0
2	Deputy General Manager (Development)	HM 1-1	II	1	1																			1	1	0
3	Deputy General Manager (Extension)	HM 1-1	II	1	0																			1	0	1
4	Internal Auditor	MM 1-1	II/I	1	1																			1	1	0
5	Manager (Finance)	MM 1-1	II/I	1	1																			1	1	0
6	Manager (Planning & Monitoring)	MM 1-1	II/I	1	1																			1	1	0
7	Manager (Human Resources & Administration)	MM 1-1	II/I	1	1																			1	1	0
8	Manager (Development)	MM 1-1	II/I	1	1																			1	1	0
9	Regional Manger	MM 1-1	II/I			1	1	1	0	1	1	1	1	1	1	0	1	0	1	0				8	4	4
10	Deputy General Manager (Services) (Personal to the holder)	MM 1-1	II/I		1																			0	1	0
11	Assistant Manager/ Manager (Training)	MM 1-1	II/I																		1	1		1	1	0
12	Assistant Manager (Finance)	MM 1-1	II/I	2	2																			2	2	0
13	Assistant Manager (Administration)	MM 1-1	II/I	1	0																			1	0	1
14	Assistant Manager (Planning & Monitoring)	MM 1-1	II/I	1	1																			1	1	0

15	Assistant Manager (Extension)	MM 1-1	II/I	1	1																		1	1	0	
16	Assistant Manager (Development)	MM 1-1	II/I	1	1																		1	1	0	
17	Assistant Regional Manager (Extension)	MM 1-1	II/I			1	1	1	1	1	1	1	1	1	1	1	1	1	1	1			8	8	0	
18	Assistant Regional Manager (Planning & Development)	MM 1-1	II/I			1	1	1	1	1	1	1	1	1	1	0							6	5	1	
				14	13	3	3	3	2	3	3	3	3	3	3	3	1	2	1	2	1	1	1	37	31	7
19	Administrative Officer	MM 1-1	I/II	1	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1			9	8	1	
20	Accounts Officer	JM 1-1	I/II			1	1	1	1	1	1	1	1	1	1	1	1	1	1	1			8	8	0	
21	Internal Audit Officer	JM 1-1	II	1	1																	1	1	0		
22	Training Officer	JM 1-1	II																		1	0	1	0	1	
23	Regional Tea Development Extension Officer	JM 1-1	II			4	3	3	3	4	2	5	4	3	2	3	3	2	1	2	2		26	20	6	
24	Information Technology Officer	JM 1-1	II	1																		1	0	1		
25	Technical Officer	JM 1-1	II	1																		1	0	1		
26	Welfare Officer	JM 1-1	II		1																	0	1	0		
				4	3	6	5	5	5	6	4	7	6	5	3	5	5	4	3	4	4	1	0	47	38	10
27	Tea Inspection/Extension Officer	MA 2-2	I/II/ III			23	20	20	17	25	19	25	17	11	7	16	11	13	12	11	10		144	113	31	
28	Bookkeeper	MA 2-2	I/II/ III	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1			9	8	1	
29	Management Assistant	MA 1-2	I/II/ III	27	27	20	10	19	4	20	16	11	23	14	9	11	12	6	6	6	13	4	149	134	0	
	III		1	1																		1		2		
	III		4	4	1	1			1	1			1	1	1	1	3	3	1		1	1			12	0

30	Tea Nursery Assistant (Personal to the holder)	MA 1-2	I/II/ III										1	1			1	1	1	1	1	1	0	4	0	
				33	32	45	32	40	32	47	37	37	71	48	19	29	25	24	23	20	25	36	302	272	34	
31	Driver	PL 3	I/II/ III	8	7	2	3	2	1	3	2	2	2	3	2	2	2	2	2	2	1	1	26	24	1	
	Driver (From 180 Circular of 2014)	PL 3	I/II/ III								1													1		
32	Cook	PL 2	I/II/ III																			1	1	1	0	
33	Assistant Cook	PL 2	I/II/ III																			1	1	1	0	
34	Tea Nursery Assistant	PL 2	I/II/ III			1	1	1	1			1	1	1	1								8	4	0	
35	Office Assistant Labourer/Labourer (Personal to the holder)	PL 1	I/II/ III	4	4	0	0	0	0	2	1	3	4	2	3	0	1	0		1	1	0	0	37	2	0
	Office Assistant Labourer (From 180 Circular of 2014)																						10		0	
	Office Assistant Labourer/ Bicycle Messenger			6	15	2	2	1	1	3	5	3	3	3	4	3	4	2	3	1	2	1	1		25	0
	Office & Security Assistant																						13		1	
	Office & Security Assistant (Tea Shakthi Welfare)				1																				1	0
				18	27	55	66	44	33	88	99	99	108	116	55	77	44	55	44	44	44	44	73	82	1	
Total				69	76	59	46	52	41	64	53	66	60	44	36	42	38	34	30	34	9	11	459	423	52	

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.

ACT – Actual – The number of cadres as at 2020.12.31

***Approved on basis of personal to the holder**

Schedule No. 03

Categorization of Executive Officers in accordance with the highest educational qualification achieved**Head Office**

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
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. R.A. Vaidyarathne	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 (Performing Duties)	MM 1-1				√		
Assistant Manager (Extension) – Mr. Prabuddha Pathum Wijesooriya	MM 1-1				√		√
Assistant Manager (Finance) – Mrs. R.R.W.D. Rathnayake	MM 1-1			(√)*	√		
Assistant Manager (Planning & Monitoring) – Mrs. W. D. C. Krishanthi	MM 1-1			√	√		
Internal Audit Officer – Mr. D. Daminda Priyanjith	JM 1-1			(√)*			
Administrative officer – Mr. Sarathchandra Muramudalige	JM 1-1			√			
Welfare Officer – Mr. M.A. Indikarathne	JM 1-1				√		
Computer Systems Officer (Acting) – Mr. M.V.J.N. Madurawela	JM 1-1			√			

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

Galle Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
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 (Covering Duties) – Mr. D. L.C. Sooriyaarachchi	JM 1-1			√			
Accounts Officer – Mrs. K. W. W. Perera	JM 1-1			(√)*	√		
Administrative officer (Covering Duties) – Mr. S. J. Algewatta	JM 1-1			√			
Regional Tea Development Extension Officer- Mr. D.L.C. Sooriyaarachchi	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. M.T. Amararuwan	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. H.M.K.G.B. Herath	JM 1-1			√			
Regional Tea Development Extension Officer (Acting)- Mr. K.S.S. Dahanayaka	MA 2-3			√			
Regional Tea Development Extension Officer (Acting) – Mr. I.D.D. Kumara	MA 2-3			√			

Matara Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
Regional Manager – Mr. Saliya Narngaspitiya	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. H.M.L. Pushpakumari	JM 1-1			√	√		
Regional Tea Development Extension Officer – Mr. J.L. Edirisooriya	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. N.M. Wijesinghe	JM 1-1			√	√		
Regional Tea Development Extension Officer – Mr. Mahinda Batagoda	JM 1-1			√			

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

Rathnapura Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
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. P.N. Yagamuni	MM 1-1				√		
Accounts Officer – Mr. E.G.T.N. Serasinghe	JM 1-1			√			
Administrative officer – Mrs. Dammika Weththasinghe	JM 1-1	√	√				
Regional Tea Development Extension Officer – Mr. P.D.K. Balachandra	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. M.A.I. Abeysena	JM 1-1			√			
Regional Tea Development Extension Officer (Acting) – Mr. P.S.K. Perera	MA 2-3			√			

Kandy Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
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. M. U. L. Shyamili Premasundara	JM 1-1			(√)*			
Regional Tea Development Extension Officer – Mr. D. M. R.K.B. Dasanayaka	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. W.J.M. Arambepola	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. T. Amarasekara	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. P.G.P.C. Wijesinghe	JM 1-1			√			

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

Nuwara Eliya Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
Regional Manager- Mr. W.T.R.P. Wimalaratne	MM 1-1				√		√
Assistant Regional Manager (Planning and Development) – Mr. P.A.N. Pushpakumara	MM 1-1				√		
Assistant Regional Manager (Extension) – Mr. R.A.S. Ranathunga	MM 1-1			√	√		
Accounts Officer – Mrs. D. M.L. Nawalage	JM 1-1				√		
Administrative officer - Mrs. M. J. D. A. Pushpakumari	JM 1-1			√			
Regional Tea Development Extension Officer (Covering Duties) – Mr. R.A.S. S. Ranathunga	MM 1-1			√	√		
Regional Tea Development Extension Officer – Mr. S.I.U. Senadeera	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. A.T.A. Gunawardhana	JM 1-1			√			

Uva Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
Regional Manager (Acting) – Mr. P.G.N. Pushpa Kumara	MM 1-1				√		
Assistant Regional Manager (Planning and Development) – Mr. K.M.R.L. Bandara (Up to 2020.06.07)	MM 1-1			√			
Assistant Regional Manager (Extension) – Mr. H. Tharanga de Zoysa	MM 1-1				√		
Accounts Officer – Mrs. W.D.M.M. Amarasinghe	JM 1-1			√	√		
Administrative officer – Mrs. R.D.C.K. Ranathunga	JM 1-1			√			
Regional Tea Development Extension – Mr. R.M.A.D. Rathnayaka	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. M.M. Kumarasinghe	JM 1-1			√			
Regional Tea Development Extension Officer – Mr. H.M. Premakumara	JM 1-1			√			

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

Kegalle Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
Regional Manager (Acting) - Mr, W.H.S.P. Wijethunga	MM 1-1				√		
Assistant Regional Manager (Extension)- Mr, D.M.P.S. Ekanayaka	JM 1-1			√			
Accounts Officer - Mr. H.M.R.J.B. Herath	JM 1-1				√		
Accounts Officer – Mr. R.R.M.J.B. Rathnayaka	JM 1-1				√		
Regional Tea Development Extension Officer – Mr. R.M.P.R. Bandara	JM 1-1			√			
Regional Tea Development Extension Officer– Mrs. H.M.G.P. Nilmini Kumari	JM 1-1			√			

Kaluthara Regional Office

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
Regional Manager (Acting) - Mr. R.A. Vydyarathne (Up to 2020.02.05)	MM 1-1				√		√
Regional Manager (Performing Duties) – Mr. S.C. Mudannayaka (Up to 2020.02.05)	MM 1-1				√		
Assistant Regional Manager (Extension)- Mr. S.C. Mudannayaka	MM 1-1				√		
Accounts Officer - Ms. P.G. I. Surangika	JM 1-1				√		
Administrative officer – Mr. H.P.L.S. Pushpa Kumara	JM 1-			√			
Regional Tea Development Extension Officer – Mr. T.M.S.L. Priyadarshaka	JM 1-1				√		√
Regional Tea Development Extension Officer (Acting) – Mrs. H.P. Pushpakumari	JM 1-1			√			

Rathnasiri Wickramanayaka Training Centre

Name and Post	Service Category	G. C. E (A/L)	Certificate Courses	Diploma	Degree	Postgraduate Diploma	Postgraduates
Assistant Manager (Training) – Mr, H.K.G.I.S.B. Hapuhinna	MM 1-1				√		

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

Schedule No. 04

**Tea Production of the Tea Small Holdings Sector
1983 – 2020 (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	6.9	37.2
1985	214.09	82	120.4	38.3
1986	211.27	83	1.2	39.3
1987	213.32	91.1	9.75	42.7
1988	226.95	100.2	9.99	44.2
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
1993	231.87	125.3	32.02	54
1994	242.21	139.8	11.57	57.7
1995	245.96	140	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	-1.11	57.8
2000	305.84	183.7	12.01	60
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	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	-0.48	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	72.9
2016	292.57	218.06	-9	74.5
2017	307.72	232.42	6.6	75.5
2018	303.94	228.05	-1.9	75
2019	300.13	225.73	-1.02	75.2
2020	278.49	205.67	-8.08	73.8

Source: Sri Lanka Tea Board

Schedule No. 05

**Execution of Tea Replanting Subsidy Scheme
1981 – 2020**

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	1,390	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	1,179	765	122.82	150.11
2004	10,618	2,621	1,398	891	188.10	179.07
2005	9,291	2,127	1,306	1,058	174.83	182.13
2006	6,755	1,578	927	1,001	183.34	181.90
2007	5,274	1,030	1,008	1,024	172.89	214.75
2008	6,945	1,337	1,128	881	194.59	190.59
2009	6,493	1,610	925	777	178.17	190.17
2010	7,781	1,895	1,015	847	177.85	153.00
2011	8,033	2,170	947	772	187.64	156.26
2012	11,889	2,647	1,087	889	226.83	300.17
2013	13,802	2,928	1,188	1,165	351.87	236.75
2014	10,134	2,540	810	720	258.09	391.75
2015	9,006	2,278	1,173	806	420.07	464.69
2016	11,076	2,597	1,356	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
2020	4,408	1,215	682	649	300.44	340.50

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 06

Execution of Crop Rehabilitation (Infilling) Subsidy Scheme in Tea Lands 1986 – 2020

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 Pro-visions (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	1,092,856	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	2.00
2019	4,699,796	1,921,568	465,084	138.99	190.09
2020	4,000,609	2,137,450	1,605,865	187.86	190.59

** Infillings Supply Scheme through societies

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 07

**Execution of New Tea Planting Subsidy Scheme
1981 – 2020**

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	66.5
1995	5,822	134	2,407	1,237	44.52	49.8
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	13.5
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	0.3	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	23.2	24
2013	2,872	543	258	263	42.41	3.6
2014	5,315	1,034	426	401	66.98	51.5
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	12.168	117
2019	2,887	567	29	295	91.69	92
2020	3,304	661	422	424	123.4	117

*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**Issuance of Newly Improved Cultivar of Shoots from Mother Bush Cultivations – 2020**

District	Location	Commercial Nurseries	%	Tea Small Holders	%	Societies and Other	%	Institutional Nurseries	%	Production		
										Number	%	Target
Galle	Wahalanduwa	-	-	8,850	39%	-	-	13,665	61%	22,515	11.20%	29,000
Hanthana	Hanthana	12945	18%	37387	53%	-	-	19,720	28%	70,052	34.85%	37,500
Kalutara	Wogan	-	-	-	-	-	-	-	-	-	-	60,000
Kandy	Nelligolla and Sooriyagoda	-	-	9,600	29%	-	-	23,425	71%	33,025	16.43%	40,000
Kegalle	Hingula	-	-	-	-	-	-	-	-	-	-	18,000
Nuwara Eliya	Rahathungoda and Thispane	2,600	5%	-	-	-	-	48,870	95%	51,470	25.61%	100,000
Uva	Bandarawela and Hali Ela	12,605	97%	440	3%	-	-	-	-	13,045	6.49%	-
Matara	Mawarala	2,600	24%	-	-	-	-	8,300	76%	10,900	5.42%	108,000
Total		30,750	15%	56,277	28%	-	-	113,980	57%	201,007	100%	392,500

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 08 – B

Execution of Institutional Tea Nurseries
The year 2020 (Rupees)

Description		Hantana	Rahatungoda	Walahanduwa	Hingula	Hedigalla	Wogan	Thispane	Mawarala	Nelligolle	Sooriyagoda	Total
Status of Stock as at 01.01.2020	Number of Plants	36,637	112,578	26,543	198,749	48,727	48,720	122,594	60,292	81316	11,589	747,745
	Value (Rupees)	744,986	1, 748, 336	507,237	2, 723, 322	627,954	789,806	2,077,775	1,645,743	2, 173,979	164,620	13,203,758
Planted during the Year	Number of Plants	176,840	200,235	164,873	197,923	60,000	135,000	302,570	39,500	124,124	18,685	1,419,750
	Value (Rupees)	2,830,276	3, 727,817	3,237,274	3856289	1607364	3235571	7479504	1830207	3141711	402,836	31,348,869
Number of dead plants		1,463	22,607	19,349	20,361	20,697	18,039	18,510	69,980	39,937	-	230,943
Status of Stock as at 31.12.2020	Number of Plants	143,040	125,953	76,168	166,086	11,530	42,788	209,656	4,139	102,279	18,644	920,283
	Value (Rupees)	1,820,405	2,610,493	1,451,541	2,754,484	800,638	1,039,574	5,045,815	478,997	3,265, 113	339,994	19,607,054
Sales Cost	Number of Plants	68,974	164,253	95,899	210,225	56,500	122,893	196,998	25,667	63,224	11,630	1,016,263
	Value (Rupees)	1, 754,857	2,865,660	2,292,971	3,825,127	1,434,680	2,985,803	4,511,465	2,996,953	2,050,597	227,460	24,945,573
Production cost of a plant (Estimated)		21.78	24.44	24.37	24.78	24.99	24.21	24.95	23.58	20.74	15.85	229.69
Plants sold	Number of plants	68,974	164,253	95,899	210,225	56,500	122,893	196,998	25,667	63,224	11,630	1,016,263
	Value (Rupees)	1,931,272	4,707,104	2,708,322	6,111,148	1,621,640	3,439,994	7, 397,21 3	678,140	1,836,072	377,951	30,808,856
Cost of a plant based on sale		28.00	28.66	28.24	29.07	28.70	27 .99	37.55	26.42	29.04	32.50	296.17
Profit / Loss		176,41S	1,841,444	415,35 1	2,286,021	186,960	454,191	2,885,748	-2, 318,81 3	-214,525	150,491	5,863,283

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 08 – C1

Execution of 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	Capacity of Plants	No. of Active Nurseries	No. of Planted Seedlings	Per Capacity %	No. of Active Nurseries	No. of Planted Seedlings	Per Capacity %	No. of Nurseries	No. of certified plants	Success percentage
Galle	151	6,749,500	130	2,379,465	35%	90	1,514,200	64%	49	152,700	10%
Matara	209	6,880,000	154	1,049,930	15%	128	1,494,521	142%	38	35,400	2%
Kalutara	14	910,000	-	-	-	-	-	-	-	-	-
Rathnapura	132	12,755,500	53	4,174,119	33%	17	1,548,400	37%	-	-	-
Kegalle	75	3,562,000	45	1,087,655	31%	29	855,200	79%	22	162,265	19%
Kandy	133	5,740,000	106	2,109,130	37%	39	724,500	34%	16	103,800	14%
Nuwara Eliya	36	1,192,000	13	197,000	17%	6	133,000	68%	-	-	-
Uva	148	3,698,844	84	2,054,668	56%	4	80,000	4%			-
Total	898	41,487,844	585	13,051,967	31%	313	6,349,821	49%	125	454,165	46%

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 08 – C₂

Execution of Commercial Tea Nurseries 2020/2021

Regional Office	Issuance of Permits		First Inspection (CN – 04)			Second Inspection (CN –05)			Third Inspection (CN – 06)		
	No. of Nurseries	Capacity of Plants	No. of Active Nurseries	No. of Planted Seedlings	Per Capacity %	No. of Nurseries	Capacity of Plants	No. of Active Nurseries	No. of Planted Seedlings	No. of certified plants	No. of Nurseries
	418	16,728,500	35	851,400	5%	-	-	-	-	-	-
Galle	190	6,011,000	13	38,450	1%	-	-	-	-	-	-
Matara	158	7,832,000	-	-	0%	-	-	-	-	-	-
Kalutara	252	21,493,000	20	1,808,600	8%	3	351,150	19%	-	-	-
Rathnapura	65	3,025,000	21	589,733	19%	-	-	-	-	-	-
Kegalle	104	4,499,000	5	74,070	2%	2	-	-	-	-	-
Kandy	54	1,865,000	9	77,000	4%	92	24,000	31%	-	-	-
Nuwara Eliya	167	4,446,944	108	2,470,368	56%	-	1,676,410	68%	71	814,700	49%
Uva	1,408	65,900,444	211	5,909,621	9%	97	2,051,560	35%	71	814,700	40%

Source: Progress Report – Tea Small Holdings Development Authority

Schedule No. 09 – A

**Average Price for Tea in Colombo Tea Auction based on the Location
1988 – 2020
(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	449.80	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
2020	593.32	556.77	668.04	632.92

Source: Sri Lanka Tea Board

Schedule No. 09 – B

Estimate on the Production Cost of a Kilogram of Raw leaves 2020 (Low Country)
8,523 Kilograms of Raw leaves per Hectare /Year (As 1,833 Kilograms of Prepared Tea)

	Activity	Frequency of Practice	Units of Labor	Cost of Raw Materials Rupees	Total Cost Rupees	%
1	Leaves Plucking (25 Kilograms per person per day)	1/2 labor for 45 times	340	-	272000	55.08
2	Suppression of Weeds	10 laborers per month	58	-	62640	12.68
3	Fertilizer mixture and application					
	Applying matured tea fertilizer mixture	8 laborers each (for 2-4 times)	24	29640	55560	11.25
	Applying Dolomite	4 laborers each (for 2 times cycle)	2	4135	6295	1.27
	Applying Zinc Sulfate	5 laborers each (for 2 times)	5	715	6115	1.24
4	Shade Tree Management	5 laborers each (for 2 times)	10		10800	2.19
5	Pruning	30-40 laborers each (for 2 times cycle)	20		30000	6.08
6	Moss Removal	12-20 laborers each (for 2 times cycle)	6		6480	1.31
7	Trimming Levels	12-20 laborers each (for 2 times cycle)	6		6480	1.31
8	Draining	36 laborers each (for 2 times cycle)	18		19440	3.94
9	Infilling	16 laborers for 375 plants	8	9375	18015	3.65
			497	43865	493825	100
	Average Production Cost for One Kilogram of Raw leaves		57.94	(Exempt General Expenses)		
	Transportation Expenses		2.00			
	Cost of Production		59.94			
*	2-year time cycle has been used for Low countries					
*	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	Rupees	1080			
*	Daily wage for pruning	Rupees	1500			
*	1 Metric Ton of Dolomite	Rupees	6200			
*	1 Kilogram of Zinc Sulfate	Rupees	65			
*	1 Metric Ton of UT-397/VPLC/U 709/ UT 752		Rupees	30000		
*	Tea Leaves Plucking		Rupees	800		

Schedule No. 10 – A

Estimate on Production Cost for Tea Replanting in Highlands and Midlands - 2020
(From Uprooting to Raw 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	Uprooting old tea plants & cleaning-up (40 bushes per day in a land with 50% of plants)			132		198000													132		198000	5.62
2	Forking, levelling & taking-off roots			200		300000													200		300000	8.52
3	Preparing slopes, drains & Lines			100		150000	40		60000	10		15000	5		7500	5		7500	160		240000	6.82
4	Applying Dolomite (1 Kilogram for 9.00 Rupees)	3952	35568	2	35568	38568													2	35568	38568	1.10
5	Planting Gauthamala (500 shoots per day)			54		81000													54		81000	2.30
6	Applying fertilizer for grass (As 1 Kilogram for 23.00 Rupees for 989 Kilograms)	1300	39000	4	11100	17100	4	18600	24600	1	9300	10800							9	39000	52500	1.49
7	Trimming grass (1 unit of labour per year)			14		21000	56		84000										70		105000	2.98
8	Weeding (10 units of labour per year)			30		45000	20		30000	100		150000	120		180000	120		180000	390		585000	16.61
9	Planting shade trees (3.00 Rupees per shoot for 740 Accasia & Dadaps) & 3.00 Rupees per shoot for 370 Kilograms of Dolomite	740	5550	6	5550	14550	1	242	1742										7	5792	16292	0.46
10	Planting tall shade trees (100 Gravelia trees for 50.00 Rupees each)	100	7223	4	7223	13223	1	108	1608										5	7331	14831	0.42
11	Removing grass									20		30000							20		30000	0.85
12	Digging holes, Lining, Pegging									180		270000							180		270000	7.67

13	Tea Planting (30 Rupees per plant)	12500	375000							60	375000	465000						60	375000	465000	13.21	
14	Shade tree management (Two times per year)						6		9000	12		18000	15		22500	15		22500	48		72000	2.04
15	Suppressing Blister Blight (1000 Rupees for 200 grams of Perenox, 280 Kilograms per time for 10 times)	3	18000							40	18000	18000	40	18000	18000	40	14000	14000	120	50000	230000	6.53
16	Shaping Tea plants in a way that it suits for plucking raw leaves.												12		18000	15		22500	27		40500	1.15
17	Mulching									100		150000	75		112500				175		262500	7.46
18	Applying Tea fertilizer (T.200, Third year)	1200	36000							20	36000	66000	20	72900	102900				40	108900	168900	4.80
19	Fourth year	2430	72900							60		90000	60		90000	32		48000	152		228000	6.48
20	T.750 Fifth year	1750	52500														52500	52500		52500	52500	1.49
21	Infilling	2000	25										12	11250	29250	6	11250	20250	18	22500	49500	1.41
22	Suppressing threat from roundworms (Supplying Curators on 200 Rupees per hole)	88	4840							4	4840	10840							4	4840	10840	0.31
23	Forking, levelling & taking-off roots for pest control and equipment				2000	2000		2000	2000		2000	2000		2000	2000		2000	2000		2000	10000	0.28
	Total			546	61441	880441	128	20950	212950	607	445140	1355640	359	104150	642650	233	79750	429250	1873	703431	3520931	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	9,000	9
U 625	30,000	23
T 750	30,000	23
T 200	30,000	23

Schedule No. 10 – B

Estimate on Production Cost for Tea Replanting in Low country - 2020
(From Uprooting to Raw 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	Uprooting old tea plants & cleaning-up (40 bushes per day in a land with 50% of plants)			104		156000													104		156000	4.77
2	Forking, levelling & taking-off roots																					
3	Preparing slopes, drains & Lines			125		187500													125		187500	5.74
4	Applying Dolomite (1 Kilogram for 9.00 Rupees)			100		150000	40		60000	10		15000	5		7500	5		7500	160		240000	7.34
5	Planting Gauthamala (500 shoots per day)	1976	17784	2	17784	20784													2	17784	20784	0.64
6	Applying fertilizer for grass (As 1 Kilogram for 23.00 Rupees for 989 Kilograms)			54		81000													54		81000	2.48
7	Trimming grass (1 unit of labour per year)	1610	48300	4	11100	17100	4	27900	33900	1	9300	10800							9	48300	61800	1.89
8	Weeding (10 units of labour per year)			14		21000	56		84000										70		105000	3.21
9	Planting shade trees (For 100 Accasia & Dadaps) & 3.00 Rupees per shoot for 150 Kilograms of Dolomite)			30		45000	20		30000	100		150000	120		180000	120		180000	390		585000	17.90
10	Planting high shade trees (100 Gravelia trees for 50.00 Rupees each and 100 Kilograms of Dolomite)	300	4230	8	4230	16230	1	423	1923										9	4653	18153	0.56
11	Removing grass																					
12	Digging holes, Lining, Pegging	100	2823	6	2823	11823	1	1412	2912										7	4235	14735	0.45

13	Tea Planting (30 Rupees per plant)								20		30000							20		30000	0.92	
14	Shade tree management (Two times per year)								180		270000							180		270000	8.26	
15	Suppressing Blister Blight (200 grams of Perenox)	12500	375000						60	375000	465000							60	375000	465000	14.23	
16	Shaping Tea plants in a way that it suits for plucking raw leaves						6		9000	12		18000	15		22500	15		22500	48		72000	2.20
17	Mulching	3	14000						20	14000	44000	20	14000	44000	20	14000	44000	60	42000	132000	4.04	
18	Applying Tea fertilizer	1200	31000						20	31000	61000	20	67900	97900				40	98900	158900	4.86	
19	Fourth year	2430	67900						60		90000	60		90000	32		48000	152		228000	6.98	
20	T.750 Fifth year	1750	52500													52500	52500		52500	52500	1.61	
21	Infilling	2000	25									12	15000	33000	12	15000	33000	24	30000	66000	2.02	
22	Suppressing threat from roundworms (Supplying 7.00 grams of Curators per hole)	88	4840						4	4840	10840							4	4840	10840	0.33	
23	For pest control and equipment				2000	2000		2000	2000		2000	2000		2000	2000		2000	2000		2000	10000	0.31
	Total			447	37937	708437	128	31735	223735	587	436140	1316640	339	98900	607400	219	83500	412000	1720	688212	3,268,212	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	9
U 625	23000	30
T 750	23000	30
T 200	23000	30

3,268,212

Schedule No. 11

**Tea Exports and Foreign Exchange Revenues
1995 – 2020**

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	***86337	12.80
2007	***294	***106217	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
2020	265.56	230,170	

* With re-export revenues included

** Including imported tea

*** Excluding re-export revenues

Schedule No. 12

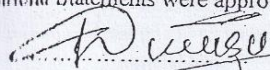
Small-holder Tea and Rubber Revitalization (STaRR) Project
Progress as at 2020/12/31

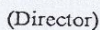
			Appl Country ications in 2020		Permits Issued in 2020		Land Preparation in 2020			Soil Rehabilitation – I in 2020			Soil Rehabilitation – II in 2020			Planting in 2020		
Regional office	Total Target	Target in 2020	No. of Applications	Extent of lands covered (Hectares)	No. of Permits	Extent of lands covered (Hectares)	No. of Farmers	Extent of lands covered (Hectares)	Amount of Subsidy paid (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 (Million Rupees)	No. of Farmers	Extent of lands covered (Hectares)	Amount of Subsidy (Million Rupees)
Galle	1100	620.79	6272	1622.73	5530	1285.89	2769	479.21	62.3	2289	384.09	19.21	1658	266.90	53.35	617	101.09	7.08
Matara	1100	273.68	7990	1745.59	7703	1589.81	5180	826.32	107.42	4352	686.90	34.35	2971	457.03	91.41	1123	170.58	11.96
Rathnapura	1300	893.20	7089	2077.11	6387	1799.17	2052	406.80	52.88	1708	336.61	16.83	1092	210.47	42.09	278	54.26	3.80
Kandy	300	149.75	2505	678.43	1965	404.32	1022	150.25	19.53	868	128.50	6.42	675	100.05	20.01	452	65.83	4.61
Nuwara Eliya	200	124.58	1657	401.76	1229	227.21	529	75.42	9.8	467	66.74	3.34	353	50.35	10.07	118	17.16	1.20
Uva	500	304.96	3025	754.82	2651	490.90	1392	195.04	25.37	1194	164.14	8.21	737	99.27	19.85	260	36.74	2.57
Total	4500	2366.97	28538	7280.429	25465	5797.314	12944	2133.03	277.3	10878	1766.97	88.36	7486	1184.07	236.78	2848	445.671	31.22

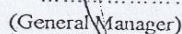
1
TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 31st December 2020

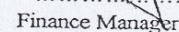
	Schedule No.		2020		Rs. 2019
ASSETS					
Current Assets					
Cash and Cash equivalents	7	263,324,365		119,885,193	
Receivables	4,5	113,276,468		123,279,515	
Inventories	3	155,190,865		68,199,157	
Prepayments	6	597,225		1,292,878	
Other Current Assets	2A	10,775,557		12,928,542	
			543,164,480		325,585,285
Non-Current Assets					
Investments (Fixed Deposit)	2		16,837,565		15,326,812
Other financial assets	2B		1,713,670		24,260,603
Property, Plant and Equipment	1	661,015,153		635,283,838	
Less Acc. Depreciation		(151,427,832)	509,587,321	(159,718,674)	475,565,165
Total Assets			1,071,303,037		840,737,864
LIABILITIES					
Current Liabilities					
Payables	8	238,557,266		218,523,960	
Accrued Expenses	9	64,819,644	303,376,911	327,806,495	546,330,456
Non-Current Liabilities					
Employee benefits (Gratuity)	10		186,226,754		183,962,946
Total Liabilities			489,603,664		730,293,401
Net Assets			581,699,372		110,444,463
NET ASSETS/EQUITY					
Capital contributed by government	01A	252,795,111		224,340,942	
Reserve Surplus	01B	186,258,451		144,650,993	
Accumulated surplus/(deficits)		94,595,225	533,648,787	(311,348,160)	57,643,775
Minority	01C		48,050,585		52,800,688
Total Net Assets / Equity			581,699,372		110,444,463

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

2					
TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY					
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER 2020					
	Schedule No.		2020		2019
Government Grant					
Development Capital			1,044,737,196		997,172,658
Recurrent			413,000,000		
Other Income					
Interest - F/D	16	3,071,389		2,100,816	
Interest - C/D		2,356,440		2,707,049	
Interest on Loan to Employees		3,559,504		3,353,792	
Miscellaneous Income		19,174,464		4,729,663	
Surplus (Deficit) in Tea Field & Mot	17	(752,329)		(2,380,901)	
Surplus (Deficit) in Nurseries	18	5,863,283		4,087,767	
Income Over Expenditure Hanthan 16A		1,004,427	34,277,178	2,156,864	16,755,049
			1,492,014,374		1,013,927,707
Development Expenditure	12				
Subsidies		(737,542,872)		(588,395,397)	
Extension		(12,272,942)		(29,072,426)	
Social Development		(2,252,347)		(7,522,099)	
Insitution Strenathering		(692,258)		(3,909,561)	
			(752,760,419)		(628,899,484)
Operating Expenses	13				
Personal Emoluments					
Salaries Allowance E.P.F, E.T.F,ect.		(295,383,630)		(305,050,696)	
O/T, H/pay		(5,799,216)		(5,750,548)	
Travelling		(5,734,521)		(9,791,654)	
Supplies and consumable used		(5,818,253)		(6,321,856)	
Maintenance		(21,205,645)		(25,053,541)	
Communication		(5,288,309)		(8,436,804)	
Rent , Rates & Electricity		(6,864,636)		(9,644,684)	
Other operating expenses		(30,641,920)		(39,983,829)	
Total operating expenses			(376,736,130)		(410,033,611)
Surplus / (Deficit) from operating activities			362,517,825		(25,005,387)
Gratuity		(18,239,059)		(45,685,332)	
Depreciation and amortization expenses		(29,586,316)		(23,782,144)	
Provisions for Bad Debt/written off debtors		6,508,128		(498,441)	
Provision of Contingency		(3,067,803)	(44,385,051)	(189,618)	(70,155,536)
Net surplus / (Deficit) before extra ordinary items			318,132,774		(95,160,923)
Deferred Income			19,558,737		16,361,087
			337,691,511		(78,799,836)
Prior year Adjustment			68,327,133		
Net surplus / (Deficit) for the period			406,018,644		(78,799,836)

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. Consolidated Financial Statements

The Consolidated Financial Statements of the Tea Small Holding Development Authority are prepared as at for the year ended 31 December 2020

2. Accounting Policies

2.1. Basis of Accounting

The Consolidated 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.

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. Revaluation for Motor Vehicles has been carried out for the year ended 31/12/2019 & 41.6 Mn revaluation surplus has been recognized.

The difference between cost & revaluation value of the motor vehicle is included in the addition for the year of FA schedule

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 10.7 Mn has been shown as at 31.12.2020.

6. 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 plant stock as at 31.12.2020 of Rs.19.6 Mn has shown under Other stock. The plant stock is valued on accumulated cost of production up to 31st December 2020

7. 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%

8. Other Receivables

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

9. Cash & Cash Equivalents

Cash & Cash equivalent includes cash in hand, Bank and Call Deposits. Cash balances as at 31.12.2020 is Rs.263.3 million.

10. Cash Flow

Cash Flow statement has been prepared using the indirect method.

11. Accounting for Funds Received

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

12. 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.

13. 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.186.2 million.

14. Taxation

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

15. Contingent Liability

A contingent liability of approximately Rs.5.6 million exists in respect of L.T. & court cases.

16. Capital Grant

Funds received from 1981 to 2014 for IRDP, SHTDP, TDP, Other Projects and treasury grant had been amortized. Accordingly Rs19.5 million had been accounted as deferred income and remaining balances have been brought forward to amortize for future years.

17. Action plan for the year has been prepared align with the national requirements of replanting etc.

18. 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. The difference between sales & loan has been recognized to P&L as an other income.

19. Balance amount of Flood relief incentives & government fertilizer has been utilized for subsidy payments & necessary ledger entries have not been passed. Therefore balance has been recognized to P& L for the year 2020 as a prior year adjustment.

20. 14.2 Mn Unclaimed cheques related to soil conservation project have been recognized to P&L as an income. We are seeking Board of Directors' approval to utilize those funds to subsidy payments to tea small holders.

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY		
CASH FLOW STATEMENT FOR YEAR ENDED 31st DECEMBER , 2020		
Cash Flow from Operating Activities	2020	2019
Surplus/(deficit) from ordinary activities	337,691,511	(78,799,836)
Non-cash movements		
Deferred Income	(19,558,737)	(16,361,087)
Depreciation	29,586,316	23,782,144
Provision For Gratuity	18,239,059	45,685,332
Gratuity Paid	(15,975,251)	(23,030,630)
Increase/decrease in provision for doubtful debts	(6,508,128)	498,441
Contingency Payment	(157,783)	(2,018,853)
Provision of Contingency	3,067,803	189,618
Interest Income	(8,987,333)	(4,807,865)
Increase /decrease in payables	(177,469,606)	46,846,931
Revaluation Loss		
(Gains)/losses on sale of property, plant and equipment	(18,489)	(143,868)
Increase /decrease in other assets	23,189,164	54,627,557
Increase /decrease in receivables	19,533,660	(2,228,677)
Increase /decrease in Inventory Item	(86,991,709)	(25,791,157)
Net cash flows operating activities	115,640,477	18,448,051
Cash flows from investing activities		
Purchase of plant and equipment	(24,398,723)	(121,894,766)
Proceeds from sale of plant and equipment / Cost Dispos	2,340,937	368,790
Net cash flows investing activities	(22,057,786)	(121,525,976)
Cash flow from financing activities		
Interest received	6,593,676	6,983,732
Government Grant for Development Ex.		-
Capital Grants		
Revaluation Surplus		
Government Contribution	43,262,804	98,928,342
Net Cash flow from financing activities	49,856,479	105,912,074
Net increase/(decrease) in cash and cash equivalents	143,439,171	2,834,149
Cash and cash equivalents at beginning of period	119,885,193	117,051,000
Cash and cash equivalents at end of period	263,324,364	119,885,149

Annual Report

Tea Small Holdings Development Authority					
Statement of Changes in Net Assets/Equity					
for the Year Ended 31/12/2020					
Description	Attributable To Owners of the Controlling Entity				Total Net Assets/Equity
	Contributed Capital	Other Reserves	Revaluation Reserves	Accumulated Surpluses (Deficits)	
Balance as at 31/12/2019	224,340,942	52,800,688	144,650,993	(311,423,419)	110,369,204
Surplus/(Deficit) for the year				337,691,511	337,691,511
Prior year adjustments				68,327,133	68,327,133
Gain on property revaluation			41,607,458		41,607,458
Government Grant for the year	43,262,804				43,262,804
Deferred Income for the year	(14,808,635)	(4,750,103)			(19,558,738)
Balance as at 31/12/2020	252,795,111	48,050,585	186,258,451	94,595,225	581,699,372

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY						
NOTES TO THE FINANCIAL STATEMENTS						
Year Ended 31st December 2020						
NOTE 01						
PROPERTY PLANT & EQUIPMENT 2020						
DESCRIPTION	COST AS AT	ADDITIONS	Transfer	Transfer	TRANSFER /	Rs.
	01.01.20	FOR THE YEAR	In	Out	DISPOSAL	31.12.20
Land	74,421,745.39	-	-	-	-	74,421,745.39
Buildings	379,090,273.52	17,249,137.71	-	-	2,001,759.69	394,337,651.54
Motor Vehicles	71,706,685.22	5,574,597.78	27,019,426.22	27,019,426.22	128,008.00	77,153,275.00
Project Motor Vehicle	17,950,685.00	-	-	-	-	17,950,685.00
Furniture Fittings & Office	56,204,866.27	2,461,870.67	3,948,651.95	3,948,651.95	399,551.90	58,267,185.04
Computer	31,620,124.07	3,260,180.00	313,900.00	313,900.00	285,152.00	34,595,152.07
Plant & Machinery	4,289,459.00	-	-	-	-	4,289,459.00
Total	635,283,838.47	28,545,786.16	31,281,978.17	31,281,978.17	2,814,471.59	661,015,153.04
DEPRECIATION						
DESCRIPTION	DEPRECIATION	DEPRECIATION	Transfer	Transfer	TRANSFER /	Rs.
	AS AT 01.01.20	FOR THE YEAR	In	Out	DISPOSAL	ACCUMULATE D DEPRECIATION
Land	197,511.64	10,293.34	-	-	-	207,804.98
Buildings	54,105,271.39	6,935,619.01	-	-	-	61,040,890.40
Motor Vehicles	65,291,326.78	10,727,805.00	23,334,782.56	23,334,782.56	37,576,273.11	38,442,858.67
Project Motor Vehicle	14,834,905.00	800,950.00	-	-	-	15,635,855.00
Furniture Fittings & Office	12,728,486.75	5,772,980.38	1,722,582.57	1,650,539.40	94,816.36	18,478,693.94
Computer	10,490,138.20	4,949,830.12	77,768.49	77,768.50	278,112.00	15,161,856.32
Plant & Machinery	2,071,033.68	388,838.63	-	-	-	2,459,872.31
Total	159,718,673.44	29,586,316.48	25,135,133.62	25,063,090.46	37,949,201.47	151,427,831.62
						509,587,321.42

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY	
NOTES TO THE FINANCIAL STATEMENTS	
Year Ended 31st December 2020	
NOTES	
	(Rs.)
Description	Total
Fixed Deposit - Gratuity	16,837,565
	16,837,565
OTHER FINANCIAL ASSETS No 02A	
Work in Progress	
Staggered Cost	10,775,557
	10,775,557
OTHER CURRENT ASSETS No 02B	
WIP Civil Works	1,713,670
	1,713,670
SCHEDULE NO. 03 :STOCK -2020	
Description	Total
Plants Stocks	19,607,055
Stationary	4,336,157
Sundry Stocks	16,599,195
Tea	386,933
Fertilizer	92,800
Basamid/Methum sodiam/glyfoset	749,777
Polythene	1,679,201
Sprayers	2,538,529
Nursery Equipment	374,252
Rural Development Project stock	7,268,460
Scales	31,575
Plucking Seizers/Basket	169,334
Aid Package	5,368,508
Tyre & Tube	51,746
Training Equipments	84,561
Forks	7,709,983
Other Stocks-Water Motors	88,142,801
Total	155,190,865

SCHEDULE NO 04. : DEBTORS -2020	
Description	Total
Staff Debtors	183,105
Staff Debtors-Tea	49,624
Telephone	7,852
Starr Debtors	1,157,273
Colour Separator	5,916,590
Sundry Debtors	573,353
Tea Shakthi Fund - Fertilizer	1,941,774
T.R.I	1,943,453
N.I.P.M	149,953
T.S.H.S.- Fertilizer	4,013,851
- Sprayers	348,348
- Scales	31,500
Input Debtors VP Plants	2,957,848
Input Debtors Polythine	4,088,312
Input Debtors Shoots	141,568
Input Debtors Basamid	24,349
Input Debtor plucking seciers	180
Debtor TSHDA	727,940
Maknikdevela Tea Factory	57,240
Ministry of Media/Land	665,316
Compot Debtors	379,160
Input Nursary	265,826
Sub Total	25,624,414

SCHEDULE NO. 05 : RECEIVABLES/ADVANCES		Rs.
Description		Total
LOAN AND ADVANCES		
Distress Loan		36,643,325
Debt Relief Loan		14,654
Housing Loan		47,177,990
Motor Cycle Loan		130,370
Motor Cycle Loan TI		5,661,129
Special Salary Advance		923,556
Festival Advance		283,725
Sundry Advance		279,912
Salary Advance		32,000
T.R.I		2,519,549
Advance (ADB/IRDP)		136,854
Deer Wood Tea Factory		50,551
Batalanda Tea Factory		269,321
Total		94,122,936
DEPOSITS AND ADVANCES		
Fuel		455,000
Electricity		1,755
Telephone		27,650
Gas Cylinders		12,100
Other Advance		238,064
Total		734,569

Description	Total
OTHER BALANCES	
Interest Receivable	4,922,149
Fund Transfer	106,360
STaRR Project	1,130,212
Death Society	494,967
Hary Dakma	31,000
Sundry Deductions	564,835
T.S.H.S. - Ginimellagaha	260,000
T.S.H.S. Dev. Fund	53,426
Dolomite Incentive.	290,930
Retention payable	31,295
AGA Mathugama	26,900
Regional Organization	12,463
Walahanduwa tea factoty	50,750
Regional office	27,209
Good in Transit	118,470
Miscellaneous	737,557
	8,858,522
Total	129,340,442
SCHEDULE NO. 06 : PRE-PAYMENTS - 2020	
Description	Total
Equip. Maintance	19,107
Insurance	505,071
Postal Franking Machine	73,047
Grand Total	597,225
SCHEDULE NO. 07 :CASH AND BANK BALANCES -2020	
Description	Total
Cash Iin Transit	
Cash in Hand & at Bank	167,148,163
Deposits	96,176,202
Total	263,324,365
Grand Total	577,779,689

SCHEDULE NO. 07A : - BAD DEBTS 2020	
Description	Total
Provision for Bad Debts	16,063,974
Total	16,063,974
TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY	
	(Rs.)
SCHEDULE NO. 08 : PAYABLES - 2020	
Description	Total
CREDITORS	
Sundry Creditors	5,153,529.41
Creditors	10,636,409.57
Lanka Fertilizer Company Ltd	12,098.00
C.I.C. Fertilizer Company Ltd.	15,090.00
Tea Shakthi Fertilizer	1,273,876.73
Sirisiliya Tea Factory	188,277.50
Dolomite company	78,135.17
Hantana Training center	266,382.04
Nuwaraeliya r/o	290,838.50
Mavarela Tea Factory	78,927.32
Plant Creditors	761,214.00
Plythene	416,230.00
Construction	13,760,657.67
Greenforce Agriculture Comp.	7,377,661.05
Sub Total	40,309,326.96
DEPOSITS PAYABLE	
Deposits for Fertilizer	464,046.55
Deposits for VP Plants	1,351,244.18
Tender Deposits	1,669,906.19
Hanthana Lease Deposit	
Other Deposits	492,190.98
Other	
Sub Total	3,977,387.90

	Rs.
	Total
OTHER PROVISIONS	
Travelling & Subsistence	262,830.63
Contingency	5,610,020.00
Allowance tea	56,500.00
Telephone	64,500.00
Motor Cycle Maintain TI/EO	105,000.00
Vehicle Maintance	54,770.00
Rent Rate & Taxes	150,000.00
Computer Maintainance	31,500.00
Holiday Payments/Over Time	150,999.50
Medical	528,470.00
New papers	1,260.00
Extention	157,750.00
Electricity & Water	15,300.00
Security	175,000.00
Postage	104,200.00
Farmer training	37,500.00
Sub Total	7,505,600.13

SCHEDULE NO. 08 : PAYABLES - 2015	
Description	Total
OTHER BALANCES	
Retention Payable	197,209.15
Unclaimed Cheques	4,782,420.42
Unions	5,918.00
Regional society	17,550.00
Fertilizer Insentive	67,032.10
Tea Shakthi	101,300.00
T.S. Welfare Insurance	1,016,550.04
National Budget	144,920.00
STaRR Project	490,797.88
Divinaguma	3,196,085.82
Soil Canservation	13,812,613.80
Fertilizer Project	5,979,476.83
IFAD Project	132,139.90
Flood Incentive	9,605,310.50
Glyposet	13,653,289.99
FAO Project	13,684.33
Tea Nursery 500 Project	45,123,008.80
Water motors	87,266,939.16
TRI mother bush	203,143.75
Other	932,506.96
Distress loan payable	23,053.95
Sub Total	186,764,951.38
Total	238,557,266.37

SCHEDULE NO. 09 : ACCRUED EXPENDITURE -2020	
Description	Total
Annual Trip	50,000.00
Union	7,904.00
EPF & ETF	6,807,242.06
Electricity	172,691.95
Maintenance of Computer	91,682.00
Rates & Taxes	329,885.77
Fuel	479,837.49
Holiday Payments	149,814.31
Medical Care	870,906.97
Motor Cycle Maintenance	154,700.00
News Paper	28,580.00
Welfare	22,000.00
Office Equipment Maintenance	140,865.50
Overtime	621,505.52
Postage	6,617.24
Rent	104,858.00
Salaries / Wages	1,272,981.90
Security	576,788.38
Allowance Tea	38,000.00
Building Cleaning / Maintenance	184,465.00
Free Cup Of Tea	4,901.88
Telephone	405,613.78
Transport Charges	9,750.00
Travelling & Subsistence	1,133,084.35
Overseas Expenses	317,231.76
Uniforms & Boots	65,800.00
Stationery	11,917.71
Insurance	200,200.00
Incidental expenditure	510,237.00
Water	27,644.08
Vehicle Maintenance	130,100.00
Stamp Duty	150,158.00
Re Planting Subsidy	17,140,012.10
New Planting Subsidy	9,905,789.00
Crop Rehabilitation	15,778,630.00
Special Infilling	1,907,050.00
Audit Fees	3,004,800.00
Extension Program	81,149.81
Operational Leasing	801,498.00
Dolomite subsidy	92,160.00
Sundry	9,000.00
Nursary & Mother Bush	897,310.82
Tyre & tubes	124,280.00
Total	64,819,644.38

SCHEDULE NO 10 PROVISIONS - 2020	
	Rs.
Description	Total
Gratuity	186,226,753.74
	186,226,753.74
GRAND TOTAL	489,603,664.49

My No: PLA/B/TSHDA/01/20/09

Date: 15 October 2021

Chairman,
Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2020 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
02. Secretary, Ministry of Finance

NATIONAL AUDIT OFFICE

My No: PLA/B/TSHDA/01/20/09

Date: 15 October 2021

Chairman,
Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2020 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 on 31 December 2020 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 on 31 December 2020, 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 of 31 December 2020 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 Paragraph 129 (c) of Sri Lanka Public Sector Accounting Standard 01, even though the subordinate details for the items submitted in the front of the Financial Quality Statement, the Financial Performance Statement, the Statement of change in the caulescent and the Cash Flow Statement should be revealed in the order that each

statement & each linear item were submitted in a way that it helps in understanding & comparing the Financial Statements, corresponding actions had not been taken.

- (b) The cost of 1,147,100 Rupees of the office equipment including a generator of the head office being further used and fully depreciated had not been disclosed in the financial statements in terms of Paragraph 92 (b) of Sri Lanka Public Sector Accounting Standard 07 whilst no actions had been taken to indicate the estimated defect regarding these assets in the financial statements after amending in terms of Sri Lanka Public Sector Accounting Standard 03.
- (c) In terms of Paragraph 49 of Sri Lanka Public Sector Accounting Standard 07, in revaluation of property, plant and equipment elements, as the level of total assets on which those assets belong to should be revaluated, the furniture fixtures & office equipment of Galle Regional Office and from 36 vehicles owned by the Authority, only 18 vehicles had been revaluated. Furthermore, the lands of the Authority stated in the financial statements valued at 38,815,350 Rupees had not been revaluated after 31 December 2005. Therefore, it was examined that the reasonable value of these lands with a huge increase in prices are represented in financial statements.
- (d) Even though, the Authority annually receives aids & grants from the Treasury and other government institutions, the corresponding accounting standard related to account those aids & grants had not been disclosed in financial statements including the conditions of the provision of those aids & grants. The value of the aids & grants received by the Authority only within the year under review was 1,088 million Rupees.
- (e) By defectively compensating the amount of 6,664,321 Rupees of balance receivable up until the year 2019 for outstanding loan installments of 102 vehicles provided under 1998 lease basis for Tea Small Holdings Development Societies that was cut-off of books without the approval of the Treasury to the amount of 9,207,958 Rupees received through selling 23 vehicles, but that should be remitted to the Treasury, a balance of 2,491,162 Rupees had been transferred to the sundry revenues account. Accordingly, in the year under review, the revenue in financial statements was indicated with that amount over valued.

- (f) In the year under review, the amount of 1,302,679 Rupees of income tax liabilities that should be paid on the amount of 5,427,829 Rupees of interest income had not been disclosed in the financial statements.
- (g) Even though, a balance of 46,991,673 Rupees from the amount given as subsidies for the damage caused on tea small holdings due to the flood disaster happened in the year 2017 and a balance of 21,335,907 Rupees from the amount given to the Authority to be paid as subsidies to the farmers under the Tea fertilizer project in the year 2016 should be re-remitted to the Treasury, adjustments had been made as the previous year adjustments to the accumulated surplus without indicating it as a liability in the financial statements.
- (h) Even though, when comparing related to 4 subjects, a discrepancy of an amount of 926,505 Rupees was examined in the values indicated in the financial statement of the head office and the financial statements of the corresponding regional offices, no actions had been taken on the adjustments of the financial statements comparing those discrepancies.

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. Other Details included in the 2020 Annual Report of the Authority

The details gathered by me before the date of this audit report were included in the 2020 Annual Report of the Authority, but the financial statements and the related details those which are not included in my audit report, are represented by the term, other details. The Management holds the responsibility of these other details.

My opinions regarding the financial statements do not cover other details and I do not express any kind of a certification or an opinion regarding that.

My responsibility regarding my audit on the financial statements is to read other details as identified above when it is possible to gather them and to examine whether other details are not quantitatively compatible with the financial statements in accordance with my knowledge gained through auditing or other means.

Based on other details gathered by me before the date of this audit report and based on the tasks performed by me, if I conclude that these other details are quantitatively misrepresented, that point is needed to be reported by me. I have nothing to report regarding this.

1.4. The Responsibility of the Management and the Governing Parties for the Financial Statements

The 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, the 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.

1.5. 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 audit 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, its material status depends on the impact on economic decisions taken by the users based on these financial statements.

The audit has been conducted by me, considering Professional Judgment and Professional Skepticism as a section of the audit due in accordance with the Sri Lanka Auditing Standards. Furthermore,

- In procuring a basis for the published audit opinion, opportunistic appropriate audit procedures were scheduled and implemented to identify and to verify 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 caused by misrepresentation, as a fraud may result from collusion, forgery, intentional omissions, and misrepresentations or from disregarding internal control.
- Even though, it is not for the intention of stating an opinion on the efficacy of the internal control, an understanding on the internal control of the Authority over the preparation of opportunistic appropriate audit procedures has been taken.
- The compatibility of accounting policies & the impartiality of accounting estimates applied, and the 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 associated transactions & incidents based for the structure & the content of the financial statements that had been appropriately & impartially included in financial statements and the overall presentation of financial statements with disclosures were evaluated.

I would inform the Governing Parties about the significant audit findings, principal deficiencies in internal control and other matters identified during my audit.

2. Report on Other Legal and Regulatory Requirements

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

2.1.1. In accordance with the requirements 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 institute had maintained appropriate financial reports.

2.1.2. In accordance with the requirement mention in Section 06 (1) (d) (III) of the National Audit Act, No. 19 of 2018, the financial statements of the institute are compatible with the previous year.

2.1.3. 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 Paragraphs of 1.2 (c), 1.2 (e), 2.2.2 (b), 3(b) of this report, the recommendations I presented in the previous year are included in the submitted financial statements.

2.2. 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.

2.2.1. 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 Authority is related & gone beyond the usual business circumstances.

2.2.2. In accordance with the requirement 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 not complied with any written law, or other general or specific directives issued by the Management Board of the Authority.

Reference to Rules/Directives	Observations
(a) Financial Regulations of the Government of the Democratic Socialist Republic of Sri Lanka (i) F.R 681	In instances where advertising through television is considered to be diametrically essential, even if the advertising should be performed after obtaining the pre-approval from the Secretary of the related Ministry, in the year 2019, an amount of 1,741,880 Rupees had been spent on advertising that had been done through television without any pre-approval.
(ii) F.R 682	Even though, the publication of newspaper leaflets & advertisements demonstrating people engaged in politics & political parties are forbidden for the heads of the institution, no actions had been taken regarding the payment of 632,475 Rupees done to Wijaya Newspapers Private Limited in the year under review for a newspaper advertisement published on 08 September 2019.
(iii) F.R 880 (i)	Even though, the officials administratively responsible for the acceptance & in charge of cash, revenues, stamps, or cargo of the government, or for the distribution or the issuance of cash of the government, those who are certifying vouchers related to the government account and signing checks,

	should be bailed in accordance with the Bail ordinance of the government officials, only the cashier of the head office had been bailed in accordance with monetary regulations.
(b) No. PED/12 & 02 June 2003 of Public Enterprises Circular and Section 11 of Finance Act No.38 of 1971	Even though, as of 31 December 2020, an amount of 113,013,766 Rupees 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.
(c) No. PED/1 2015 & Paragraph 3.2.2 of Public Enterprises Circular of 25 May 2015	Even though, the additional cost of fuel incurred after obtaining the approval of the Director board could be reimburse in special instances where the monthly fuel allowance is inadequate; in accordance with the procedures, the corresponding approval had not been obtained by the General Manager of the Authority though an amount of 303,041 Rupees in the year under review & an amount of 86,550 Rupees in the month of March 2021 had been reimburse.
(d) Paragraph 7 of the Income Tax Act, No. 24 of 2017	No actions had been taken on paying income tax to the Inland Income Tax Department based on the annual interest income.

2.2.3. 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 powers, duties, and functions of the Authority.

2.2.4. In accordance with the requirement mention in Section 12 (h) of the National Audit Act, No. 19 of 2018; the resources of the Authority had not been procured & utilized in frugality, efficiently and productively in compliance with the related rules, within time periods.

3. Other Information

- (a) It was observed in the audit that the total of 3,109,378 Rupees of the interest incomes receivable up until the end of the year under review for the seven-day calling deposits of the head office valued 24,690,000 Rupees exists without investing. Furthermore, it was observed in the audit that these seven-day calling deposits indicated under cash & cash equivalents range from 365 days to a long period of 2,949 days.
- (b) The amount of 5,916,589 Rupees given as loans to four private factories through the program of the distribution of color separators to the tea factories in the year 1998 was unable to be charged even by the end of the year under review since the year 2016.
- (c) From the amount of 13,812,613 Rupees left from the subsidy allowance given by the head office to farmers for soil conservation in the regions of the Regional Offices in Nuwara Eliya, Rathnapura and Kegalle had been retained in the accounts until the end of the year under review without remitting to the Treasury.
- (d) Even though, the subsidies given for the development of the tea cultivation targeted at increasing the contribution of the tea small holders with less than 10 acres had increased by 25% compared to the previous year, it was observed that the production of the tea small holdings sector had declined by 8.8% and accordingly, the contribution to the national production had also declined from 75% to 73.85%.
- (e) Even though, in accordance with the national policy, tea replanting should be performed in 2,300 hectares or 2% per year in order to constantly maintain the extent of tea planting lands with a maximum productivity, in the year under review, from the targeted extent of lands of 800 hectares for tea replanting, the extent of lands on which tea replanting was performed was 648 hectares only.
- (f) In accordance with the 2020 Annual Report of the Authority, even though, from the year 2012 to the year 2018, the subsidies were being paid on 7,077 hectares for the first installment of land preparation under the Tea Replanting Subsidy Scheme, the extent of lands on which tea replanting was performed was 5,244 hectares only.
- (g) In the year 2019, even though, the procurement had been provided to a private company to purchase 4,924 metric tons of organic fertilizer, since the provided fertilizer did not meet the requirement, the procurement had been discontinued within that year. Even so, in the

year under review, an amount of 7,377,661 Rupees had been accounted to be paid to the above company and no evidence had been gathered to affirm the accuracy of the provided extent of fertilizer.

- (h) In accordance with the Annual Report, in the year under review, a percentage of 51% had been acquired from the annual target of the production of vegetative propagated shoots through mother bush cultivations and in the mother bush cultivations located in the regional offices in Galle, Matara, Nuwara Eliya, Kalutara & Hanthana, the expenditure had exceeded the income.
- (i) Even though, it was emphasized in the set of instructions given for the management of tea nurseries that at least the cost of production should be covered in the institutional tea nurseries maintained by the Authority, the income of the tea nurseries in Mawarala & Nelligolla had not been sufficient to cover the cost. Furthermore, though the mortality rate of the tea plants in tea nurseries should be maintained at a level of 5%, as of 31 December 2020, the percentage of the destruction of plants was in between 19% and 70%.
- (j) In the year under review, the Special Project of 500 Nurseries on generating special tea plants nurseries of 25 million tea plants had been implemented to satisfy the annual requirement of the vegetative propagated tea plants needed for the tea industry and from the amount of 75 million Rupees received from the funds of Sri Lanka Tea Board, an amount of 29.75 million Rupees was spent on the provision of subsidies to the tea small holders for a capacity of 17,675,000 plants. Even so, it was observed that at the end of the year under review, from the funds received, an amount of 45 million Rupees or 60% had been remained in the Authority.
- (k) At the end of the year under review, the position of Assistant Manager (Human Resources/ Administration) was vacant since 31 May 2019 and it was unable to fill that position though two years had passed, and 04 positions of Regional Managers were vacant in 04 Regional offices from the total of 08 Regional offices. Furthermore, no actions had been taken to fill 17 vacancies of Tea Inspection/Extension Officers as of 31 December 2020 and though the ratio of tea farmer & Tea Inspection/Extension Officers should be 1:1000 for a productive extension service, it was observed that its was 1:2807 by the end of the year under review.

- (l) In order to encourage on the appropriate performance of accurate agricultural procedures in tea small holdings in accordance with the 2018 Annual Budget proposals, an amount of 250 million Rupees had been received on a cabinet approval for the distribution of essential agricultural equipment to the tea small holders, and at the end of the year under review, 13,650 units of agricultural equipment such as hand forks, hoes, crowbars, water motors & liquid sprayers valued at 94,408,739 Rupees were stored at the head office & the Regional offices due to the purchase of equipment beyond the requirements & due to the lack of a specific procedure for distribution .

Sgd. Illegibly
W. P. C Wickramrathne
Auditor General